

**State Coordination of Regional and Local  
Economic Development Projects Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Calvin Roberts**

Senate Sponsor:

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**LONG TITLE**

**General Description:**

This bill addresses local and regional economic development projects.

**Highlighted Provisions:**

This bill:

- establishes the State Reinvestment Restricted Account (account);
- directs the Utah Inland Port Authority to deposit certain revenues into the account;
- modifies certain requirements for a public infrastructure district;
- provides a process for the dissolution of a public infrastructure district;
- requires the disclosure of the expected expected annual cost of a public infrastructure district's final tax rate, as shown on the last equalized assessment rolls, in the conveyance of residential real property, if applicable;
- requires the State Tax Commission to deposit revenue, in certain circumstances, into the account;
- 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;
- authorizes a zone to capture and utilize certain forms of tax increment;
- authorizes a county to levy an energy tax within a zone, under certain circumstances;
- 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;
- describes the circumstances in which an agency shall transfer a percentage of zone revenue into the account;
- 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;
- 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;

- 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;
- modifies the prohibition on local government offering a financial incentive for an energy development project outside an electrical energy development zone; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

**AMENDS:**

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

**11-58-102**, as last amended by Laws of Utah 2024, Chapters 53, 438 and 535

**11-58-602**, as last amended by Laws of Utah 2025, Chapter 459

**17-80-501**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

**17B-2a-1302**, as enacted by Laws of Utah 2024, Chapter 388

**17C-1-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16

**17C-1-603**, as last amended by Laws of Utah 2025, Chapter 480

**17D-4-201**, as last amended by Laws of Utah 2025, Chapter 347

**17D-4-202**, as last amended by Laws of Utah 2025, Chapter 347

**17D-4-202.1**, as enacted by Laws of Utah 2025, Chapter 29

**17D-4-203**, as last amended by Laws of Utah 2025, Chapter 498

**17D-4-204**, as last amended by Laws of Utah 2025, Chapter 347

**59-1-306**, as last amended by Laws of Utah 2025, Chapter 258

**59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**59-12-205**, as last amended by Laws of Utah 2025, Chapters 490, 495

**63N-3-604**, as last amended by Laws of Utah 2025, Chapter 29

**63N-3-605**, as last amended by Laws of Utah 2025, Chapter 29

**63N-3-1603**, as enacted by Laws of Utah 2024, Chapter 537

**79-6-1104**, as enacted by Laws of Utah 2025, Chapter 375

64        ENACTS:

65            **11-58-607**, Utah Code Annotated 1953

66            **17-78-1201**, Utah Code Annotated 1953

67            **17C-6-101**, Utah Code Annotated 1953

68            **17C-6-102**, Utah Code Annotated 1953

69            **17C-6-201**, Utah Code Annotated 1953

70            **17C-6-202**, Utah Code Annotated 1953

71            **17C-6-203**, Utah Code Annotated 1953

72            **17C-6-301**, Utah Code Annotated 1953

73            **17C-6-401**, Utah Code Annotated 1953

74            **17C-6-402**, Utah Code Annotated 1953

75            **17C-6-403**, Utah Code Annotated 1953

76            **17C-6-404**, Utah Code Annotated 1953

77            **17D-4-401**, Utah Code Annotated 1953

78            **51-9-1001**, Utah Code Annotated 1953

79            **57-1-49**, Utah Code Annotated 1953

80            **63N-3a-101**, Utah Code Annotated 1953

81            **63N-3a-102**, Utah Code Annotated 1953

82            **63N-3a-103**, Utah Code Annotated 1953

83            **63N-3a-104**, Utah Code Annotated 1953

84            **63N-3a-105**, Utah Code Annotated 1953

85            **63N-3a-201**, Utah Code Annotated 1953

86            **63N-3a-202**, Utah Code Annotated 1953

87            **63N-3a-203**, Utah Code Annotated 1953

88            **63N-3a-204**, Utah Code Annotated 1953

89            **63N-3a-205**, Utah Code Annotated 1953

90            **63N-3a-206**, Utah Code Annotated 1953

91            **63N-3a-207**, Utah Code Annotated 1953

92            **63N-3a-208**, Utah Code Annotated 1953

93            **63N-3a-209**, Utah Code Annotated 1953

94            **63N-3a-301**, Utah Code Annotated 1953

95            **63N-3a-302**, Utah Code Annotated 1953

96            **63N-3a-303**, Utah Code Annotated 1953

97            **63N-3a-304**, Utah Code Annotated 1953

63N-3a-401, Utah Code Annotated 1953

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

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

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

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

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

- (1) Subject to the requirements of Sections 10-21-502 and 10-21-503, a municipality may create a home ownership promotion zone[-] :
- (a) before January 1, 2028; and
- (b) as described in this section.
- (2) A home ownership promotion zone created under this section:
- (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;
- (b) shall be re-zoned for at least six housing units per acre; and
- (c) may not be encumbered by any residential building permits as of the day on which the home ownership promotion zone is created.
- (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:
- (i) the recommendation of the municipality planning commission; and
- (ii) the notification requirements described in Section 10-21-503.
- (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.
- (c) The home ownership promotion zone is created on the effective date of the resolution described in Subsection (3)(a).
- (4) If a home ownership promotion zone is created as described in this section:
- (a) affected local taxing entities are required to participate according to the requirements of the home ownership promotion zone established by the municipality; and
- (b) each affected taxing entity is required to participate at the same rate.
- (5) A home ownership promotion zone may be modified by the same manner it is created as described in Subsection (3).

- (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:
- (a) record with the recorder of the county in which the home ownership promotion zone is located a document containing:
    - (i) a description of the land within the home ownership promotion zone; and
    - (ii) the date of creation of the home ownership promotion zone;
  - (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
  - (c) transmit a map and description of the land within the home ownership promotion zone to:
    - (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the home ownership promotion zone is located;
    - (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;
    - (iii) the legislative body or governing board of each taxing entity impacted by the home ownership promotion zone;
    - (iv) the tax commission; and
    - (v) the State Board of Education.
- (7) A municipality may receive tax increment and use home ownership promotion zone funds as described in Section 10-21-504.
- (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 **11-58-102** is amended to read:
- 11-58-102 . Definitions.**
- As used in this chapter:
- (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.
  - (2) "Authority jurisdictional land" means land within the authority boundary delineated:
    - (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special Session; and
    - (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
  - (3) "Base taxable value" means:

- 166 (a)(i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the  
167 authority jurisdictional land, the taxable value of authority jurisdictional land in  
168 calendar year 2018; and
- 169 (ii) for an area described in Section 11-58-600.7, the taxable value of that area in  
170 calendar year 2017; or
- 171 (b) for a project area that consists of land outside the authority jurisdictional land, the  
172 taxable value of property within any portion of a project area, as designated by board  
173 resolution, from which the property tax differential will be collected, as shown upon  
174 the assessment roll last equalized before the year in which the authority adopts a  
175 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  
178 development of the authority jurisdictional land to achieve the goals and objectives  
179 described in Subsection 11-58-203(1), including the development and establishment of  
180 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  
184 substances, as defined in Section 19-6-302, or landfill material on, in, or under the  
185 land.
- 186 (7) "Development" means:
- 187 (a) the demolition, construction, reconstruction, modification, expansion, or  
188 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,  
189 recreational amenity, or other facility, including public infrastructure and  
190 improvements; and
- 191 (b) the planning of, arranging for, or participation in any of the activities listed in  
192 Subsection (7)(a).
- 193 (8) "Development project" means a project for the development of land within a project  
194 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  
198 facility.
- 199 (10) "Inland port" means one or more sites that:

- (a) contain multimodal facilities, intermodal facilities, or other facilities that:
- (i) are related but may be separately owned and managed; and
  - (ii) together are intended to:
    - (A) allow global trade to be processed and altered by value-added services as goods move through the supply chain;
    - (B) provide a regional merging point for transportation modes for the distribution of goods to and from ports and other locations in other regions;
    - (C) provide cargo-handling services to allow freight consolidation and distribution, temporary storage, customs clearance, and connection between transport modes; and
    - (D) provide international logistics and distribution services, including freight forwarding, customs brokerage, integrated logistics, and information systems; and
- (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.

(11) "Inland port use" means a use of land:

- (a) for an inland port;
- (b) that directly implements or furthers the purposes of an inland port, as stated in Subsection (10);
- (c) that complements or supports the purposes of an inland port, as stated in Subsection (10); or
- (d) that depends upon the presence of the inland port for the viability of the use.

(12) "Intermodal facility" means a facility for transferring containerized cargo between rail, truck, air, or other transportation modes.

(13) "Landfill material" means garbage, waste, debris, or other materials disposed of or placed in a landfill.

(14) "Multimodal facility" means a hub or other facility for trade combining any combination of rail, trucking, air cargo, and other transportation services.

(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.

(16) "Project area" means:

- (a) the authority jurisdictional land, subject to Section 11-58-605; or

(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.

(17) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area.

(18) "Project area plan" means a written plan that, after its effective date, guides and controls the development within a project area.

(19) "Property tax" includes a privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.

(20) "Property tax differential":

(a) means the difference between:

(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

(ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property; and

(b) does not include property tax revenue from:

(i) a county additional property tax or multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602;

(ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330; or

(iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general obligation bond.

(21) "Public entity" means:

(a) the state, including each department, division, or other agency of the state; or

(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.

(22)(a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or buildings that:

(i)(A) benefit the public and are owned by a public entity or a utility; or

(B) benefit the public and are publicly maintained or operated by a public entity; or

(ii)(A) are privately owned;

(B) benefit the public;



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

302     ~~[(28)]~~ (29) "Taxable value" means the value of property as shown on the last equalized  
303     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  
307         17D, Chapter 4, Public Infrastructure District Act.

308     ~~[(30)]~~ (31) "Voting member" means an individual appointed or designated as a member of  
309     the board under Subsection 11-58-302(2).

310     Section 3. Section **11-58-602** is amended to read:

311     **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  
313     receives from the state, money the authority receives under Subsection  
314     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  
317         the authority;  
318         (iii) to pay for, including financing or refinancing, all or part of the development of  
319         land within or adjacent to a project area, including assisting the ongoing operation  
320         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  
322         improvements within the project area from which the property tax differential  
323         funds were collected;  
324         (v) to pay the cost of the installation of public infrastructure and improvements  
325         outside a project area if the board determines by resolution that the infrastructure  
326         and improvements are of benefit to the project area;  
327         (vi) to pay to a community reinvestment agency for affordable housing, as provided  
328         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  
331         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  
334                 development and land outside the boundary of the authority jurisdictional land;  
335         and

- 336 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development  
337 that:
- 338 (A) mitigates noise, air pollution, light pollution, surface and groundwater  
339 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  
343 standards that a landowner is required to meet to qualify for the use of property  
344 tax differential under Subsection (1)(a)(ix) in the landowner's development.
- 345 (B) Minimum mitigation and environmental standards established under  
346 Subsection (1)(b)(i)(A) shall include a standard prohibiting the use of property  
347 tax differential as a business recruitment incentive, as defined in Section  
348 11-58-603, for new commercial or industrial development or an expansion of  
349 existing commercial or industrial development within the authority  
350 jurisdictional land if the new or expanded development will consume on an  
351 annual basis more than 200,000 gallons of potable water per day.
- 352 (ii) In establishing minimum mitigation and environmental standards, the authority  
353 shall consult with:
- 354 (A) the municipality in which the development is expected to occur, for  
355 development expected to occur within a municipality; or
- 356 (B) the county in whose unincorporated area the development is expected to  
357 occur, for development expected to occur within the unincorporated area of a  
358 county.
- 359 (iii) The authority may not use property tax differential under Subsection (1)(a)(viii)  
360 for a landowner's development in a project area unless the minimum mitigation  
361 and environmental standards are followed with respect to that landowner's  
362 development.
- 363 (2) The authority may use revenue generated from the operation of public infrastructure  
364 operated by the authority or improvements, including an intermodal facility, operated by  
365 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  
368 expenses.
- 369 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the

project area is final.

(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.

(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.

(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:

(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

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

(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.

(7)(a) For a project area adopted on or after July 1, 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.

(b) In coordination with the authority, a municipality that is participating in a project area adopted before July 1, 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.

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

Section 4. Section **11-58-607** is enacted to read:

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

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

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

(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

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

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

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

(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.

(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.

Section 5. Section **17-78-1201** is enacted to read:

**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:

(1) an unincorporated area of the county; and

(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.

Section 6. Section **17-80-501** is amended to read:

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

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

(a) before January 1, 2028; and

(b) as described in this section.

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

(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;

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

(c) may not be encumbered by any residential building permits as of the day on which

the home ownership promotion zone is created.

(3)(a) The county shall designate the home ownership promotion zone by resolution of the legislative body of the county following:

(i) the recommendation of the county planning commission; and

(ii) the notification requirements described in Section 17-80-503.

(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.

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

(4) If a home ownership promotion zone is created as described in this section:

(a) affected local taxing entities are required to participate according to the requirements of the home ownership promotion zone established by the county; and

(b) each affected taxing entity is required to participate at the same rate.

(5) A home ownership promotion zone may be modified by the same manner it is created as described in Subsection (3).

(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:

(a) record with the recorder a document containing:

(i) a description of the land within the home ownership promotion zone; and

(ii) the date of creation of the home ownership promotion zone;

(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

(c) transmit a map and description of the land within the home ownership promotion zone to:

(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the home ownership promotion zone is located;

(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;

(iii) the legislative body or governing board of each taxing entity impacted by the home ownership promotion zone;

(iv) the tax commission; and

(v) the State Board of Education.

