

State Coordination of Regional and Local Economic Development Projects Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor:

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 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 (ne) 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 (ency) will manage zone funds, prepare zone budgets, conduct zone audits, and make annual 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

30 information from a regional economic development authority about the use of tax
31 increment;

32 ▶ requires GOEO to maintain, or cause to be maintained, a public-facing website where
33 information about local and regional use of tax increment may be found;
34 ▶ modifies the prohibition on local government offering a financial incentive for an energy
35 development project outside an electrical energy development zone; and
36 ▶ makes technical and conforming changes.

37 **Money Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 None

41 **Utah Code Sections Affected:**

42 AMENDS:

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

45 **11-58-102**, as last amended by Laws of Utah 2024, Chapters 53, 438 and 535

46 **11-58-602**, as last amended by Laws of Utah 2025, Chapter 459

47 **17-80-501**, as renumbered and amended by Laws of Utah 2025, First Special Session,
48 Chapter 14

49 **17B-2a-1302**, as enacted by Laws of Utah 2024, Chapter 388

50 **17C-1-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16

51 **17C-1-603**, as last amended by Laws of Utah 2025, Chapter 480

52 **17D-4-201**, as last amended by Laws of Utah 2025, Chapter 347

53 **17D-4-202**, as last amended by Laws of Utah 2025, Chapter 347

54 **17D-4-202.1**, as enacted by Laws of Utah 2025, Chapter 29

55 **17D-4-203**, as last amended by Laws of Utah 2025, Chapter 498

56 **17D-4-204**, as last amended by Laws of Utah 2025, Chapter 347

57 **59-1-306**, as last amended by Laws of Utah 2025, Chapter 258

58 **59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

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

60 **63N-3-604**, as last amended by Laws of Utah 2025, Chapter 29

61 **63N-3-605**, as last amended by Laws of Utah 2025, Chapter 29

62 **63N-3-1603**, as enacted by Laws of Utah 2024, Chapter 537

63 **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

98 **63N-3a-401**, Utah Code Annotated 1953

99 **63N-3a-402**, Utah Code Annotated 1953

100 **63N-3a-501**, Utah Code Annotated 1953

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

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

104 **10-21-501 . Municipal designation of a home ownership promotion zone.**

105 (1) Subject to the requirements of Sections 10-21-502 and 10-21-503, a municipality may

106 create a home ownership promotion zone[-] :

107 (a) before January 1, 2028; and

108 (b) as described in this section.

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

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

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

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

116 (3)(a) The municipality shall designate the home ownership promotion zone by

117 resolution of the legislative body of the municipality, passed or adopted in a public
118 meeting of the legislative body of the municipality, following:

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

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

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

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

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

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

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

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

132 (6) Within 30 days after the day on which the municipality creates the home ownership
133 promotion zone as described in Subsection (3), the municipality shall:
134 (a) record with the recorder of the county in which the home ownership promotion zone
135 is located a document containing:
136 (i) a description of the land within the home ownership promotion zone; and
137 (ii) the date of creation of the home ownership promotion zone;
138 (b) transmit a copy of the description of the land within the home ownership promotion
139 zone and an accurate map or plat indicating the boundaries of the home ownership
140 promotion zone to the Utah Geospatial Resource Center created under Section
141 63A-16-505; and
142 (c) transmit a map and description of the land within the home ownership promotion
143 zone to:
144 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
145 part of the home ownership promotion zone is located;
146 (ii) the officer or officers performing the function of auditor or assessor for each
147 taxing entity that does not use the county assessment roll or collect the taxing
148 entity's taxes through the county;
149 (iii) the legislative body or governing board of each taxing entity impacted by the
150 home ownership promotion zone;
151 (iv) the tax commission; and
152 (v) the State Board of Education.

153 (7) A municipality may receive tax increment and use home ownership promotion zone
154 funds as described in Section 10-21-504.