(7) A county may receive tax increment and use home ownership promotion zone funds as described in Section 17-80-504.

(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 7. Section **17B-2a-1302** is amended to read:

**17B-2a-1302 . Provisions applicable to infrastructure financing district --**

**Exceptions -- Conflicting provisions -- Contract for administrative services.**

(1) An infrastructure financing district is governed by and has the powers stated in:

(a) this part; and

(b) Chapter 1, Provisions Applicable to All Special Districts, except as provided in [ ~~Subsection (1)(b)] this section.~~

(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.

(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.

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

~~[(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.

(3) Notwithstanding Subsection 17B-1-103(2)(h), an infrastructure financing district may

not exercise the power of eminent domain.

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

(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.

(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.

Section 8. Section **17C-1-102** is amended to read:

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

As used in this title:

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

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

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

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

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

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

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

(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:

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

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

(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

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

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



- (ii) for an agency created by a municipality, the boundaries of the municipality.
- (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:
- (a) project area funds;
  - (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;
  - (c) a contribution, loan, grant, or other financial assistance from any public or private source;
  - (d) project area incremental revenue as defined in Section 17C-1-1001; or
  - (e) property tax revenue as defined in Section 17C-1-1001.
- (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.
- (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- (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.
- (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:
- (a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date;
  - (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:
    - (i) before the date on which the taxing entity committee approves the project area budget; or
    - (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;
  - (c) for a project on an inactive airport site, after the later of:
    - (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  
575 operations; or
- 576 (d) for a community development project area plan or a community reinvestment project  
577 area plan that is subject to an interlocal agreement, as described in the interlocal  
578 agreement.
- 579 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum  
580 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  
583 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection  
584 17C-3-201(2)(d) for an economic development project area budget, or Subsection  
585 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  
587 Closure and Realignment Commission has voted to close or realign when that action has  
588 been sustained by the president of the United States and Congress.
- 589 (14) "Combined incremental value" means the combined total of all incremental values  
590 from all project areas, except project areas that contain some or all of a military  
591 installation or inactive industrial site, within the agency's boundaries under project area  
592 plans and project area budgets at the time that a project area budget for a new project  
593 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  
596 Chapter 4, Part 1, Community Development Project Area Plan.
- 597 (17) "Community legislative body" means the legislative body of the community that  
598 created the agency.
- 599 (18) "Community reinvestment project area plan" means a project area plan adopted under  
600 Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 601 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title  
602 78A, Judiciary and Judicial Administration, and in a county in which the agency is  
603 located if the action is filed in the district court.
- 604 (20) "Development impediment" means a condition of an area that meets the requirements  
605 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405  
606 for a community reinvestment project area.
- 607 (21) "Development impediment hearing" means a public hearing regarding whether a

development impediment exists within a proposed:

(a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or

(b) community reinvestment project area under Section 17C-5-404.

(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.

(23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.

(24) "Fair share ratio" means the ratio derived by:

(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

(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.

(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.

(26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

(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.

(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.

(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:

(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

(b) an agency's housing allocation.

(30)(a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

(A)(I) that is no longer in operation as an airport; or

(II)(Aa) that is scheduled to be decommissioned; and

(Bb) for which a replacement commercial service airport is under construction; and

(B) that is owned or was formerly owned and operated by a public entity; and

(iii) requires remediation because:

(A) of the presence of hazardous waste or solid waste; or

(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.

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in Subsection (30)(a).

(31)(a) "Inactive industrial site" means land that:

(i) consists of at least 1,000 acres;

(ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and

(iii) requires remediation because of the presence of hazardous waste or solid waste.

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection (31)(a).

(32) "Income targeted housing" means housing that is:

(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

(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.

(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.

(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.

- (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:
- (i) a fire station;
  - (ii) a police station;
  - (iii) a city hall; or
  - (iv) a court or other judicial building.
- (b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.
- (36) "Low-income individual" means the same as that term is defined in Section 35A-8-504.5.
- (37) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.
- (38) "Marginal value" means the difference between actual taxable value and base taxable value.
- (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.
- (40) "Municipality" means a city or town.
- (41) "Non-profit housing fund" means:
- (a) an organization that meets the definition of "housing organization" in Section 35A-8-2401;
  - (b) a registered nonprofit that assists veterans or individuals who work in public service to achieve homeownership in the state;
  - (c) a registered nonprofit that:
    - (i) assists low-income individuals or families who would qualify for income targeted housing to achieve homeownership in the state; and
    - (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;
  - (d) a registered nonprofit that partners with a community to promote affordable housing for the workforce in that community; or
  - (e) a registered nonprofit established to administer housing programs on behalf of an

- 710 association representing 10 or more counties in the state.
- 711 (42) "Participant" means one or more persons that enter into a participation agreement with  
712 an agency.
- 713 (43) "Participation agreement" means a written agreement between a person and an agency  
714 under Subsection 17C-1-202(5).
- 715 (44) "Plan hearing" means the public hearing on a proposed project area plan required  
716 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection  
717 17C-3-102(1)(d) for an economic development project area plan, Subsection  
718 17C-4-102(1)(d) for a community development project area plan, or Subsection  
719 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  
721 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the  
722 project area plan's adoption.
- 723 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,  
724 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  
726 any other governmental entity.
- 727 (48) "Project area" means the geographic area described in a project area plan within which  
728 the project area development described in the project area plan takes place or is  
729 proposed to take place.
- 730 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues  
731 and expenses and other fiscal matters pertaining to a project area prepared in accordance  
732 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  
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  
738 the board, encourages, promotes, or provides development or redevelopment for the  
739 purpose of implementing a project area plan, including:
- 740 (a) promoting, creating, or retaining public or private jobs within the state or a  
741 community;  
742 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
743 facilities or improvements;

- (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- (f) providing open space, including streets or other public grounds or space around buildings;
- (g) providing public or private buildings, infrastructure, structures, or improvements;
- (h) relocating a business;
- (i) improving public or private recreation areas or other public grounds;
- (j) eliminating a development impediment or the causes of a development impediment;
- (k) redevelopment as defined under the law in effect before May 1, 2006; or
- (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.

(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.

(52) "Project area funds collection period" means the period of time that:

- (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
- (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.

(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.

(54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.

(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,  
782 special district, special service district, community reinvestment agency, or interlocal  
783 cooperation entity.

784 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm  
785 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,  
786 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation  
787 facilities, or other facilities, infrastructure, and improvements benefitting the public and  
788 to be publicly owned or publicly maintained or operated.

789 (57) "Record property owner" or "record owner of property" means the owner of real  
790 property, as shown on the records of the county in which the property is located, to  
791 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  
797 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.  
798 9605; and  
799 (b) includes an area formerly included in the National Priorities List, as described in  
800 Subsection (59)(a), but removed from the list following remediation that leaves on  
801 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  
803 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  
807 survey area.

808 (62) "Taxable value" means:

- 809 (a) the taxable value of all real property a county assessor assesses in accordance with  
810 Title 59, Chapter 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 59, Chapter 2, Part 2, Assessment of Property, for the current year; and

(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.

(63)(a) "Tax increment" means the difference between:

(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

(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.

(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:

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

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

(64) "Taxing entity" means a public entity that:

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

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

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

(66) "Unincorporated" means not within a municipality.

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

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

Section 9. Section **17C-1-603** is amended to read:

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

(1) As used in this section:

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

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

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

(d) "Project area" means:

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

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

(e) "Project area funds" means:

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

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

(2) The office shall:

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

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

(3)(a) The office may:

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

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

(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).

(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:

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

(i) the base year;

(ii) the estimated current assessed value;

(iii) the percentage change in marginal value; and

(iv) a narrative description of the relative growth in assessed value;

(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:

(i) a comparison of the actual project area funds received and spent for each year to

- 880 the amount of project area funds forecasted for each year when the project area  
881 was created, if available;
- 882 (ii)(A) the agency's historical receipts and expenditures of project area funds,  
883 including the tax year for which the agency first received project area funds  
884 from the project area; or
- 885 (B) if the agency has not yet received project area funds from the project area, the  
886 year in which the agency expects each project area funds collection period to  
887 begin;
- 888 (iii) a list of each taxing entity that levies or imposes a tax within the project area and  
889 a description of the benefits that each taxing entity receives from the project area;  
890 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  
894 development, site development, participation agreements, or vertical construction;  
895 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  
902 receipts and expenditures categorized by the type of receipt and expenditure related  
903 to the development performed or to be performed under the project area plan,  
904 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 (ii) the amount of project area funds the agency is authorized to receive from the  
909 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  
912 project area;
- 913 (iii) the remaining amount of project area funds the agency is authorized to receive

- 914 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
- 916 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
- 920 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
- 922 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
- 925 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
- 928 agency is dissolved under Section 17C-1-701.5, submit a report to the office stating that
- 929 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
- 933 from a project area.
- 934 (7) The provisions of this section apply regardless of when the agency or project area is
- 935 created.
- 936 (8) On or before September 1 of each year, the office shall prepare and submit an annual
- 937 written report to the Political Subdivisions Interim Committee that identifies the
- 938 agencies that complied and the agencies that failed to comply with the reporting
- 939 requirements of this section during the preceding reporting period.
- 940 (9)(a) If, by September 30 of the year the information is due, the office does not receive
- 941 the information that an agency is required to submit under Subsection (4), the office
- 942 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
- 945 describing the agency's noncompliance.
- 946 (b) If the office does not receive a report an agency is required to submit under
- 947 Subsection (5), the office shall refer the noncompliant agency to the state auditor for

review.

(c) If, for two consecutive years, the office does not receive information an agency is required to submit under Subsection (4):

(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

(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.

(d) If, after having funds withheld under Subsection (9)(c)(ii), an agency complies with Subsection (4):

(i) the office shall notify the county auditor and treasurer that the agency has complied with the requirement of Subsection (4); and

(ii) the county treasurer shall disburse the withheld funds to the agency.

Section 10. Section **17C-6-101** is enacted to read:

## **CHAPTER 6. Regionally Significant Development Zones Act**

### **Part 1. General Provisions**

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

As used in this chapter:

(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.

(2) "Enhanced development" means the same as that term is defined in Section 63N-3a-101.

(3) "Financing district" means:

(a) an infrastructure financing district created under Title 17B, Chapter 2a, Part 13, Infrastructure Financing District; or

(b) a public infrastructure district created under Title 17D, Chapter 4, Public Infrastructure District Act.

(4) "Impacted primary area" means the same as that term is defined in Section 63N-3a-101.

(5) "Major sporting event venue" means the same as that term is defined in Section 63N-3a-101.

(6) "Proposal" means the document approved by a committee as described in Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

(7) "Zone" means a regionally significant development zone created under Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

Section 11. Section **17C-6-102** is enacted to read:

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

(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:

(i) the management of the zone;

(ii) the development of the zone; and

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

(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:

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

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

(A) the management of the zone; and

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

(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.

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

(i) conform with the proposal; and

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

(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.

Section 12. Section **17C-6-201** is enacted to read:

**Part 2. Financing**

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

(1) A county that is the creating entity of a regionally significant development zone may, by ordinance, establish a tax described in Section 17-78-1201 for transactions that occur within the sales and use tax boundary of the zone.

(2) An agency shall study options to generate additional revenue within a zone and provide

1015 recommendations to the legislative body of the creating entity.

1016 Section 13. Section **17C-6-202** is enacted to read:

1017 **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;

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

1021 (c) revenue from a tax 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.

1026 Section 14. Section **17C-6-203** is enacted to read:

1027 **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

1034 increment to the State Reinvestment Restricted Account as described in Title 63N,

1035 Chapter 3a, Part 2, Creation of Regionally Significant Development Zones, allocate zone  
1036 revenue to:

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

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  
1046 venue; and

1047 (B) demolishing or remodeling an existing major sporting event venue, or portions  
1048 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  
1053           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  
1055           or part of the costs incurred for the purposes described in Subsection (2), including the  
1056           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,  
1058           and pledge and utilize zone funds to secure the payment of bonds issued by the created  
1059           financing district.  
1060       (5) In addition to the purposes described in Subsection (2), an agency may allocate zone  
1061           funding:  
1062           (a) to mitigate the impacts of the zone on local services, including solid waste disposal  
1063               operations, law enforcement, and road repair and road upgrades; and  
1064           (b) as described in Subsection (6).  
1065       (6) An agency may use zone revenue to cover the costs of the agency to administer the  
1066           zone, not to exceed:  
1067           (a) 2% of the total annual zone revenue; or  
1068           (b) if the agency provides zone revenue to a person through a participation agreement,  
1069               2% of the total annual zone revenue retained by the agency after providing zone  
1070               revenue pursuant to the participation agreement.  
1071       (7) At the request of a creating entity, an agency shall reimburse the creating entity the cost  
1072           of conducting the pro forma analysis required for the proposal, as described in Section  
1073           63N-3a-202.  
1074       (8) An agency may provide zone revenue to a person according to the terms of a  
1075           participation agreement or an agreement described in Section 17C-6-301.

1076       Section 15. Section **17C-6-301** is enacted to read:

1077                               **Part 3. Partnership Agreements**

1078               **17C-6-301 . Private-public partnerships for a zone.**

- 1079       (1) A person that seeks to enter into a private-public partnership with an agency shall  
1080           provide the agency with an application that:  
1081           (a) demonstrates the applicant is qualified to operate, in whole or in part, a project  
1082               within the zone; and



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

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

(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

(b) through an agreement described in this section.

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

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

(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

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

Section 16. Section **17C-6-401** is enacted to read:

#### **Part 4. Budgets, Audits, and Reports**

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

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

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

(b) this section.

(2) An agency:

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

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

Section 17. Section **17C-6-402** is enacted to read:

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

(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.

(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.

Section 18. Section **17C-6-403** is enacted to read:

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

(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.

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

(a) describe the agency's progress in managing the zone and pursuing the objectives of

- 1117           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:
- 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
- 1126           described in Section 17C-1-603.

1127           Section 19. Section **17C-6-404** is enacted to read:

1128           **17C-6-404 . Use of financing district.**

1129           If an agency creates or utilizes a financing district to fulfill one or more objectives of the

1130 zone, the agency and the creating entity shall ensure that the financing district complies with

1131 the same budgeting, auditing, and reporting requirements described in this part, the same as if

1132 the financing district were the agency.

1133           Section 20. Section **17D-4-201** is amended to read:

1134           **17D-4-201 . Creation -- Annexation or withdrawal of property.**

- 1135       **(1)(a)** Except as provided in Subsection (1)(b), Subsection (2), and in addition to the
- 1136           provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions
- 1137           Applicable to All Special Districts, a public infrastructure district may not be created
- 1138           unless a petition is filed with the creating entity that contains the signatures of 100%
- 1139           of surface property owners within the applicable area consenting to the creation of
- 1140           the public infrastructure district.
- 1141       **(b)(i)** As used in this Subsection (1)(b):
- 1142           **(A)** "Military land" means the same as that term is defined in Section 63H-1-102.
- 1143           **(B)** "Project area" means the same as that term is defined in Section 63H-1-102.
- 1144       **(ii)** Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and
- 1145           any other provision of this chapter, a development authority may adopt a
- 1146           resolution creating a public infrastructure district if all owners of surface property
- 1147           proposed to be included within the public infrastructure district consent in writing
- 1148           to the creation of the public infrastructure district.
- 1149       **(iii)** For purposes of Subsection (1)(b)(ii), if the surface property proposed to be
- 1150           included within the public infrastructure district includes military land that is

1151 within a project area, the owner of the military land within the project area is the  
1152 lessee of the military land.

1153 (iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created  
1154 as a subsidiary of the development authority that adopts the resolution creating the  
1155 public infrastructure district.

1156 (2)(a) The following do not apply to the creation of a public infrastructure district:

1157 (i) Section 17B-1-203;

1158 (ii) Section 17B-1-204;

1159 (iii) Subsection 17B-1-208(2);

1160 (iv) Section 17B-1-212; or

1161 (v) Section 17B-1-214.

1162 (b) The protest period described in Section 17B-1-213 may be waived in whole or in  
1163 part with the consent of 100% of the surface property owners within the applicable  
1164 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  
1166 creation of the public infrastructure district may be adopted in accordance with  
1167 Subsection 17B-1-213(5).

1168 (d) A petition meeting the requirements of Subsection (1) may be certified under Section  
1169 17B-1-209.

1170 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the  
1171 items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30  
1172 days of the day on which a resolution creating a public infrastructure district is  
1173 adopted.

1174 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the  
1175 boundaries of a public infrastructure district may be annexed into the public  
1176 infrastructure district if the following requirements are met:

1177 (a)(i) adoption of resolutions of the board and the creating entity, each approving of  
1178 the annexation; or

1179 (ii) adoption of a resolution of the board to annex the area, provided that the  
1180 governing document or creation resolution for the public infrastructure district  
1181 authorizes the board to annex an area outside of the boundaries of the public  
1182 infrastructure district without future consent of the creating entity; and

1183 (b) a petition is filed with the public infrastructure district that contains the signatures of  
1184 100% of surface property owners within the area proposed to be annexed,

- 1185 demonstrating the surface property owners' consent to the annexation into the public  
1186 infrastructure district.
- 1187 (4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be  
1188 withdrawn from a public infrastructure district if the following requirements are met:
- 1189 (i)(A) adoption of resolutions of the board and the creating entity, each approving  
1190 of the withdrawal; or
- 1191 (B) adoption of a resolution of the board to withdraw the property, provided that  
1192 the governing document or creation resolution for the public infrastructure  
1193 district authorizes the board to withdraw property from the public  
1194 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  
1196 of 100% of surface property owners within the area proposed to be withdrawn,  
1197 demonstrating that the surface property owners consent to the withdrawal from the  
1198 public infrastructure district.
- 1199 (b) If any bonds that the public infrastructure district issues are allocable to the area to  
1200 be withdrawn remain unpaid at the time of the proposed withdrawal, the property  
1201 remains subject to any taxes, fees, or assessments that the public infrastructure  
1202 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  
1205 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  
1207 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;  
1209 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  
1214 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  
1217 cost of accounting, audit reporting, and budget preparation, of a public  
1218 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,
- 1221 county, or other political subdivision.
- 1222 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing
- 1223 document may require:
- 1224 (A) the district applicant to bear the initial costs of the public infrastructure
- 1225 district; and
- 1226 (B) the public infrastructure district to reimburse the district applicant for the
- 1227 initial costs the creating entity bears.
- 1228 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from
- 1229 qualifying directly for an impact fee offset, credit, or refund under Title 11,
- 1230 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements
- 1231 financed by the public infrastructure district.
- 1232 (c) Any legal responsibility, liability, judgment, or claim against a public infrastructure
- 1233 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
- 1236 state, or any municipality, county, or other political subdivision.
- 1237 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
- 1238 collection, enforcement, or foreclosure proceeding with regard to any fee or
- 1239 assessment the public infrastructure district imposes.
- 1240 (B) The creating entity does not bear the responsibility described in Subsection
- 1241 (6)(d)(i)(A).
- 1242 (ii) A public infrastructure district, and not the creating entity, shall undertake the
- 1243 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
- 1244 accordance with Title 11, Chapter 42, Assessment Area Act.
- 1245 (7) A creating entity may establish criteria in determining whether to approve or disapprove
- 1246 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.

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

Section 21. Section **17D-4-202** is amended to read:

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

(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.

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

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

(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

(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.

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

~~[(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]~~

~~[(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.]~~

~~[(d)]~~ (c) If a public infrastructure district board position has transitioned from

1287 appointment to election, as described in Subsection (4), and an elected board position  
1288 becomes vacant, the ~~[provisions of Section 20A-1-512 apply to fill the vacancy]~~  
1289 vacant board position shall be filled through the remainder of the term in the method  
1290 provided in the governing document.

1291 (2)(a) Unless otherwise limited in the governing document and except as provided in  
1292 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  
1294 board shall serve a six-year term so that, after the expiration of the initial term, the  
1295 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  
1299 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  
1301 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  
1303 requirement in the petition requesting the creation of the public infrastructure  
1304 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;  
1307 or

1308 (iv) no qualified individual files a declaration of candidacy for a board position in  
1309 accordance with Subsection 17B-1-306(5).

1310 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the  
1311 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board  
1312 member elected for a division or board position that has transitioned from an  
1313 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  
1315 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  
1317 of the public infrastructure district; and

1318 (ii) a registered voter at the individual's primary residence.

1319 (d) If ~~[the creating entity determines that]~~ a public infrastructure district is not  
1320 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.

(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.

(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:

(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

(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.

(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.

(5)(a) ~~[Subject to Subsection (5)(c), 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.

(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~~  
1356 ~~consent of the creating entity, the division boundaries as described in Subsection~~  
1357 ~~(5)(a).]~~

1358 (6) A public infrastructure district may not compensate a board member for the member's  
1359 service on the board under Section 17B-1-307 unless the board member is a resident  
1360 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  
1366 district;

1367 (e) establish any applicable limitation on the principal amount of indebtedness for the  
1368 public infrastructure district;

1369 (f) describe the public infrastructure and improvements, facilities, or properties that the  
1370 public infrastructure district is created to facilitate or develop, as described in Section  
1371 17D-4-203; and

1372 ~~[(f)]~~ (g) include other information that the public infrastructure district or the creating  
1373 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  
1375 creating entity may amend a governing document by each adopting a resolution that  
1376 approves the amended governing document.

1377 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy  
1378 rate limitation requires the consent of 100% of surface property owners within the  
1379 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  
1382 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

1385 (b) conducts the affairs of the public infrastructure district in accordance with this title  
1386 and any parameters described in the governing document.

1387 (10) Notwithstanding any other provision of this section, the governing document governs  
1388 the number, appointment, eligibility for appointment, and terms of board members of a

public infrastructure district created by the development authority.

Section 22. Section **17D-4-202.1** is amended to read:

**17D-4-202.1 . Convention center public infrastructure -- District board --  
Petition and process requirements -- Governing document.**

(1) As used in this section:

(a) "City" means a municipality of the first class located in a county of the first class in which a convention center is located.

(b) "County" means a county in which a convention center is located.

(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.

(d)(i) "Petitioner" means:

(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

(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.

(ii) "Petitioner" does not include a city, county, or other public entity.

(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.

(3) A convention center public infrastructure district may only be created within a city in which a convention center is located.

(4) The petition described in Subsection (2) shall:

(a) include the governing document; and

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

(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:

(i) the city recorder shall certify the petition within 14 days from the day the

petitioner submits the petition to the city recorder;

(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

(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:

(A) the governing document the petitioner submitted with the petition; and

(B) the creation of a convention center public infrastructure district or a convention center public infrastructure district in a capital city.

(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.

(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.

(b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel may be included in the district.

(7) A convention center public infrastructure district shall be subject to the following provisions regarding taxation and financing:

(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

(b) the administrative tax shall be used exclusively for administrative expenses and may not be used for capital costs or debt payment.

(8) A convention center public infrastructure district shall be governed by the governing document submitted and approved as described in this section.

(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:

(a) three members shall be representatives of the petitioner and selected by the petitioner;

(b) one member may be a representative of the city and selected by the mayor of the city; and

(c) one member may be a representative of the county and selected by the mayor of the county.

(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.

(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.

(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.

(b) The approval authority described in Subsection (11)(a) does not include approval authority over:

(i) any bonds or debt or related terms issued by the convention center public infrastructure district; or

(ii) revenue subject to a participation agreement entered into pursuant to Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone.

Section 23. Section **17D-4-203** is amended to read:

**17D-4-203 . Public infrastructure district powers.**

(1) A public infrastructure district has all of the authority conferred upon a special district under Section 17B-1-103.

(2) A public infrastructure district may:

(a) issue negotiable bonds to pay:

(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;

(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;

(iii) public improvements related to the provision of housing;

(iv) capital costs related to public transportation;

(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;

(vi) the cost of acquiring or financing public infrastructure and improvements;

(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;

(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;

(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;

(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

(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

- 1525 maximum dollar amount described in the participation agreement.
- 1526 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal  
1527 Cooperation Act, provided that the interlocal agreement may not expand the powers  
1528 of the public infrastructure district, within the limitations of Title 11, Chapter 13,  
1529 Interlocal Cooperation Act, without the consent of the creating entity;
- 1530 (c) notwithstanding any other provision in code, acquire completed or partially  
1531 completed improvements, including related design and consulting services and  
1532 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  
1536 to perform the necessary engineering services for and to supervise the  
1537 construction or installation of the improvements;
- 1538 (d) contract with the creating entity for the creating entity to provide administrative  
1539 services on behalf of the public infrastructure district, when agreed to by both parties,  
1540 in order to achieve cost savings and economic efficiencies, at the discretion of the  
1541 creating entity;
- 1542 (e) for a public infrastructure district created by a development authority, or for a public  
1543 infrastructure district created by a municipality and located in an urban renewal  
1544 project area that includes some or all of an inactive industrial site:  
1545 (i)(A) operate and maintain public infrastructure and improvements the district  
1546 acquires or finances; and  
1547 (B) use fees, assessments, or taxes to pay for the operation and maintenance of  
1548 those public infrastructure and improvements; and  
1549 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1550 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland  
1551 Port Authority, pay for costs associated with a remediation project, as defined in  
1552 Section 11-58-102, of the Utah Inland Port Authority.
- 1553 (3) A public infrastructure district created by the Utah Fairpark Area Investment and  
1554 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  
1556 defined in Section 11-70-101; and  
1557 (b) pay for the cost of public infrastructure and improvements.
- 1558 Section 24. Section **17D-4-204** is amended to read:

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

- (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.
- (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.
- (3)(a) All infrastructure that is connected to another public entity's system:
- (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
  - (ii) shall comply with the design, inspection requirements, and other standards of the public entity.
- (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.
- (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.
- (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.
- (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.
- (c) Subsection (4)(a) applies notwithstanding any provision in:
- (i) Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act;
  - (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
  - (iii) a statute governing a development authority created under Utah Constitution, Article XI; or
  - (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.