155 (8) A home ownership promotion zone created before January 1, 2028, continues to exist,
156 as described in this part, and shall comply with the provisions of this part until dissolved.
157 Section 2. Section **11-58-102** is amended to read:

158 **11-58-102 . Definitions.**

159 As used in this chapter:

160 (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.
161 (2) "Authority jurisdictional land" means land within the authority boundary delineated:
162 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland
163 Port Authority Amendments, 2018 Second Special Session; and
164 (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
165 (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:

200 (a) contain multimodal facilities, intermodal facilities, or other facilities that:

201 (i) are related but may be separately owned and managed; and

202 (ii) together are intended to:

203 (A) allow global trade to be processed and altered by value-added services as

204 goods move through the supply chain;

205 (B) provide a regional merging point for transportation modes for the distribution

206 of goods to and from ports and other locations in other regions;

207 (C) provide cargo-handling services to allow freight consolidation and

208 distribution, temporary storage, customs clearance, and connection between

209 transport modes; and

210 (D) provide international logistics and distribution services, including freight

211 forwarding, customs brokerage, integrated logistics, and information systems;

212 and

213 (b) may include a satellite customs clearance terminal, an intermodal facility, a customs

214 pre-clearance for international trade, or other facilities that facilitate, encourage, and

215 enhance regional, national, and international trade.

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

217 (a) for an inland port;

218 (b) that directly implements or furthers the purposes of an inland port, as stated in

219 Subsection (10);

220 (c) that complements or supports the purposes of an inland port, as stated in Subsection

221 (10); or

222 (d) that depends upon the presence of the inland port for the viability of the use.

223 (12) "Intermodal facility" means a facility for transferring containerized cargo between rail,

224 truck, air, or other transportation modes.

225 (13) "Landfill material" means garbage, waste, debris, or other materials disposed of or

226 placed in a landfill.

227 (14) "Multimodal facility" means a hub or other facility for trade combining any

228 combination of rail, trucking, air cargo, and other transportation services.

229 (15) "Nonvoting member" means an individual appointed as a member of the board under

230 Subsection 11-58-302(3) who does not have the power to vote on matters of authority

231 business.

232 (16) "Project area" means:

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

234 (b) land outside the authority jurisdictional land, whether consisting of a single
235 contiguous area or multiple noncontiguous areas, described in a project area plan or
236 draft project area plan, where the development project set forth in the project area
237 plan or draft project area plan takes place or is proposed to take place.

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

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

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

244 (20) "Property tax differential":

245 (a) means the difference between:

246 (i) the amount of property tax revenues generated each tax year by all taxing entities
247 from a project area, using the current assessed value of the property; and

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

250 (b) does not include property tax revenue from:

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

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

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

257 (21) "Public entity" means:

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

259 (b) a county, city, town, school district, special district, special service district, interlocal
260 cooperation entity, community reinvestment agency, or other political subdivision of
261 the state, including the authority.

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

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

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

266 (ii)(A) are privately owned;

267 (B) benefit the public;

268 (C) as determined by the board, provide a substantial benefit to the development
269 and operation of a project area; and
270 (D) are built according to applicable county or municipal design and safety
271 standards.

272 (b) "Public infrastructure and improvements" includes:

273 (i) facilities, lines, or systems that provide:
274 (A) water, chilled water, or steam; or
275 (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy,
276 microgrids, or telecommunications service;
277 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
278 facilities, rail lines, intermodal facilities, multimodal facilities, and public
279 transportation facilities;
280 (iii) an inland port; and
281 (iv) infrastructure, improvements, facilities, or buildings that are developed as part of
282 a remediation project.

283 (23) "Reinvestment account" means the State Reinvestment Restricted Account created in
284 Section 51-9-1001.

285 (24) "Remediation" includes:

286 (a) activities for the cleanup, rehabilitation, and development of contaminated land; and
287 (b) acquiring an interest in land within a remediation project area.

288 [(24)] (25) "Remediation differential" means property tax differential generated from a
289 remediation project area.

290 [(25)] (26) "Remediation project" means a project for the remediation of contaminated land
291 that:

292 (a) is owned by:
293 (i) the state or a department, division, or other instrumentality of the state;
294 (ii) an independent entity, as defined in Section 63E-1-102; or
295 (iii) a political subdivision of the state; and
296 (b) became contaminated land before the owner described in Subsection [(24)(a)] (26)(a)
297 obtained ownership of the land.

298 [(26)] (27) "Remediation project area" means a project area consisting of contaminated land
299 that is or is expected to become the subject of a remediation project.

300 [(27)] (28) "Shapefile" means the digital vector storage format for storing geometric
301 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

370 project area is final.