Section 25. Section **17D-4-401** is enacted to read:

**Part 4. Dissolution**

**17D-4-401 . District dissolution.**

- (1) A public infrastructure district, other than a public infrastructure district created by a development authority that provides ongoing services, shall be dissolved after:
- (a) all of the public infrastructure district's bonded indebtedness and contractual obligations are satisfied or defeased; and
- (b) the public infrastructure and improvements, facilities, or properties described in the governing document, as required in Section 17D-4-202 have been:
- (i) constructed, repaired, or otherwise completed; and
- (ii) transferred to the entity responsible for the maintenance and operation of the public infrastructure and improvement, facility, or property.
- (2) The dissolution of the public infrastructure district shall:
- (a) follow the process described in Title 17B, Chapter 1, Part 13, Dissolution of a Special District; and
- (b) be complete within one year of the day on which the requirements of Subsection (1) are met.

Section 26. Section **51-9-1001** is enacted to read:

**51-9-1001 . State Reinvestment Restricted Account created.**

- (1) There is created within the General Fund a restricted account known as the "State Reinvestment Restricted Account."
- (2) The account shall consist of:
- (a) revenue deposited into the account in accordance with Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development Zones;
- (b) revenue deposited into the account by the Utah Inland Port Authority in accordance with Sections 11-58-602 and 11-58-607;
- (c) revenue deposited into the account in accordance with Subsection 59-1-306(8); and
- (d) interest and earnings on money in the account.

Section 27. Section **57-1-49** is enacted to read:

**57-1-49 . Disclosure of annual assessment to a public infrastructure district.**

- (1) As used in this section, "public infrastructure district" means a special district created as described in Title 17D, Chapter 4, Public Infrastructure District Act.
- (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.

Section 28. Section **59-1-306** is amended to read:

**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.**

(1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:

- (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- (c) Section 19-6-714;
- (d) Section 19-6-805;
- (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;
- (f) Section 59-27-105;
- (g) Chapter 31, Cannabinoid Licensing and Tax Act;
- (h) Chapter 32, Local Impact Mitigation Tax Act;
- (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
- (j) Section 63H-1-205;
- (k) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;~~[-or]~~
- (l) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
- (m) Title 79, Chapter 6, ~~[Part 14]~~ Part 14, Energy Project Assessment.

(2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."

(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.

(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:

- (a) 1.5%; or
- (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.

- (5) The commission shall deposit an administrative charge into the restricted account.
- (6) Interest earned on the restricted account shall be deposited into the General Fund.
- (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.
- (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 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.

Section 29. Section **59-2-924** is amended to read:

**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.**

(1) As used in this section:

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

(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.

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

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

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

(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

1695 year; and

1696 (C) the aggregate year end taxable value of all personal property a county assessor  
1697 assesses in accordance with Part 3, County Assessment, contained on the prior  
1698 year's tax rolls of the taxing entity.

1699 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate  
1700 year end taxable value of personal property that is:

1701 (A) semiconductor manufacturing equipment assessed by a county assessor in  
1702 accordance with Part 3, County Assessment; and

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

1704 (d) "Base taxable value" means:

1705 (i) for an authority created under Section 11-58-201, the same as that term is defined  
1706 in Section 11-58-102;

1707 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
1708 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  
1710 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  
1712 defined in Section 17C-1-102;

1713 (v) for an authority created under Section 63H-1-201, the same as that term is defined  
1714 in Section 63H-1-102;

1715 (vi) for a host local government, the same as that term is defined in Section  
1716 63N-2-502;

1717 (vii) for a housing and transit reinvestment zone or convention center reinvestment  
1718 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
1719 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,  
1721 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part  
1722 5, Home Ownership Promotion Zone, a property's taxable value as shown upon  
1723 the assessment roll last equalized during the base year, as that term is defined in  
1724 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,  
1726 First Home Investment Zone Act, a property's taxable value as shown upon the  
1727 assessment roll last equalized during the base year, as that term is defined in  
1728 Section 63N-3-1601;

(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]~~

(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

(xii) for a regionally significant development zone created under Section 63N-3a-203, the 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.

(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:

(i) an annexation to a taxing entity;

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or

(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.

(f) "Centrally assessed industry" means the following industry classes the commission assesses in accordance with Part 2, Assessment of Property:

(i) air carrier;

(ii) coal;

(iii) coal load out property;

(iv) electric generation;

(v) electric rural;

(vi) electric utility;

(vii) gas utility;

(viii) ground access property;

(ix) land only property;

(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.
- 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  
1774 for each centrally assessed industry, adjusted for prior year end incremental  
1775 value, from the taxable value of real and personal property the commission  
1776 assesses in accordance with Part 2, Assessment of Property, for each centrally  
1777 assessed industry for the current year, adjusted for current year incremental  
1778 value.
- 1779 (ii) "Centrally assessed new growth" does not include a change in value for a  
1780 centrally assessed industry as a result of a change in the method of apportioning  
1781 the value prescribed by the Legislature, a court, or the commission in an  
1782 administrative rule or administrative order.
- 1783 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property  
1784 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  
1786 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  
1794 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.

(n) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.

(o) "Incremental value" means:

(i) for an authority created under Section 11-58-201, the amount calculated by multiplying:

(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

(B) the number that represents the percentage of the property tax differential that is paid to the authority;

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:

(A) the difference between the current assessed value of the property and the base taxable value; and

(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;

(iii) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the amount calculated by multiplying:

(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

(B) the number that represents the percentage of enhanced property tax revenue, as defined in Section 11-70-101;

(iv) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:

(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

(B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

(v) for an authority created under Section 63H-1-201, the amount calculated by multiplying:

(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

(B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;

(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:

(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

(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;

(vii) for a host local government, an amount calculated by multiplying:

(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

(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;

(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:

(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

(B) the number that represents the percentage of the tax increment that is paid to the home ownership promotion zone;

(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:

(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

(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  
1866 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount  
1867 calculated by multiplying:
- 1868 (A) the difference between the taxable value and the base taxable value of the  
1869 property located within a qualified development zone for a major sporting  
1870 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  
1872 major sporting event venue zone, as approved by a major sporting event venue  
1873 zone committee described in Section 63N-1a-1706;~~[-or]~~
- 1874 (xi) for an electrical energy development zone created under Section 79-6-1104, the  
1875 amount calculated by multiplying:
- 1876 (A) the difference between the taxable value and the base taxable value of the  
1877 property that is located within the electrical energy developmental zone; and  
1878 (B) the number that represents the percentage of the tax increment that is paid to a  
1879 community reinvestment agency and the Electrical Energy Development  
1880 Investment Fund created in Section 79-6-1105~~[-]~~ ; or
- 1881 (xii) for a regionally significant development zone created under Section 63N-3a-203,  
1882 the amount calculated by multiplying:
- 1883 (A) the difference between the taxable value and the base taxable value of the  
1884 property that is located within the regionally significant development zone; and  
1885 (B) the number that represents the percentage of the tax increment that is paid to a  
1886 creating entity's agency, as established by the committee in Section 63N-3a-204.
- 1887 (p)(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  
1890 property the county assessor assesses in accordance with Part 3, County  
1891 Assessment, for the previous year, adjusted for prior year end incremental  
1892 value from the taxable value of real property the county assessor assesses in  
1893 accordance with Part 3, County Assessment, for the current year, adjusted for  
1894 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,  
1897 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;

(C) assessed value based on whether a property is assessed under Part 5, Farmland Assessment Act; or

(D) assessed value based on whether a property is assessed under Part 17, Urban Farming Assessment Act.

(q) "Project area" means:

(i) for an authority created under Section 11-58-201, the same as that term is defined in Section 11-58-102;

(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;

(iii) for an agency created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102;

(iv) for an authority created under Section 63H-1-201, the same as that term is defined in Section 63H-1-102;

(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;

(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;

(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~~

(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

(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.

(r) "Project area new growth" means:

(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,  
 1934 an amount equal to the incremental value that is no longer provided to the Point of  
 1935 the Mountain State Land Authority as property tax augmentation, as defined in  
 1936 Section 11-59-207;
- 1937 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
 1938 11-70-201, an amount equal to the incremental value that is no longer provided to  
 1939 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  
 1941 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  
 1943 incremental value that is no longer provided to an authority as property tax  
 1944 allocation;
- 1945 (vi) for a housing and transit reinvestment zone or convention center reinvestment  
 1946 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit  
 1947 Reinvestment Zone Act, an amount equal to the incremental value that is no  
 1948 longer provided to a housing and transit reinvestment zone or convention center  
 1949 reinvestment zone as tax increment;
- 1950 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,  
 1951 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part  
 1952 5, Home Ownership Promotion Zone, an amount equal to the incremental value  
 1953 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,  
 1955 First Home Investment Zone Act, an amount equal to the incremental value that is  
 1956 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,  
 1958 Major Sporting Event Venue Zone Act, an amount equal to the incremental value  
 1959 that is no longer provided to the creating entity of a major sporting event venue  
 1960 zone as property tax increment[~~;~~] or
- 1961 (x) for a regionally significant development zone created under Title 63N, Chapter  
 1962 3a, Part 2, Creation of Regionally Significant Development Zones, an amount  
 1963 equal to the incremental value that is no longer provided to the creating entity's  
 1964 agency for the regionally significant development zone.
- 1965 (s) "Project area incremental revenue" means the same as that term is defined in Section  
 1966 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
- 1969 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
- 1972 in Section 17C-1-102;
- 1973 (ii) for a housing and transit reinvestment zone or convention center reinvestment
- 1974 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 1975 Reinvestment Zone Act, the same as the term "property tax increment" is defined
- 1976 in Section 63N-3-602;
- 1977 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 1978 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 1979 5, Home Ownership Promotion Zone, the same as that term is defined in Section
- 1980 10-21-101 or Section 17-80-101;
- 1981 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 1982 First Home Investment Zone Act, the same as that term is defined in Section
- 1983 63N-3-1601;~~[-or]~~
- 1984 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
- 1985 Major Sporting Event Venue Zone Act, property tax increment, as that term is
- 1986 defined in Section 63N-3-1701~~[-]~~ ; or
- 1987 (vi) for a regionally significant development zone created under Title 63N, Chapter
- 1988 3a, Part 2, Creation of Regionally Significant Development Zones, the same as the
- 1989 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
- 1991 the commission the following statements:
- 1992 (a) a statement containing the aggregate valuation of all taxable real property a county
- 1993 assessor assesses in accordance with Part 3, County Assessment, for each taxing
- 1994 entity; and
- 1995 (b) a statement containing the taxable value of all personal property a county assessor
- 1996 assesses in accordance with Part 3, County Assessment, from the prior year end
- 1997 values.
- 1998 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
- 1999 taxing entity:
- 2000 (a) the statements described in Subsections (2)(a) and (b);

- (b) an estimate of the revenue from personal property;
- (c) the certified tax rate; and
- (d) all forms necessary to submit a tax levy request.
- (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).
- (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall calculate an amount as follows:
- (i) calculate for the taxing entity the difference between:
- (A) the aggregate taxable value of all property taxed; and
- (B) any adjustments for current year incremental value;
- (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;
- (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product of:
- (A) the amount calculated under Subsection (4)(b)(ii); and
- (B) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and
- (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount determined by:
- (A) multiplying the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year by eligible new growth; and
- (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount calculated under Subsection (4)(b)(iii).
- (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated as follows:
- (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;
- (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- (i) in a county of the first, second, or third class, the levy imposed for municipal-type

- 2035 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services  
2036 to Unincorporated Areas; and
- 2037 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
2038 purposes and such other levies imposed solely for the municipal-type services  
2039 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  
2041 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,  
2042 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in  
2043 Subsection (4) except that the commission shall treat the total revenue transferred to  
2044 the community reinvestment agency as ad valorem property tax revenue that the  
2045 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  
2047 imposed by that section, except that a certified tax rate for the following levies shall  
2048 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  
2051 administrative orders under Section 59-2-1602.
- 2052 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or  
2053 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy  
2054 one or more eligible judgments.
- 2055 (b) The ad valorem property tax revenue generated by a judgment levy described in  
2056 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate  
2057 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;  
2061 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  
2067 accordance with Part 2, Assessment of Property.
- 2068 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new

growth.

(8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.

(b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify the county auditor of:

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(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.

(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:

(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

(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.

(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.

(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.

(d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the requirement under Subsection (9)(a)(ii).

Section 30. Section **59-12-205** is amended to read:

**59-12-205 . Ordinances to conform with statutory amendments -- Distribution of**

**tax revenue -- Determination of population.**

- (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:
- (a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and
- (b) as required to conform to the amendments to Part 1, Tax Collection.
- (2)(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 on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;
- (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;
- (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;
- (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~~
- (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

2137 this part within the boundary of an eligible basic special district, as that term is  
2138 defined in Section 17B-1-1405, and if applicable, the boundary of a public  
2139 infrastructure district created by the eligible basic special district, shall be  
2140 distributed to the eligible basic special district[-] ;

2141 (F) except as provided in Subsections (10) through (13), beginning the first day of  
2142 a calendar quarter after the sales and use tax boundary for a major sporting  
2143 event venue zone is established, the commission, at least annually, shall  
2144 transfer an amount equal to 50% of the sales and use tax increment, as defined  
2145 in Section 63N-3-1701, from the sales and use tax imposed under this part on  
2146 transactions occurring within a sales and use tax boundary, as Section  
2147 63N-3-1710, to the creating entity of the major sporting event venue zone[-] ;  
2148 and

2149 (G) except as provided in Subsections (10) through (13), beginning the first day of  
2150 a calendar quarter after local sales and use increment is triggered by the  
2151 creating entity of a regionally significant development zone, the commission,  
2152 at least annually, shall transfer an amount equal to the percentage of the sales  
2153 and use tax increment established by the committee under Section 63N-3a-203  
2154 for the approved regionally significant development zone from the sales and  
2155 use tax imposed under this part on transactions occurring within a sales and use  
2156 tax boundary, as established in Section 63N-3a-205, to the agency designated  
2157 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  
2159 July 1, 2022.

2160 (3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4),  
2161 (5), and (6), and except as provided in Subsections (8) and (9), and as described in  
2162 Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in  
2163 the proposal and after the sales and use tax boundary for a convention center  
2164 reinvestment zone is established under Title 63N, Chapter 3, Part 6, Housing and Transit  
2165 Reinvestment Zone Act, the commission, at least annually, shall transfer an amount  
2166 equal to 100% of the sales and use tax increment, as defined in Section 63N-3-602, from  
2167 the sales and use tax imposed under this part on transactions occurring within an  
2168 established sales and use tax boundary, as defined in Section 63N-3-602, to the entity  
2169 specified in the convention center reinvestment zone proposal submitted [~~pursuant to~~] in  
2170 accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone



- 2171 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
- 2175 (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
- 2177 July 1, 2016.
- 2178 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
- 2179 distributions an eligible county, city, or town received from a tax imposed in
- 2180 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
- 2182 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
- 2186 in this Subsection (4), the commission shall apply the provisions of this Subsection
- 2187 (4) after the commission applies the provisions of Subsection (3).
- 2188 (5)(a) For purposes of this Subsection (5):
- 2189 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
- 2190 2.55% of the participating local government's tax revenue distribution amount
- 2191 under Subsection (2)(a)(i) for the previous fiscal year.
- 2192 (ii) "Participating local government" means a county or municipality, as defined in
- 2193 Section 10-1-104, that is not an eligible municipality certified in accordance with
- 2194 Section 35A-16-404.
- 2195 (b) For revenue collected from the tax authorized by this part that is distributed on or
- 2196 after January 1, 2019, the commission, before making a tax revenue distribution
- 2197 under Subsection (2)(a)(i) to a participating local government, shall:
- 2198 (i) adjust a participating local government's tax revenue distribution under Subsection
- 2199 (2)(a)(i) by:
- 2200 (A) subtracting an amount equal to one-twelfth of the annual local contribution for
- 2201 each participating local government from the participating local government's
- 2202 tax revenue distribution; and
- 2203 (B) if applicable, reducing the amount described in Subsection (5)(b)(i)(A) by an
- 2204 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

(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.

(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).

(6)(a) As used in this Subsection (6):

(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.

(ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

(iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:

(A) contains sand and gravel; and

(B) is assessed by the commission in accordance with Section 59-2-201.

(iv) "Ton" means a short ton of 2,000 pounds.

(v) "Tonnage ratio" means the ratio of:

(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

(B) the total amount of sand and gravel, measured in tons, sold during the same calendar year from sand and gravel extraction sites statewide.

(b) For purposes of calculating the ratio described in Subsection (6)(a)(v), the commission shall:

(i) use the gross sales data provided to the commission as part of the commission's property tax valuation process; and

(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.

(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.

(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.

(d) A county, city, or town shall use revenue described in Subsection (6)(c) for class B or class C roads.

(7)(a) Population figures for purposes of this section shall be based on, to the extent not otherwise required by federal law:

(i) the most recent estimate from the Utah Population Committee created in Section 63C-20-103; or

(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.

(b) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

(8)(a) As used in Subsections (8) and (9):

(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:

(A) imposed by a city of the first class in a county of the first class under this part;

(B) imposed by a city of the first class in a county of the first class under Section 59-12-402.1;

(C) imposed by a county of the first class under Section 59-12-1102; and

(D) imposed by a county of the first class under Part 22, Local Option Sales and Use Taxes for Transportation Act.

(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.

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

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

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

(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:

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

(ii) reports the sales of the construction materials to the delivery outlet described in Subsection (8)(b)(i); and

(iii) does not report the sales of the construction materials on a simplified electronic return.

(c) For the purposes of Subsection (8)(b), the product is equal to:

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

(ii) the applicable percentage.

(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.

(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.

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

(i) "Applicable percentage" means:

(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):

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

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

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

(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

2307 this part;

- 2308 (C) for the lake authority boundary, as defined in Section 11-65-101, for sales  
 2309 occurring within the qualified development zone described in Subsection  
 2310 (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  
 2312 Section 11-70-201, for sales occurring within the qualified development zone  
 2313 described in Subsection (10)(a)(iii)(D), 100% of the revenue from the sales and  
 2314 use tax imposed by the Utah Fairpark Area Investment and Restoration District  
 2315 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,  
 2317 Basic Special District, for sales occurring within a qualified development zone  
 2318 described in Subsection (10)(a)(iii)(E), 50% of the revenue from the sales and  
 2319 use tax imposed under this part; or  
 2320 (F) for a regionally significant development zone created under Title 63N, Chapter  
 2321 3a, Part 2, Creation of Regionally Significant Development Zones, for sales  
 2322 occurring within a qualified development zone described in Subsection  
 2323 (10)(a)(iii)(F), the percentage of the revenue from the sales and use tax  
 2324 imposed under this part established by the committee as described in Section  
 2325 63N-3a-205.

2326 (ii) "Eligible basic special district" means the same as that term is defined in Section  
 2327 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  
 2330 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  
 2334 11-70-201; ~~[or]~~  
 2335 (E) the area within the boundary of an eligible basic special district, and if  
 2336 applicable, the boundary of a public infrastructure district created by the basic  
 2337 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

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

(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:

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

(ii) reports the sales of the construction materials to the delivery outlet described in Subsection (10)(b)(i); and

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

(c) For the purposes of Subsection (10)(b), the product is equal to:

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

(ii) the applicable percentage.

(11)(a) As used in this Subsection (11):

(i) "Applicable percentage" means the same as that term is defined in Subsection (10).

(ii) "Qualified development zone" means the same as that term is defined in Subsection (10).

(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.

(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.

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

(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):

(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;

(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

(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.

(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.

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

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

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

(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:

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

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

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

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

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

(ii) the applicable percentage.

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

(i) "Applicable percentage" means the same as that term is defined in Subsection (12).

(ii) "Qualified development zone" means the same as that term is defined in Subsection (12).

(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.

(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.

Section 31. Section **63N-3-604** is amended to read:

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

**Analysis.**

(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:

- (a) prepare a proposal for the housing and transit reinvestment zone that:
  - (i) demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1);
  - (ii) explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a)(i);
  - (iii) defines the specific transportation infrastructure needs, if any, and proposed improvements and estimated budgets;
  - (iv) defines the boundaries of:
    - (A) the housing and transit reinvestment zone; and
    - (B) the sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;
  - (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
    - (A) the proposed boundary and radius from a public transit hub;
    - (B) proposed housing density within the housing and transit reinvestment zone; and
    - (C) existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;
  - (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;
  - (vii) describes the proposed development plan and estimated budgets, including the requirements described in Subsections 63N-3-603(2) and (4);
  - (viii) establishes a base year and collection period to calculate the property tax increment within the housing and transit reinvestment zone;
  - (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;
  - (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;



- (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
- (xii) estimates budgets and evaluates possible benefits to active and public transportation availability and impacts on air quality;
- (xiii) proposes a finance schedule to align expected revenue with required financing costs and payments;
- (xiv) provides a pro-forma for the planned development that:
- (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
  - (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
  - (C) provides estimated budgets and construction costs, anticipated revenue, financing, expenses, and other sources and uses of funds for the project area; and
- (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:
- (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
  - (B) reasonably anticipated to be constructed in the near future; and
- (b) submit the housing and transit reinvestment zone proposal to the Governor's Office of Economic Opportunity.
- (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.
- (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's Office of Economic Opportunity shall:
- (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,

- 2477 cities, counties, school districts, metropolitan planning organizations, and the  
2478 county assessor and county auditor of the county in which the housing and transit  
2479 reinvestment zone is located; and
- 2480 (ii) at the expense of the proposing municipality or public transit county as described  
2481 in Subsection (5), contract with an independent entity to perform the financial gap  
2482 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  
2486 or adjacent to the municipality or public transit county absent the proposed  
2487 housing and transit reinvestment zone;
- 2488 (iii) an evaluation of the proposal to and a determination of the adequacy and  
2489 efficiency of the proposal;
- 2490 (iv) an evaluation of the proposed increment capture needed to cover the enhanced  
2491 development costs associated with the housing and transit reinvestment zone  
2492 proposal and enable the proposed development to occur; and
- 2493 (v) based on the market analysis and other findings, an opinion relative to the  
2494 appropriate amount of potential public financing reasonably determined to be  
2495 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  
2497 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),  
2498 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  
2501 challenges in the administration of the proposal, or indicating that the Tax  
2502 Commission can feasibly administer the proposal.
- 2503 (4) After receiving the results from the analysis described in Subsection (3)(b), the  
2504 municipality or public transit county proposing the housing and transit reinvestment  
2505 zone may:
- 2506 (a) amend the housing and transit reinvestment zone proposal based on the findings of  
2507 the analysis described in Subsection (3)(b) and request that the Governor's Office of  
2508 Economic Opportunity submit the amended housing and transit reinvestment zone  
2509 proposal to the housing and transit reinvestment zone committee; or  
2510 (b) request that the Governor's Office of Economic Opportunity submit the original

2511 housing and transit reinvestment zone proposal to the housing and transit  
 2512 reinvestment zone committee.

2513 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated  
 2514 credit, up to \$20,000 from a municipality or public transit county for the costs of the  
 2515 gap analysis described in Subsection (3)(b).

2516 (b) The Governor's Office of Economic Opportunity may expend funds received from a  
 2517 municipality or public transit county as dedicated credits to pay for the costs  
 2518 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  
 2521 reinvestment zone;

2522 (ii) a municipality or public transit county may amend a housing and transit  
 2523 reinvestment zone proposal, as described in Subsection (4), if the proposal is  
 2524 pending review or approval on December 31, 2027; and

2525 (iii) the Governor's Office of Economic Opportunity may not fulfill the duties  
 2526 described in Subsection (3) or (5) in regard to a proposal for a housing and transit  
 2527 reinvestment zone unless the proposal is pending review or approval on December  
 2528 31, 2027.

2529 (b) Subsection (6)(a) does not impact housing and transit reinvestment zones that are in  
 2530 existence on January 1, 2028.

2531 Section 32. Section **63N-3-605** is amended to read:

2532 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

2533 (1) ~~[For]~~ On or before December 31, 2027, for any housing and transit reinvestment zone  
 2534 proposed under this part, or for a first home investment zone proposed in accordance  
 2535 with Part 16, First Home Investment Zone Act, there is created a housing and transit  
 2536 reinvestment zone committee with membership described in Subsection (2).

2537 (2) Each housing and transit reinvestment zone committee shall consist of the following  
 2538 members:

2539 (a) one representative from the Governor's Office of Economic Opportunity, designated  
 2540 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  
 2542 transit reinvestment zone or first home investment zone, designated by the chief  
 2543 executive officer of each respective municipality;

2544 (c) a member of the Transportation Commission created in Section 72-1-301;

- (d) a member of the board of trustees of a large public transit district;
- (e) one individual from the Office of the State Treasurer, designated by the state treasurer;
- (f) two members designated by the president of the Senate;
- (g) two members designated by the speaker of the House of Representatives;
- (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;
- (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
- (j) one representative, representing the largest participating local taxing entity, after the municipality, county, and school district.

(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.

(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.

(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.

(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 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.

(b) For a first home investment zone, the housing and transit reinvestment zone committee shall follow the procedures described in Section 63N-3-1604.

(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.

(b) A meeting of the housing and transit reinvestment zone committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.

(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.

(b) The housing and transit reinvestment zone committee shall, for a housing and transit reinvestment zone proposal:

(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

(ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis described in Subsection 63N-3-604(2).

(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.

(8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee may:

(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

(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

(ii) subject to Subsection (12), vote to approve or deny the proposal.

(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.

(9) If a housing and transit reinvestment zone is approved by the committee:

(a) the proposed housing and transit reinvestment zone is established according to the terms of the housing and transit reinvestment zone proposal;

(b) affected local taxing entities are required to participate according to the terms of the housing and transit reinvestment zone proposal; and

(c) each affected taxing entity is required to participate at the same rate.

(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.

(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).

(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).

(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.

(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.

Section 33. Section **63N-3-1603** is amended to read:

**63N-3-1603 . Process for a proposal of a first home investment zone.**

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

(a) prepare a proposal for the first home investment zone that:

(i) demonstrates that the proposed first home investment zone will meet the objectives described in Subsection 63N-3-1602(1);

(ii) explains how the municipality will achieve the requirements of Subsection 63N-3-1602(2);

(iii) defines the specific infrastructure needs, if any, and proposed improvements;

(iv) demonstrates how the first home investment zone will ensure:

(A) sufficient pedestrian access to schools and other areas of community; and

(B) inclusion of child care facilities and access;

(v) defines the boundaries of the first home investment zone;

(vi) includes maps of the proposed first home investment zone to illustrate:

(A) proposed housing density within the first home investment zone;

(B) extraterritorial homes relevant to the first home investment zone, including density of the development of extraterritorial homes; and

(C) existing zoning and proposed zoning changes related to the first home

- investment zone;
- (vii) identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;
- (viii) describes the proposed development plan, including the requirements described in Subsections 63N-3-1602(2) and (4);
- (ix) establishes the collection period or periods to calculate the tax increment;
- (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;
- (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
- (xii) proposes a finance schedule to align expected revenue with required financing costs and payments;
- (xiii) evaluates possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality; and
- (xiv) provides a pro forma for the planned development that:
- (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and
- (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;
- (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
- (c) submit the first home investment zone proposal to the Governor's Office of Economic Opportunity.
- (2) As part of the proposal described in Subsection (1), a municipality shall:
- (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
- (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.
- (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's

Office of Economic Opportunity shall:

(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

(ii) at the expense of the proposing municipality as described in Subsection (5), contract with an independent entity to:

(A) perform the gap analysis described in Subsection (3)(b); and

(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.