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

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

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

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

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

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

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

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

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

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

399 **11-58-607 . Revenue sharing agreements.**

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

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

404 (i) a flat amount from or a percentage of the funds generated from the development
405 that the private entity agrees to provide to the authority for contribution into the
406 reinvestment account; and
407 (ii) if the authority and private entity agree on a percentage of funds:
408 (A) how often the private entity shall provide the percentage to the authority; and
409 (B) the amount of time the private entity shall provide the percentage to the
410 authority.

411 (2)(a) Following the remediation and development of land included in a remediation
412 project area, as described in Section 11-58-605, the authority shall ensure that a
413 percentage of the profits derived from private sector activities in the project area are
414 deposited into the reinvestment account on an annual basis.
415 (b) The board, in consultation with the Office of the Legislative Fiscal Analyst, shall
416 establish the percentage of profits described in Subsection (2)(a) for each remediation
417 project area.

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

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

420 A county may levy a tax authorized under Section 10-1-304, the same as if the county
421 were a municipality, for transactions that occur within:
422 (1) an unincorporated area of the county; and
423 (2) the sales and use tax boundary of a regionally significant development zone created in
424 accordance with Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant
425 Development Zones.

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

427 **17-80-501 . County designation of a home ownership promotion zone.**

428 (1) Subject to Sections 17-80-502 and 17-80-503, a county may create a home ownership
429 promotion zone:
430 (a) before January 1, 2028; and
431 (b) as described in this section.
432 (2) A home ownership promotion zone created under this section:
433 (a) is an area of 10 contiguous unincorporated acres or less located entirely within the
434 boundaries of the county, zoned for fewer than six housing units per acre before the
435 creation of the home ownership promotion zone;
436 (b) shall be re-zoned for at least six housing units per acre; and
437 (c) may not be encumbered by any residential building permits as of the day on which

the home ownership promotion zone is created.

(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;

472 (iv) the tax commission; and
473 (v) the State Board of Education.

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

476 (8) A home ownership promotion zone created before January 1, 2028, continues to exist,
477 as described in this part, and shall comply with the provisions of this part until dissolved.

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

479 **17B-2a-1302 . Provisions applicable to infrastructure financing district --**

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

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

482 (a) this part; and

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

485 (2)(a) Notwithstanding Subsection 17B-1-103(2)(f) and except as provided in

486 Subsection (2)(b), an infrastructure financing district may issue bonds only as
487 provided in Title 11, Chapter 42, Assessment Area Act, subject to Subsection (2)(b),
488 and Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.

489 (b) If an infrastructure financing district is created to facilitate a regionally significant
490 development zone, as described in Title 17C, Chapter 6, Regionally Significant
491 Development Zone Act, the infrastructure financing district may issue negotiable
492 bonds to pay all or part of the costs of acquiring, acquiring an interest in, improving,
493 or extending any of the improvements, facilities, or property allowed under Section
494 11-14-103.

495 [(b)] (c) To the extent that the provisions of Title 11, Chapter 42, Assessment Area Act,
496 apply to the use of funds from an assessment or an assessment bond for infrastructure
497 operation and maintenance costs or for the cost of conducting economic promotion
498 activities, those provisions do not apply to an infrastructure financing district.

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

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

506 not exercise the power of eminent domain.

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

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

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

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

514 **17C-1-102 . Definitions.**

515 As used in this title:

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

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

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

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

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

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

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

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

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

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

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

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

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

- (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

- (ii) the date on which the airport that operated on the inactive airport site ceased operations; or
- (d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.
- (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy under Section 59-2-902.
- (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- (12) "Budget hearing" means the public hearing on a proposed project area budget required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.
- (13) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has been sustained by the president of the United States and Congress.
- (14) "Combined incremental value" means the combined total of all incremental values from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.
- (15) "Community" means a county or municipality.
- (16) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.
- (17) "Community legislative body" means the legislative body of the community that created the agency.
- (18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- (19) "Contest" means to file a written complaint in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is located if the action is filed in the district court.
- (20) "Development impediment" means a condition of an area that meets the requirements described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.
- (21) "Development impediment hearing" means a public hearing regarding whether a

608 development impediment exists within a proposed:

609 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
610 17C-2-302; or

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

612 (22) "Development impediment study" means a study to determine whether a development
613 impediment exists within a survey area as described in Section 17C-2-301 for an urban
614 renewal project area or Section 17C-5-403 for a community reinvestment project area.