(b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:

(i) a description of the planned development;

(ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality absent the proposed first home investment zone;

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

(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

(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).

(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:

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

(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.

(4) After receiving the results from the analysis described in Subsection (3)(b), the



municipality proposing the first home investment zone may:

- (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
- (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.

(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).

(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).

(6)(a) Beginning January 1, 2028:

- (i) a municipality may not propose a first home investment zone;
  - (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
  - (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.
- (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.

Section 34. Section **63N-3a-101** is enacted to read:

## **CHAPTER 3a. Coordination of Regional Economic Development Activity**

### **Part 1. General Provisions**

#### **63N-3a-101 . Definitions.**

As used in this chapter:

(1) "Affordable housing" means:

- (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

- (b)(i) for homes that are owner occupied, housing that is priced at 80% of the county median home price; or
- (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code median home price if:
- (A) the proposal demonstrates that a deviation from the county median home price will achieve the objectives described in Section 63N-3a-103; and
- (B) the zip code median home price is based upon county property tax assessment data.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means:
- (a) for property tax increment, the calendar year:
- (i) immediately before the year in which the committee approves a regionally significant development zone; or
- (ii) in which the committee approves a regionally significant development zone;
- (b) for sales and use tax increment, a sales and use tax year specified in the approved proposal;
- (c) for municipal energy tax increment, a tax year specified in the approved proposal; and
- (d) for transient room tax increment, a tax year specified in the approved proposal.
- (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.
- (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:
- (a) along an existing bus rapid transit line; or
- (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- (7) "Committee" means the increment financing committee created in Section 63N-3a-102.
- (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a large public transit district.
- (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public transit district.
- (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:

- (a) along an existing commuter rail line;
- (b) along an extension to an existing commuter rail line or new commuter rail line;
- (c) along a fixed guideway extension from an existing commuter rail line; or
- (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an existing commuter rail station.

(10) "Creating entity" means:

- (a) a municipality; or
- (b) a county.

(11)(a) "Developable area" means the portion of land within a zone available for development and construction of uses that met the objectives described in Section 63N-3a-104.

(b) "Developable area" does not include portions of land within a zone intended for housing development that are allocated to:

- (i) parks;
- (ii) open spaces;
- (iii) trails;
- (iv) parking;
- (v) roadway facilities; or
- (vi) other public facilities.

(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.

(13) "Enhanced development" means the construction of mixed uses including housing, commercial, recreational, and related facilities.

(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.

(15) "Extraterritorial home" means a dwelling that is included as part of a proposal that:

- (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  
2818 zone, a first home investment zone, or an area that could be included in a housing and  
2819 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  
2821 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.  
2825 (18) "Home" means a dwelling unit.  
2826 (19) "Horizontal construction costs" means the additional costs associated with earthwork,  
2827 over excavation, utility work, transportation infrastructure, and landscaping to achieve  
2828 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;  
2834 (b) local sales and use tax increment; or  
2835 (c) any other portion of public revenue that is calculated using a base year and revenue  
2836 growth following the base year, if the public revenue is authorized for use by a  
2837 committee.
- 2838 (22) "Large public transit district" means the same as that term is defined in Section  
2839 17B-2a-802.
- 2840 (23) "Light rail" means a passenger rail public transit system with right-of-way and fixed  
2841 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,  
2846 stop, or terminal, which has been specifically identified as needed in phase one of a  
2847 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  
2851     63N-3-1701.
- 2852     (26) "Metropolitan planning organization" means the same as that term is defined in  
2853     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  
2857     development.
- 2858     (28) "Moderate income housing" means residential units where a household whose income  
2859     is no more than 80% of the area median income is able to occupy the housing unit  
2860     paying no more than 30% of the household's income for gross housing costs, including  
2861     utilities.
- 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,  
2864     provided by a regional economic development authority to the office describing the  
2865     regional economic development authority's intent to trigger and utilize one or more  
2866     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  
2871     purpose if each dwelling unit on the real property is occupied by the owner of the  
2872     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,  
2875     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  
2877     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  
2880     development activity;  
2881     (ii) necessary for the use and convenience of the occupants or users of development  
2882     resulting from a development activity; and  
2883     (iii) not identified or reimbursed as a system improvement.

(b) "Project improvements" does not mean system improvements.

(36)(a) "Property tax increment" means the difference between:

- (i) the amount of property tax revenue generated each tax year by a taxing entity from within a regionally significant development zone, using the current assessed value and each taxing entity's current final tax rate as defined in Section 59-2-924; and
- (ii) the amount of property tax revenue that was generated from that same area during the base year.

(b) "Property tax increment" does not include property tax revenue from:

- (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- (ii) a county additional property tax described in Subsection 59-2-1602(4);
- (iii) a levy imposed by a public infrastructure district as described in Section 17D-4-303; or
- (iv) a public library fund levy described in Subsection 9-7-501(2).

(37) "Proposal" means a document, physical or electronic, developed by a creating entity:

(a) outlining the need for the creation of a regionally significant development zone;

(b) explaining whether the zone is proposed to create:

- (i) a regionally significant transient oriented development, as described in Section 63N-3a-301;
- (ii) a regionally significant first home village, as described in Section 63N-3a-302;
- (iii) a regionally significant major sporting event venue, as described in Section 63N-3a-303; and
- (iv) a regionally significant economic development opportunity, as described in Section 63N-3a-304;

(c) describing how the relevant objectives would be achieved by the creation of the regionally significant development zone;

(d) describing the boundaries of the proposed regionally significant development zone;

(e) describing the impacted primary area, if any, of a proposed regionally significant development zone; and

(f) that is submitted to a committee.

(38) "Public transit county" means a county that has created a small public transit district.

(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.

(40) "Qualified development zone" means the property within a project area, and, if

- 2918 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
- 2923 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:
- 2926 (i) created as described in Part 2, Creation of Regionally Significant Development
- 2927 Zones;
- 2928 (ii) governed as described in Title 17C, Chapter 6, Regionally Significant
- 2929 Development Zone Act; and
- 2930 (iii) in which a creating entity is able to promote efficient use of transit, housing
- 2931 affordability, and regional economic growth.
- 2932 (43) "Sales and use tax boundary" means a boundary designated in a proposal and
- 2933 established as described in Section 63N-3a-205 based on sales and use tax collection
- 2934 boundaries that correspond as closely as reasonably practicable to the regionally
- 2935 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
- 2938 year by the sales and use tax from the area within a sales and use tax boundary, as
- 2939 designated in the approved proposal; and
- 2940 (b) the amount of local sales and use tax revenue that was generated from the area
- 2941 described in Subsection (44)(a) during the sales and use tax base year.
- 2942 (45) "Small public transit district" means the same as that term is defined in Section
- 2943 17B-2a-802.
- 2944 (46)(a) "System improvements" means existing and future public facilities that are
- 2945 designed to provide services to service areas within the community at large.
- 2946 (b) "System improvements" does not mean project improvements.
- 2947 (47) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 2948 (48) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 2949 (49)(a) "Tax increment" means the difference between:
- 2950 (i) the amount of tax revenue generated each tax year from a particular revenue
- 2951 source by all taxing entities within a particular area after an established base year;

2952 and

2953 (ii) the amount of revenue that would be generated from the same particular revenue  
2954 source and from the same particular area during the established base year.

2955 (b) "Tax increment" includes tax differential, property tax allocation, enhanced property  
2956 tax revenue, property tax augmentation, sales and use differential, sales and use tax  
2957 increment, or any other term that meets the definition described in Subsection (49)(a).

2958 (50) "Transient room tax" means the same as that term is defined in Section 17-78-701.

2959 (51) "Transportation system" means:

2960 (a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including  
2961 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  
2967 increment revenue received by the agency for purposes identified in Title 17C, Limited  
2968 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  
2970 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) "Vertical construction costs" means the additional costs associated with construction  
2973 above four stories and structured parking to achieve enhanced development in a project  
2974 area.

2975 Section 35. Section **63N-3a-102** is enacted to read:

2976 **63N-3a-102 . Increment authorization committee -- Creation.**

2977 (1) For any project proposed under this chapter that requires the use of tax increment, there  
2978 is created an increment authorization committee with membership described in  
2979 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  
2983 72-1-201 or the executive director's designee;

2984 (c) one individual from the Office of the State Treasurer, designated by the state  
2985 treasurer;



- (d) two members designated by the president of the Senate;
- (e) two members designated by the speaker of the House of Representatives;
- (f) one representative representing the largest participating local taxing entity by population, after the creating entity, in the proposed zone;
- (g) one representative from the creating entity; and
- (h)(i) if a proposal addresses affordable housing, moderate income housing, or creates a regionally significant first home village:
- (A) one representative from the office, designated by the executive director, who works on housing policy; and
- (B) two representatives designated by the school superintendent from the largest school district by student population affected by the proposal;
- (ii) if a proposal addresses a regionally significant transit zone, one member appointed by the governor:
- (A) from the Transportation Committee created in Section 72-1-301; or
- (B) a member of the board of trustees of a large public transit district;
- (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;
- (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
- (v) 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.

(3) A majority of committee members constitutes a quorum.

(4) A majority vote of a quorum constitutes action by the committee.

Section 36. Section **63N-3a-103** is enacted to read:

**63N-3a-103 . Executive director duties -- Contracting.**

- (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.
- (2) Following the office's evaluation of a proposal, as described in Section 63N-3a-202, the executive director shall:

(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;

(b) evaluate the proposal by considering:

(i) the impact of proposed increment financing on residents; and

(ii) existing uses of increment in the proposed area; and

(c) provide the proposal, with the executive director's determination and recommendation, to the committee for consideration.

(3) The executive director shall:

(a) coordinate a committee's evaluation of a proposal; and

(b) maintain active communication with regional economic development authorities regarding increment financing.

(4)(a) Subject to Subsections (4)(b) and (c), the office may enter into a contract with an independent consultant, another executive branch agency, 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.

(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.

(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.

Section 37. Section **63N-3a-104** is enacted to read:

**63N-3a-104 . Maximum number of zones per county.**

(1) As used in this section, "increment zone" means:

(a) a housing and transit reinvestment zone;

(b) a convention center reinvestment zone;

(c) a first homes investment zone;

(d) a home ownership promotion zone;

(e) a major sporting event venue zone;

(f) an electrical energy development zone; and

(g) a regionally significant development zone.

(2) In any given county, the maximum number of increment zones at light rail stations, not including a convention center reinvestment zone, is eight.

(3) Within a county of the first class, as classified under Section 17-60-104:

(a) the maximum number of housing and transit reinvestment zones at bus rapid transit stations is three;

(b) the maximum total combined number of housing and transit reinvestment zones and first home investment zones is 11; and

(c) the maximum total combined number of increment zones is 14.

Section 38. Section **63N-3a-105** is enacted to read:

**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.

Section 39. Section **63N-3a-201** is enacted to read:

**Part 2. Creation of Regionally Significant Development Zones**

**63N-3a-201 . Process to propose -- Advance consultation -- Proposal requirements -- Consultation and public comment required -- Office review.**

(1)(a) A creating entity may propose the creation of a regionally significant development zone:

(i) within the jurisdictional boundaries of the creating entity; and

(ii) as provided in this section.

(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:

(i) the creating entities first enter an interlocal agreement governing how the creating entities shall manage the zone, if approved; or

(ii) the creating entities include a proposed interlocal agreement the creating entities will enter upon approval of the zone.

(c) An interlocal agreement described in Subsection (1)(b) shall meet the requirements of Section 17C-6-102.

(2) Before a creating entity may submit a proposal to the office as described in this section:

(a) the legislative body of the creating entity shall:

(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 calendar  
3089           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  
3091           development zone; and  
3092           (B) provide notice of the public meeting as a class A notice as described in  
3093           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  
3096           municipality and proposed regionally significant development zone are located;  
3097           and  
3098           (ii) provide the county no less than 30 days to offer the creating entity feedback on  
3099           the draft proposal, including a finding of whether the county legislative body  
3100           considers the proposed project regionally significant.  
3101       (3)(a) A creating entity shall include any feedback or public comment received under  
3102           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  
3104           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  
3106           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  
3110           requirements described in Section 63N-3a-301;  
3111           (ii) for a regionally significant first home village, the objectives and requirements  
3112           described in Section 63N-3a-302;  
3113           (iii) for a regionally significant major sporting event venue, the objectives and  
3114           requirements described in Section 63N-3a-303; and  
3115           (iv) for a regionally significant economic development opportunity, the objectives  
3116           and requirements described in Section 63N-3a-304;  
3117       (b) describe the development impediments and market conditions that render a  
3118           development cost prohibitive absent the financial incentives described in this chapter  
3119           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

(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

(d) include any other information the office requires by rule.

(6) A proposal may include:

(a) a request to capture property tax increment, the entirety of personal property tax revenue, or both;

(b) a request to capture local sales and use tax increment; and

(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.

(7) A regionally significant development zone may not be smaller than 10 acres.

(8)(a) After receiving a proposal, the office shall:

(i) provide notice of the proposal to all affected taxing entities, including the tax commission, municipalities, counties, school districts, and special districts;

(ii) provide notice of the proposal to any impacted metropolitan planning organizations;

(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;

(iv) evaluate the feasibility of administering the tax implications of the proposal;

(v) evaluate the pro forma analysis included in the proposal; and

(vi) following the evaluations described in Subsections (8)(a)(iv) and (v), provide any findings the office makes to the creating entity.

(b) In conducting the evaluations described in Subsections (8)(a)(iv) and (v), the office:

(i) shall consult with the tax commission and the relevant county assessor and county auditor; and

(ii) may consult with an independent consultant, executive branch agency, regional land use authority, or political subdivision as described in Section 63N-3a-103.

(c)(i) The office shall provide any findings following the evaluations described in Subsections (8)(a)(iv) and (v) to the creating entity.

(ii) After receiving the findings described in Subsection (8)(b)(vi), the creating entity

may:

(A) amend the proposal and request the office submit the amended proposal to the committee; or

(B) request the office submit the original proposal to the committee.

(9) If the office determines a proposal meets the requirements of this section, the office shall:

(a) notify the creating entity;

(b) provide the proposal to the executive director for the executive director's evaluation and recommendation, as described in Section 63N-3a-103; and

(c) notify the relevant individuals described in Section 63N-3a-102 that an increment financing committee is convened to consider a proposal.

Section 40. Section **63N-3a-202** is enacted to read:

**63N-3a-202 . Committee consideration of a proposal.**

(1) The proposing creating entity shall present the proposal to the committee in a public meeting.

(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.

(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.

(4) The committee may:

(a) request changes to the proposal;

(b) vote to approve the proposal, with or without modifications to the proposal; or

(c) vote to deny the proposal.

(5) If the committee votes to approve the proposal, with or without modifications, the committee shall fulfill the requirements of Section 63N-3a-203.

Section 41. Section **63N-3a-203** is enacted to read:

**63N-3a-203 . Approval process -- Creation of a regionally significant development zone -- Boundaries.**

(1) If the committee votes to approve a proposal, as described in Section 63N-3a-202:

(a) a regionally significant development zone is created as of the effective date and

- 3190 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  
3192 approved by the committee; and  
3193 (c) each affected taxing entity is required to participate at the same rate.  
3194 (2)(a) The effective date of a regionally significant development zone is the later of:  
3195 (i) January 1 following the approval of the proposal, if the committee approves the  
3196 proposal on or before September 30; or  
3197 (ii) January 1 following the year after the year in which the committee approves the  
3198 proposal.  
3199 (b) A creating entity may not trigger the collection of tax increment within a regionally  
3200 significant development zone before the effective date.  
3201 (3)(a) In approving a proposal, the committee shall establish:  
3202 (i) the qualified development zone boundary for the purpose of calculating property  
3203 tax increment;  
3204 (ii) in consultation with the tax commission, the sales and use tax boundary for the  
3205 purpose of calculating local sales and use tax increment, municipal energy tax  
3206 increment, or transient room tax increment;  
3207 (iii) for each proposed source of tax increment other than property tax, the maximum  
3208 number of consecutive years a creating entity's agency may collect and use  
3209 increment, not to exceed 25 years; and  
3210 (iv) the maximum amount of tax increment revenue, in total and from each proposed  
3211 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  
3213 the use of property tax increment, the committee shall also establish:  
3214 (i) the property tax base year, which shall be either:  
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  
3218 on behalf of a regionally significant development zone, not to exceed 60% of all  
3219 property tax increment generated within the property tax boundary.  
3220 (b) The base taxable value of land within a regionally significant development zone is  
3221 determined as of January 1 of the base year established by the committee under  
3222 Subsection (4)(a).  
3223 (c) A creating entity may propose, and a committee may approve, the diversion of all the

3224 revenue attributed to personal property tax generated within a regionally significant  
3225 development zone to the regionally significant development zone for a period not to  
3226 exceed 25 years.

3227 (d) In accordance with Section 63N-3a-204, for a proposal requesting approval of the  
3228 use of property tax increment or personal property tax diversion, the committee shall  
3229 establish a percentage of revenue that the creating entity's agency shall transfer to the  
3230 state treasurer for deposit into the State Reinvestment Fund created in Section  
3231 51-14-201, which shall be at least 5% but no more than 25% of the total annual  
3232 revenue an agency receives as regionally significant development zone revenue from  
3233 property tax sources described in this Subsection (4).

3234 (5)(a) In accordance with Section 63N-3a-205, for any proposal requesting approval of  
3235 the use of local sales and use tax increment, the committee shall also:

3236 (i) determine whether the proposed regionally significant development zone may  
3237 collect local sales and use tax increment; and  
3238 (ii) establish the percentage of sales and use tax increment to be collected for the  
3239 benefit of a regionally significant development zone, not to exceed the percentage  
3240 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  
3243 provided in the pro forma analysis, demonstrating the need for revenue sources to  
3244 achieve the objectives of the proposed regionally significant development zone;  
3245 and  
3246 (ii) authorize the use of local sales and use tax increment only as needed to achieve  
3247 the objectives of the proposed regionally significant development zone.

3248 (6) 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  
3250 development zone is located a document containing:  
3251 (i) a description of the land within the regionally significant development zone and, if  
3252 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  
3256 development zone and an accurate map or plat indicating the boundaries of the  
3257 regionally significant development zone, and if applicable, primary project area to the



Utah Geospatial Resource Center created under Section 63A-16-505; and

(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:

(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the regionally significant development zone is located;

(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;

(iii) the legislative body or governing board of each taxing entity affected by the regionally significant development zone;

(iv) the tax commission; and

(v) the State Board of Education.

(7) Within 90 days after the committee approves a proposal, the committee shall provide to the tax commission:

(a) a statement that the regionally significant development zone is established under this part;

(b) the approval date of the proposal and the effective date of the regionally significant development zone;

(c) the qualified development zone boundary, if applicable;

(d) the sales and use tax base year, if applicable;

(e) the sales and use tax boundary, if applicable; and

(f) any information about the regionally significant development zone requested by the commission.

Section 42. Section **63N-3a-204** is enacted to read:

**63N-3a-204 . Property tax increment -- Personal property tax revenue diversion -- Remittance to the State Reinvestment Fund.**

(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).

(2)(a) A creating entity may propose a qualified development zone boundary that includes a project area and an impacted primary area.

(b) The committee may establish a qualified development zone boundary that includes:

(i) a project area only; or

- 3292           (ii) a project area and a proposed impacted primary area.
- 3293       (3) A creating entity's agency may receive, remit, and use property tax increment in  
3294           accordance with this section and as described in Title 17C, Chapter 6, Regionally  
3295           Significant Development Zones Act.
- 3296       (4) The creating entity or creating entity's agency shall send notice of commencement of  
3297           collection of property tax increment to the following entities by no later than October 1  
3298           of the year before the year in which property tax increment collection is proposed to  
3299           commence:
- 3300           (a) the tax commission;  
3301           (b) the State Board of Education;  
3302           (c) the state auditor;  
3303           (d) the county auditor and county assessor of each county within the qualified  
3304           development zone boundary;  
3305           (e) each taxing entity to be affected by collection of property tax within the qualified  
3306           development zone boundary; and  
3307           (f) the office.
- 3308       (5)(a) A county that collects property tax on property located within a qualified  
3309           development zone boundary shall, in accordance with Section 59-2-1365, distribute  
3310           to the creating entity's agency:
- 3311           (i) the percentage of property tax increment established by the committee as  
3312           described in Subsection 63N-3a-203(4), not to exceed 60%; and  
3313           (ii) all of the personal property tax revenue generated within the boundary, if  
3314           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  
3316           Subsection (5):
- 3317           (i) is not revenue of the taxing entity, the creating entity, or the creating entity's  
3318           agency; and  
3319           (ii) constitutes regionally significant development zone funds and shall be  
3320           administered as described in Section 17C-6-203.
- 3321       (6) The creating entity's agency may receive property tax increment within a qualified  
3322           development zone boundary for:
- 3323           (a) up to 25 total years, subject to any limit established by the committee under  
3324           Subsection 63N-3a-203(4); and  
3325           (b) no longer than 40 years after the effective date of the regionally significant

3326           development zone.

3327       (7) No later than March 1, the agency for a regionally significant development zone shall  
3328       transfer the designated remitting percentage of property tax increment collected in the  
3329       previous calendar year to the state treasurer for deposit into the State Reinvestment  
3330       Restricted Account created in Section 51-9-1001.

3331       (8) Once the maximum amount of property tax increment has been distributed to the  
3332       creating entity's agency, as established by the committee in Subsection 63N-3a-203(4),  
3333       the county that collects property tax on property located within a qualified development  
3334       zone boundary is no longer obligated to distribute property tax increment generated  
3335       within the qualified development zone boundary or personal property tax revenue to the  
3336       creating entity's agency.

3337           Section 43. Section **63N-3a-205** is enacted to read:

3338           **63N-3a-205 . Local sales and use tax increment.**

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           (c) propose the percentage of sales and use tax increment to be captured by the creating  
3343           entity.

3344       (2)(a) The creating entity, in consultation with the tax commission, shall propose a sales  
3345       and use tax boundary that:

3346           (i) is based on sales and use tax collection boundaries, which are determined using  
3347           the ZIP Code as defined in Section 59-12-102, including the four digit delivery  
3348           route extension;

3349           (ii) follows as closely as reasonably practicable the boundary of the regionally  
3350           significant development zone; and

3351           (iii) is one contiguous area that includes at least the entire boundary of the regionally  
3352           significant development zone.

3353       (b) If a sales and use tax boundary is bisected by the qualified development zone  
3354       boundary of the regionally significant development zone, the regionally significant  
3355       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  
3357       sales and use tax boundary than the proposed boundary when approving a regionally  
3358       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.

(5) A creating entity may only trigger one sales and use tax increment collection period for a regionally significant development zone.

(6) A creating entity's agency may collect local sales and use tax increment within a sales and use tax boundary for:

(a) up to the total number of years established by the committee under Subsection 63N-3a-203(4); and

(b) no longer than 40 years after the effective date of the regionally significant development zone.

(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.

(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.

(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):

(a) the total revenue generated by transactions that occur within the sales and use tax boundary in the preceding quarter; and

(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).

(10) Local sales and use tax increment distributed to a creating entity's agency in accordance with this section:

(a) is not revenue of the creating entity or the creating entity's agency; and

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

(11)(a) The creating entity shall notify the tax commission once the maximum amount of local sales and use tax increment has been distributed to the creating entity's agency, as approved by the committee.

(b) Upon receiving the notice described in Subsection (11)(a), the tax commission is no

3394 longer obligated to provide the information described in Subsection (9).

3395 Section 44. Section **63N-3a-206** is enacted to read:

3396 **63N-3a-206 . Compliance with terms of approved proposal required --**

3397 **Modifications to a regionally significant development zone -- Boundary adjustments.**

3398 (1) If a regionally significant development zone is approved by the committee and created  
3399 as described in Section 63N-3a-203:

3400 (a) the regionally significant development zone is created according to the terms:

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) the creating entity or the creating entity's agency shall:

3404 (i) enter into an interlocal agreement, development agreement, or participation

3405 agreement as necessary or required to implement the approved proposal and any

3406 established terms; and

3407 (ii) for proposals that include a housing component, may not reduce the density or

3408 alter other zoning uses that are permitted for the zone area at the time the proposal

3409 submitted under Section 63N-3a-201 or approved under Section 63N-3a-203,

3410 unless as described in Subsection (2):

3411 (A) the creating entity presents an amendment to the proposal to the committee in

3412 a public meeting that demonstrates a compelling public interest to alter the

3413 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

3416 significant development zone, including the approved use of zone revenue or the

3417 boundary of the qualified development zone or sales and use tax boundary, may be

3418 amended by following the same procedure as making a proposal under Section

3419 63N-3a-201, except the creating entity is not required to submit an additional pro forma

3420 analysis unless requested by the office or the committee.

3421 (3) The committee may amend an aspect of a regionally significant development zone if,

3422 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

3424 approved proposal; or

3425 (b) an entity subject to an agreement described in Subsection (1)(b)(i) fails to meet the

3426 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:

- (a) make corresponding adjustments to the qualified development zone; and
- (b) in consultation with the commission, and with the approval of the commission, make corresponding adjustments to the local sales and use tax boundary.

Section 45. Section **63N-3a-207** is enacted to read:

**63N-3a-207 . Triggering increment collection.**

In addition to any other notification requirements in this part, a creating entity of a regionally significant development zone shall notify each affected taxing entity within the zone at least six months before the creating entity triggers a collection period for tax increment.

Section 46. Section **63N-3a-208** is enacted to read:

**63N-3a-208 . Payment, use, and administration of regionally significant development zone revenue.**

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

- (a) administer the regionally significant development zone;
- (b) promote the objectives for the regionally significant development zone; and
- (c) be the custodian of regionally significant development zone revenue, as described in Title 17C, Chapter 6, Regionally Significant Development Zones Act.