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

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

618 (a) for a municipality, comparing the percentage of all housing units within the
619 municipality that are publicly subsidized income targeted housing units to the
620 percentage of all housing units within the county in which the municipality is located
621 that are publicly subsidized income targeted housing units; or

622 (b) for the unincorporated part of a county, comparing the percentage of all housing
623 units within the unincorporated county that are publicly subsidized income targeted
624 housing units to the percentage of all housing units within the whole county that are
625 publicly subsidized income targeted housing units.

626 (25) "Family" means the same as that term is defined in regulations of the United States
627 Department of Housing and Urban Development, 24 C.F.R. [Section] Sec. 5.403, as
628 amended or as superseded by replacement regulations.

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

630 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
631 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
632 toxic substance, or identified as hazardous to human health or the environment, under
633 state or federal law or regulation.

634 (28) "Housing allocation" means project area funds allocated for housing under Section
635 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

636 (29) "Housing fund" means a fund created by an agency for purposes described in Section
637 17C-1-411 or 17C-1-412 that is comprised of:

638 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
639 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
640 described in Section 17C-1-411; or

641 (b) an agency's housing allocation.

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

643 (i) consists of at least 100 acres;

644 (ii) is occupied by an airport:

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

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

647 (Bb) for which a replacement commercial service airport is under

648 construction; and

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

650 (iii) requires remediation because:

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

652 (B) the site lacks sufficient public infrastructure and facilities, including public

653 roads, electric service, water system, and sewer system, needed to support

654 development of the site.

655 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land

656 described in Subsection (30)(a).

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

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

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

660 facility; and

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

662 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land

663 described in Subsection (31)(a).

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

665 (a) owned and occupied by a family whose annual income is at or below 120% of the

666 median annual income for a family within the county in which the housing is located;

667 or

668 (b) occupied by a family whose annual income is at or below 80% of the median annual

669 income for a family within the county in which the housing is located.

670 (33) "Incremental value" means a figure derived by multiplying the marginal value of the

671 property located within a project area on which tax increment is collected by a number

672 that represents the adjusted tax increment from that project area that is paid to the

673 agency.

674 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established

675 under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

676 (35)(a) "Local government building" means a building owned and operated by a
677 community for the primary purpose of providing one or more primary community
678 functions, including:
679 (i) a fire station;
680 (ii) a police station;
681 (iii) a city hall; or
682 (iv) a court or other judicial building.
683 (b) "Local government building" does not include a building the primary purpose of
684 which is cultural or recreational in nature.
685 (36) "Low-income individual" means the same as that term is defined in Section
686 35A-8-504.5.
687 (37) "Major transit investment corridor" means the same as that term is defined in Section
688 10-20-102.
689 (38) "Marginal value" means the difference between actual taxable value and base taxable
690 value.
691 (39) "Military installation project area" means a project area or a portion of a project area
692 located within a federal military installation ordered closed by the federal Defense Base
693 Realignment and Closure Commission.
694 (40) "Municipality" means a city or town.
695 (41) "Non-profit housing fund" means:
696 (a) an organization that meets the definition of "housing organization" in Section
697 35A-8-2401;
698 (b) a registered nonprofit that assists veterans or individuals who work in public service
699 to achieve homeownership in the state;
700 (c) a registered nonprofit that:
701 (i) assists low-income individuals or families who would qualify for income targeted
702 housing to achieve homeownership in the state; and
703 (ii) provides direct support to help a low-income individual or a family eligible for
704 income targeted housing to retain ownership of a home, including through
705 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
706 counseling that results in retention of the home, refinancing, or a reverse mortgage;
707 (d) a registered nonprofit that partners with a community to promote affordable housing
708 for the workforce in that community; or
709 (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;

744 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or
745 remediating environmental issues;

746 (d) providing residential, commercial, industrial, public, or other structures or spaces,
747 including recreational and other facilities incidental or appurtenant to the structures
748 or spaces;

749 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
750 existing structures;

751 (f) providing open space, including streets or other public grounds or space around
752 buildings;

753 (g) providing public or private buildings, infrastructure, structures, or improvements;

754 (h) relocating a business;

755 (i) improving public or private recreation areas or other public grounds;

756 (j) eliminating a development impediment or the causes of a development impediment;

757 (k) redevelopment as defined under the law in effect before May 1, 2006; or

758 (l) any activity described in this Subsection (50) outside of a project area that the board
759 determines to be a benefit to the project area.

760 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency
761 receives under a project area budget adopted by a taxing entity committee or an
762 interlocal agreement.