(2) An agency may share regionally significant development zone revenue with another governmental entity or a private party as described in this section.

(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.

(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.

(5) A creating entity's agency shall use and be responsible for regionally significant development zone funds as described in Section 17C-6-203.

(6) The creating entity of a regionally significant development zone shall be responsible for:

- (a) tracking revenue received by the creating entity on behalf of the regionally significant development zone; and
- (b) reporting to the county auditor and tax commission if the creating entity receives the

3462 maximum amount of tax increment revenue from any source, as established by the  
3463 committee under Section 63N-3a-203.

3464 Section 47. Section **63N-3a-209** is enacted to read:

3465 **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  
3467 area, as that term is defined in Section 17C-1-102, that parcel may not be triggered for  
3468 tax increment collection unless the project area funds collection period, as that term is  
3469 defined in Section 17C-1-102, has expired.

3470 (2) If a regionally significant development zone overlaps any portion of an existing inactive  
3471 industrial site community reinvestment project area plan created in accordance with  
3472 Title 17C, Limited Purpose Local Government Entities - Community Reinvestment  
3473 Agency Act:

3474 (a) except as provided in Subsection (4), if the community reinvestment project area  
3475 plan captures less than 60% of the property tax increment from a taxing entity, or if a  
3476 taxing entity is not participating in the community reinvestment project area plan, the  
3477 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  
3480 reinvestment project area plan; and

3481 (b) if a community reinvestment project area plan expires before the regionally  
3482 significant development zone is created, the regionally significant development zone  
3483 may capture the property tax increment allocated to the community reinvestment  
3484 project area plan for any remaining portion of the term of the regionally significant  
3485 development zone.

3486 (3)(a) Except as provided in Subsection (3)(b), a regionally significant development  
3487 zone may not overlap a housing and transit reinvestment zone or a first home  
3488 investment zone.

3489 (b) Subject to Subsection (4), a regionally significant development zone may overlap a  
3490 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  
3492 increment for the area overlapping with the housing and transit reinvestment  
3493 zone or the first home investment zone; or

3494 (B) the regionally significant development zone does not collect property tax  
3495 increment for the area overlapping with the housing and transit reinvestment

3496 zone or the first home investment zone until the collection period for the  
3497 housing and transit reinvestment zone's collection of property tax increment or  
3498 the first home investment zone's collection of property tax increment has  
3499 ended; and

3500 (ii)(A) the regionally significant development zone does not collect sales and use  
3501 tax increment for the area overlapping with the housing and transit  
3502 reinvestment zone or first home investment zone, if the housing and transit  
3503 reinvestment zone or the first home investment zone collects sales and use tax  
3504 increment; or

3505 (B) the regionally significant development zone does not collect local sales and  
3506 use tax increment for the area overlapping with the housing and transit  
3507 reinvestment zone or the first home investment zone until the collection period  
3508 for the housing and transit reinvestment zone's collection of sales and use tax  
3509 increment or the first home investment zone's collection of sales and use tax  
3510 increment has ended.

3511 (4)(a) If a community reinvestment project area plan captures less than 60% of the  
3512 property tax increment from a taxing entity, or if a taxing entity is not participating in  
3513 the community reinvestment project area plan, because the agency and relevant  
3514 taxing entities agreed to capture a lower percentage or agreed to exclude a taxing  
3515 entity from the community reinvestment project area plan, Subsection (2)(a) does not  
3516 apply.

3517 (b) If, at the creation of a housing and transit reinvestment zone or a first home  
3518 investment zone, the taxing entities agreed that tax increment collection would end  
3519 on a certain date or after a certain number of years, Subsection (3)(b) does not apply  
3520 unless the taxing entities that were involved in the agreement affirmatively agree to  
3521 participate in the regionally significant development zone tax increment collection.

3522 (5) A regionally significant development zone that overlaps any portion of an existing  
3523 community reinvestment project that includes a retail facility with a gross sales floor  
3524 area of more than 140,000 square feet may capture up to 60% of the increment generated  
3525 above the regionally significant development zone base year if the development includes  
3526 at least one housing unit for every 1,250 square feet of retail space within the  
3527 development.

3528 Section 48. Section **63N-3a-301** is enacted to read:

3529 **Part 3. Specific Provisions for Certain Zones**



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

- (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:
- (a) higher utilization of public transit;
  - (b) increasing availability of housing, including affordable housing;
  - (c) promoting and encouraging development of owner-occupied housing;
  - (d) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;
  - (e) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
  - (f) conserving water resources through efficient land use;
  - (g) improving air quality by reducing fuel consumption and motor vehicle trips;
  - (h) encouraging mixed-use development and investment in transportation and public transit infrastructure in strategic areas;
  - (i) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-20-404(2);
  - (j) increasing access to employment and educational opportunities; and
  - (k) increasing access to child care.
- (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:
- (a) except as provided in Subsection (3), at least 12% of the proposed dwelling units within the zone are affordable housing units, with:
    - (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
    - (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
  - (b) except as provided in Subsection (4), at least 51% of the developable area within a zone be dedicated to residential uses and:
    - (i) an average of at least 50 dwelling units per acre within the acreage of the zone

dedicated to residential uses;

(ii) mixed-use development within the zone; and

(iii) a mix of dwelling units to ensure that at least 25% of the dwelling units have more than one bedroom.

(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.

(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.

(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.

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

(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:

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

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

Section 49. Section **63N-3a-302** is enacted to read:

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

(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:

(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  
3600            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  
3608            communities, street and path interconnectivity within the proposed development and  
3609            connections to surrounding communities, and access to roadways, public  
3610            transportation, and active transportation.
- 3611        (2)(a) To promote the creation of walkable communities, a regionally significant first  
3612            home village development shall be anchored by a core of high-density residential and  
3613            mixed residential-commercial uses, including opportunities for shopping, child care,  
3614            and employment.
- 3615        (b) To accomplish the objectives described in Subsection (1), a creating entity shall  
3616            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;  
3619                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  
3623                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  
3625                homes and 12% of the homes that are not owner occupied qualify as affordable  
3626                housing; and  
3627            (v) a requirement that at least 20% of the extraterritorial homes are affordable  
3628                housing.
- 3629        (3) For a condominium building that is part of a regionally significant first home village  
3630            development for purposes of meeting the requirement to have a minimum of 30 housing  
3631            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.

Section 50. Section **63N-3a-303** is enacted to read:

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

(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:

- (a) redevelopment of existing but aging major sporting event venues;
- (b) development of new major sporting event venues;
- (c) development of infrastructure supporting a major sporting event venue;
- (d) increased utilization of public transportation when accessing a major sporting event venue;
- (e) improved efficiencies in parking and transportation with the goal of increasing walkability between a major sporting event venue and a public transit station;
- (f) commercial development, or mixed commercial-residential development, in areas near a major sporting event venue;
- (g) improving air quality by reducing fuel consumption and motor vehicle trips; and
- (h) increasing tourism activity.

(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.

(3) A proposal for a major sporting event venue development shall:

- (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;
- (b) demonstrate that the zone will meet the objectives described in Subsection (1);
- (c) define specific infrastructure needs, if any, and proposed improvements to the proposed zone;
- (d) demonstrate how the major sporting event venue development will:
  - (i) ensure sufficient traffic control;
  - (ii) provide multiple avenues for spectators or participants to access the major sporting event venue, including public transit; and
  - (iii) promote increased visitation to and recreation in the major sporting event venue;
- (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;

(f) describe the proposed development or refurbishment to a sporting event venue, including estimated costs;

(g) describe projected maximum revenues generated within the zone by each permitted source of revenue described in Section 17C-6-201;

(h) describe proposed expenditures of revenue generated within the zone;

(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;

(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

(ii) describe a strategy to pursue private-public partnership in developing or refurbishing a major sporting event venue; and

(k) evaluate possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality.

Section 51. Section **63N-3a-304** is enacted to read:

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

(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.

(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.

(3) 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.

Section 52. Section **63N-3a-401** is enacted to read:

#### **Part 4. Coordinating the Use of Increment Financing**

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

(1) A regional economic development authority is not required to make a proposal or obtain approval from the committee before taking action the regional economic development

authority is legally authorized to take.

(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.

(3) Notification of tax increment financing described in Subsection (2) shall include:

(a) a description of the type of tax increment financing planned for use;

(b) a description of the geographical area from which the regional economic development authority shall collect the tax increment financing;

(c) the amount of time the regional economic development authority shall collect and use the tax increment financing; and

(d) a general description of the intended use of the tax increment financing.

(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.

Section 53. Section **63N-3a-402** is enacted to read:

**63N-3a-402 . Mapping increment financing.**

(1) Within available funds, the office shall maintain or cause to be maintained a public-facing dashboard indicating:

(a) for a regionally significant development zone proposal approved by the committee:

(i) the boundaries of any increment financing project approved by the committee;

(ii) the public entity collecting increment financing revenue;

(iii) the public entities forgoing increment financing revenue; and

(iv) the dates upon which increment financing for the project are anticipated to begin and cease; and

(b) for any increment financing the office is notified about under Section 63N-3a-401, the regional economic development authority managing the project.

(2) The office shall evaluate the public-facing dashboard described in Subsection (1):

(a) on a periodic basis; and

(b) for ease of public use and transparency.

(3) The office may coordinate with another executive branch agency or state officer to fulfill the duties described in this section.

Section 54. Section **63N-3a-501** is enacted to read:

**Part 5. Reporting**

**63N-3a-501 . Reporting.**

(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 activities to implement the objectives of the regionally significant development zone to the executive director.

(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:

(a) Revenue and Taxation Interim Committee;

(b) Political Subdivisions Interim Committee; and

(c) Economic Development and Workforce Services Interim Committee.

Section 55. Section **79-6-1104** is amended to read:

**79-6-1104 . Electrical energy development zones -- Property tax differential.**

(1) As used in this section:

(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.

(b) "Community reinvestment agency" means the same as that term is defined in Section 17C-1-102.

(c) "Community reinvestment project area" means the same as that term is defined in Section 17C-1-102.

(d) "Municipal power project" means an electrical energy project that:

(i) is operated by or on behalf of a municipality; and

(ii) exclusively serves customers within that municipality's jurisdictional boundaries.

(e) "Property tax differential" means the difference between:

(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

(ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property.

(f) "[~~State land-use~~] Regional economic development authority" means:

(i) the Utah Inland Port Authority created in Section 11-58-201;

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

- 3768 (iii) the School and Institutional Trust Lands Administration created in Section  
3769 53C-1-201; or
- 3770 (iv) any other land use authority created by the state that has jurisdiction over state  
3771 lands.
- 3772 (2)(a) Except as provided in Subsection (2)(b), a county or municipality may not offer  
3773 financial incentives for a baseload electrical energy project that is not located within  
3774 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  
3781 before July 1, 2026.
- 3782 (3) A county or municipality may:
- 3783 (a) pass a resolution declaring an intent to establish within the county or municipality  
3784 boundaries an energy development zone;
- 3785 (b) enter into an interlocal agreement with the council outlining each parties'  
3786 responsibilities relating to an energy development zone; and
- 3787 (c) apply to the council for the designation of an electrical energy development zone by  
3788 submitting:
- 3789 (i) a description of the proposed boundaries of the electrical energy development  
3790 zone;
- 3791 (ii) an assessment of existing electrical energy infrastructure within and proximate to  
3792 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  
3798 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  
3800 which the proposed electrical energy development zone is located, including any  
3801 interlocal agreement entered into between the county or municipality and the



- 3802 council, as applicable;
- 3803 (v) if the applicant is a county and any portion of the proposed electrical energy
- 3804 development zone is within the boundaries of a municipality, evidence of an
- 3805 agreement with the municipality regarding the establishment of the electrical
- 3806 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
- 3810 economic development authority's jurisdiction; and
- 3811 (b) apply to the council for the designation of an electrical energy development zone by
- 3812 submitting:
- 3813 (i) a description of the proposed boundaries of the electrical energy development
- 3814 zone;
- 3815 (ii) an assessment of existing electrical energy infrastructure within and proximate to
- 3816 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
- 3820 (C) projected economic benefits;
- 3821 (iv) evidence that the proposed zone is consistent with applicable land use plans and
- 3822 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
- 3826 application demonstrates:
- 3827 (i) the proposed electrical energy development zone includes land suitable for
- 3828 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  
3840 or denial;
- 3841 (d) if an electrical energy development zone overlaps with an area designated by a  
3842 community reinvestment agency as a community reinvestment project area as of May  
3843 7, 2025, enter into an agreement with the community reinvestment agency to  
3844 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  
3848 into an agreement with the Utah Inland Port Authority to determine the percentage  
3849 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:
- 3853 (a) the county auditor shall certify to the council the base taxable value of property  
3854 within the electrical energy development zone; and
- 3855 (b) the county shall transmit to the council copies of the property tax assessment rolls for  
3856 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  
3859 development zone by comparing:
- 3860 (A) the current assessed value of property within the electrical energy  
3861 development zone; and
- 3862 (B) the base taxable value of property within the electrical energy development  
3863 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  
3866 (7)(a).
- 3867 (b) The county treasurer shall transfer the property tax differential to the council for  
3868 deposit into the Electrical Energy Development Investment Fund created in Section  
3869 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
- 3874 agreements with taxing entities regarding the allocation of the property tax differential.
- 3875 Section 56. **Effective Date.**
- 3876 This bill takes effect on May 6, 2026.