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

764 (a) begins the day on which the first payment of project area funds is distributed to an
765 agency under a project area budget approved by a taxing entity committee or an
766 interlocal agreement; and

767 (b) ends the day on which the last payment of project area funds is distributed to an
768 agency under a project area budget approved by a taxing entity committee or an
769 interlocal agreement.

770 (53) "Project area plan" means an urban renewal project area plan, an economic
771 development project area plan, a community development project area plan, or a
772 community reinvestment project area plan that, after the project area plan's effective
773 date, guides and controls the project area development.

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

776 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
777 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

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

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

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

818 (i) the amount of property tax revenue generated each tax year by a taxing entity from
819 the area within a project area designated in the project area plan as the area from
820 which tax increment is to be collected, using the current assessed value of the
821 property and each taxing entity's current certified tax rate as defined in Section
822 59-2-924; and

823 (ii) the amount of property tax revenue that would be generated from that same area
824 using the base taxable value of the property and each taxing entity's current
825 certified tax rate as defined in Section 59-2-924.

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

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

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

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

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

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

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

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

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

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

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

842 **17C-1-603 . Reporting requirements -- Governor's Office of Economic**

843 **Opportunity to maintain a database.**

844 (1) As used in this section:

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

846 (b) "Office" means the Governor's Office of Economic Opportunity.
847 (c) "Office website" means a public website maintained by the office.
848 (d) "Project area" means:
849 (i) the same as that term is defined in Section 17C-1-102; and
850 (ii) if applicable, a regionally significant development zone for which the agency is
851 responsible, as described in Chapter 6, Regionally Significant Development Zones
852 Act.
853 (e) "Project area funds" means:
854 (i) the same as that term is defined in Section 17C-1-102; and
855 (ii) if applicable, regionally significant development zone revenue as described in
856 Section 17C-6-202.

857 (2) The office shall:
858 (a) create and maintain electronic data to track information for each agency located
859 within the state; and
860 (b) make the database publicly accessible from the office website.

861 (3)(a) The office may:
862 (i) contract with a third party to create and maintain the database; and
863 (ii) charge a fee for a county, city, or agency to provide information to the database.
864 (b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah
865 Administrative Rulemaking Act, to establish a fee schedule for the fee described in
866 Subsection (3)(a)(ii).

867 (4) On or before June 30 of each year, an agency shall, for each active project area for
868 which the project area funds collection period has not expired, submit to the office for
869 inclusion in the database the following information:
870 (a) an assessment of the change in marginal value, including:
871 (i) the base year;
872 (ii) the estimated current assessed value;
873 (iii) the percentage change in marginal value; and
874 (iv) a narrative description of the relative growth in assessed value;
875 (b) the amount of project area funds the agency received and the amount of project area
876 funds the agency spent for each year of the project area funds collection period,
877 broken down by the applicable budget or funds analysis category described in
878 Subsection (4)(d), including:
879 (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

from the project area cumulatively and from each taxing entity; and

- (iv) the amount of project area funds the agency is authorized to use to pay for the agency's administrative costs, as described in Subsection 17C-1-409(1), including:
 - (A) the total dollar amount; and
 - (B) the percentage of the total amount of all project area funds;
-) the estimated amount of project area funds that the agency is authorized to receive from the project area for the current calendar year;
-) the estimated amount of project area funds to be paid to the agency for the next calendar year;
-) a map of the project area;
-) a description of how the goals, policies, and purposes of the project area plan have been furthered during the preceding year; and
- any other relevant information the agency elects to provide.

(5) An agency with no active project area shall, no later than June 30 of each year until the agency is dissolved under Section 17C-1-701.5, submit a report to the office stating that the agency has no active project area.

(6) Any information an agency submits in accordance with this section:

- (a) is for informational purposes only; and
- (b) does not alter the amount of project area funds that an agency is authorized to receive from a project area.

(7) The provisions of this section apply regardless of when the agency or project area is created.

(8) On or before September 1 of each year, the office shall prepare and submit an annual written report to the Political Subdivisions Interim Committee that identifies the agencies that complied and the agencies that failed to comply with the reporting requirements of this section during the preceding reporting period.

(9)(a) If, by September 30 of the year the information is due, the office does not receive the information that an agency is required to submit under Subsection (4), the office shall:

- (i) refer the noncompliant agency to the state auditor for review; and
- (ii) post a notice on the office website identifying the noncompliant agency and describing the agency's noncompliance.

(b) If the office does not receive a report an agency is required to submit under Subsection (5), the office shall refer the noncompliant agency to the state auditor for

review.

- (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.

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

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

984 **17C-6-102 . Agency to manage a regionally significant development zone.**

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

987 (i) the management of the zone;

988 (ii) the development of the zone; and

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

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

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

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

995 (A) the management of the zone; and

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

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

999 (3)(a) The agency, in consultation with the creating entity, may create policies governing
1000 the development of the zone if the policies:

1001 (i) conform with the proposal; and

1002 (ii) do not contradict any provision of the proposal or any condition established by
1003 the committee that approved the proposal to create the zone.

1004 (b) If the agency and creating entity determine a modification to the proposal is required
1005 to pursue the objectives of the zone, the creating entity shall submit a proposal to
1006 modify the regionally significant development zone as described in Section
1007 63N-3a-208.

1008 Section 12. Section **17C-6-201** is enacted to read:

1009 **Part 2. Financing**

1010 **17C-6-201 . Energy tax -- Agency to study revenue generation options.**

1011 (1) A county that is the creating entity of a regionally significant development zone may, by
1012 ordinance, establish a tax described in Section 17-78-1201 for transactions that occur
1013 within the sales and use tax boundary of the zone.

1014 (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:

- (a) property tax increment or personal property tax, as described in Section 63N-3a-204;
- (b) local sales and use tax increment, as described in Section 63N-3a-205; and
- (c) revenue from a tax described in Section 17C-6-201.

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

- (a) is zone revenue;
- (b) shall be administered by the agency; and
- (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:

- (a) the zone; and
- (b) an impacted primary area, if the agency finds that the use of the zone revenue will:
 - (i) directly benefit the zone; and
 - (ii) promote the objectives of the zone, as outlined in the proposal.

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

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

- (i) income targeted housing costs;
- (ii) structured parking;
- (iii) enhanced development costs;
- (iv) horizontal construction costs;
- (v) vertical construction costs;
- (vi) property acquisition costs;
- (vii) the costs of:

1045 (A) constructing, furnishing, maintaining, or operating a major sporting event
venue; and

1046 (B) demolishing or remodeling an existing major sporting event venue, or portions
of a major sporting event venue;

- (viii) public infrastructure and improvements; and
- (ix) realigning public infrastructure;

(b) public infrastructure and improvements in an impacted primary area, if any; and

(c) make the annual payment of principal, interest, premiums, and necessary reserves for any of the aggregate of bonds authorized under Subsection (3).

(3) An agency may issue bonds, or cause bonds to be issued, as permitted by law, to pay all or part of the costs incurred for the purposes described in Subsection (2), including the cost to issue and repay the bonds including interest and reserves.

(4) An agency may create one or more financing districts within the boundaries of the zone, and pledge and utilize zone funds to secure the payment of bonds issued by the created financing district.

(5) In addition to the purposes described in Subsection (2), an agency may allocate zone funding:

(a) to mitigate the impacts of the zone on local services, including solid waste disposal operations, law enforcement, and road repair and road upgrades; and

(b) as described in Subsection (6).

(6) An agency may use zone revenue to cover the costs of the agency to administer the zone, not to exceed:

(a) 2% of the total annual zone revenue; or

(b) if the agency provides zone revenue to a person through a participation agreement, 2% of the total annual zone revenue retained by the agency after providing zone revenue pursuant to the participation agreement.

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

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

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

Part 3. Partnership Agreements

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

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

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

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

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

1085 (a) if, after reviewing the application described in Subsection (1), the agency determines
1086 a private-public partnership will promote the objectives of the zone; and

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

1088 (3) An agreement to create a private-public partnership between a person and an agency
1089 may:

1090 (a) establish or recognize an ownership interest in the project for the person, in
1091 consideration of the person's financial investment in the project;

1092 (b) establish an ownership interest in the project for the agency or agency's creating
1093 entity, in consideration of the public's financial investment in the project; or

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

1095 Section 16. Section **17C-6-401** is enacted to read:

1096 **Part 4. Budgets, Audits, and Reports**

1097 **17C-6-401 . Regionally significant development zone budgets.**

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

1099 (a) Chapter 1, Part 6, Agency Annual Report, Budget, and Audit Requirements; and
1100 (b) this section.

1101 (2) An agency:

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

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

1104 Section 17. Section **17C-6-402** is enacted to read:

1105 **17C-6-402 . Audits -- County auditor reports.**

1106 (1) An agency shall comply with the same auditing requirements that are described in
1107 Sections 17C-1-604 and 17C-1-605 in regard to the regionally significant development
1108 zone.

1109 (2) The county auditor for a county in which a zone is created shall prepare an annual report
1110 in accordance with Section 17C-1-606, the same as if the zone were a project area.

1111 Section 18. Section **17C-6-403** is enacted to read:

1112 **17C-6-403 . Reporting.**

1113 (1) Beginning the second year after the effective date of a zone, an agency shall produce a
1114 biennial written report in accordance with this section no later than September 1.

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

1116 (a) describe the agency's progress in managing the zone and pursuing the objectives of

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

1253 the creating entity responsible for approving or rejecting the creation of the public
1254 infrastructure district.

1255 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
1256 a public infrastructure district.

1257 Section 21. Section **17D-4-202** is amended to read:

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

1259 (1)(a) The legislative body or board of the creating entity shall [appoint the initial
1260 members of the board of a public infrastructure district, in accordance with the
1261 governing document.] approve the governing document for the public infrastructure
1262 district through resolution.

1263 (b) A governing document [approved by the legislative body or board of the creating
1264 entity may provide for] :

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

1266 (ii) shall provide that, upon the lieutenant governor issuing a certificate of
1267 incorporation for the public infrastructure district, members of the board may be
1268 appointed in accordance with the terms of the governing document and this
1269 section; and

1270 (iii) may provide for the board of a public infrastructure district to, upon a vacancy
1271 on the board and subject to Subsection (4), appoint an individual to the board so
1272 long as the individual meets the requirements to serve on a public infrastructure
1273 district board described in this section.

1274 [(e) For public infrastructure districts not described in Subsection (1)(b), and except as
1275 provided in Subsection (1)(d):]

1276 [(i) if there is a vacancy on the board of a public infrastructure district, or a board
1277 member provides notice to the legislative body or board of the creating entity of
1278 the board member's intention to resign from the board, the legislative body or
1279 board of the creating entity shall appoint a replacement board member within 45
1280 days from the day on which the vacancy first occurs or the board member
1281 provides notice of the board member's intent to resign; and]

1282 [(ii) if a legislative body or board of the creating entity fails to fill a vacancy on the
1283 board within the time period described in Subsection (1)(c)(i), the board of the
1284 public infrastructure district may appoint an individual who is eligible to serve on
1285 the board according to the requirements of this section to fill the board vacancy.]

1286 [(d)] (c) If a public infrastructure district board position has transitioned from

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

1321 boundaries, or is anticipated to be primarily composed of non-residential property or
1322 non-primary residential property, a governing document may allow the [erating
1323 entity to continue] board to appoint a property owner, or the agent of a property
1324 owner, to the public infrastructure district board.

1325 (e) A governing document may allow for a property owner to recommend a property
1326 owner or a property owner's agent for appointment to the public infrastructure district
1327 board in numbers proportional to the property owner's ownership of land, or value of
1328 land, within a public infrastructure district.

1329 (4)(a) A governing document may provide for a transition from [legislative body-]
1330 appointment under Subsection (1) to a method of election by registered voters based
1331 upon milestones or events that the governing document identifies, including a
1332 milestone for each division or individual board position providing that when the
1333 milestone is reached:

1334 (i) for a division, the registered voters of the division elect a member of the board in
1335 place of an appointed member at the next municipal general election for the board
1336 position; or
1337 (ii) for an at large board position established in the governing document, the
1338 registered voters of the public infrastructure district elect a member of the board in
1339 place of an appointed member at the next municipal general election for the board
1340 position.

1341 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
1342 position of each remaining board member shall continue to be appointed under
1343 Subsection (1) until the member's respective division or board position surpasses the
1344 density milestone described in the governing document.

1345 (5)(a) [Subject to Subsection (5)(e), the-] For a public infrastructure district that has
1346 transitioned to a method of election as described in Subsection (4), the board may, in
1347 the board's discretion but no more frequently than every four years, reestablish the
1348 boundaries of each division so that each division that has reached a milestone
1349 specified in the governing document, as described in Subsection (4)(a), has, as nearly
1350 as possible, the same number of eligible voters.

1351 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
1352 consider existing or potential developments within the divisions that, when
1353 completed, would increase or decrease the number of eligible voters within the
1354 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

1389 public infrastructure district created by the development authority.

1390 Section 22. Section **17D-4-202.1** is amended to read:

1391 **17D-4-202.1 . Convention center public infrastructure -- District board --**

1392 **Petition and process requirements -- Governing document.**

1393 (1) As used in this section:

1394 (a) "City" means a municipality of the first class located in a county of the first class in
1395 which a convention center is located.

1396 (b) "County" means a county in which a convention center is located.

1397 (c) "Lessee" means a lessee of property within the proposed convention center public
1398 infrastructure district that leases the property from the city or county for a term of at
1399 least 10 years.

1400 (d)(i) "Petitioner" means:

1401 (A) a surface property owner, a property owner, or lessee of property within a
1402 proposed convention center public infrastructure district's boundaries that
1403 initiates the formation of a convention center public infrastructure district; or

1404 (B) a surface property owner under this chapter, and Title 17B, Chapter 1,
1405 Provisions Applicable to All Special Districts, in relation to a convention
1406 center public infrastructure district.

1407 (ii) "Petitioner" does not include a city, county, or other public entity.

1408 (2) A convention center public infrastructure district shall be created in a city upon the
1409 submission of a petition in accordance with this part and shall have all the powers of a
1410 public infrastructure district under this chapter.

1411 (3) A convention center public infrastructure district may only be created within a city in
1412 which a convention center is located.

1413 (4) The petition described in Subsection (2) shall:

1414 (a) include the governing document; and

1415 (b) for a petition to a city which has previously authorized revitalization taxes described
1416 in Section 63N-3-1403, include as part of the governing document approval and
1417 authorization of an interlocal agreement pledging and securing the revitalization
1418 taxes for debt of the proposed convention center public infrastructure district.

1419 (5)(a) The process for creating a convention center public infrastructure district or a
1420 convention center public infrastructure district in a capital city shall be initiated by
1421 the submission of a petition and a governing document to the city, except that:

1422 (i) the city recorder shall certify the petition within 14 days from the day the

1423 petitioner submits the petition to the city recorder;

1424 (ii) if the city recorder fails to certify the petition within the time described in

1425 Subsection (5)(a)(i), the petition shall be considered certified; and

1426 (iii) within 30 days from the day that the petitioner submits the petition to the city

1427 recorder, or if the city and the petitioner have come to an agreement as described

1428 in Subsection (5)(b), the city shall adopt a resolution to approve:

1429 (A) the governing document the petitioner submitted with the petition; and

1430 (B) the creation of a convention center public infrastructure district or a

1431 convention center public infrastructure district in a capital city.

1432 (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized

1433 terms of the petition, including the terms of an interlocal agreement, within a time

1434 period agreed upon by the city and petitioner.

1435 (6)(a) The boundaries of a convention center public infrastructure district shall be

1436 limited to an area within a one-half-mile radius of a convention center.

1437 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel

1438 may be included in the district.

1439 (7) A convention center public infrastructure district shall be subject to the following

1440 provisions regarding taxation and financing:

1441 (a) a convention center public infrastructure district may levy an administrative tax of up

1442 to 0.0005 per dollar of taxable value on taxable property within the district; and

1443 (b) the administrative tax shall be used exclusively for administrative expenses and may

1444 not be used for capital costs or debt payment.

1445 (8) A convention center public infrastructure district shall be governed by the governing

1446 document submitted and approved as described in this section.

1447 (9) The convention center public infrastructure board shall consist of five members to be

1448 appointed by the board in accordance with the governing document as follows:

1449 (a) three members shall be representatives of the petitioner and selected by the petitioner;

1450 (b) one member may be a representative of the city and selected by the mayor of the

1451 city; and

1452 (c) one member may be a representative of the county and selected by the mayor of the

1453 county.

1454 (10)(a) Except as provided in Subsection (10)(b), upon a vacancy or expiration of a term

1455 of a board member for a convention center public infrastructure district, the board

1456 shall appoint the replacement in the same manner as described in Subsection (9) for

1457 the unexpired period of the board member's term.

1458 (b) If a city or county mayor chooses not to select a member of the board as described in
1459 Subsection (9)(b) or (c), elects in writing to permanently abdicate the board seat, or
1460 chooses to vacate a member at any time, the petitioner shall select a member for the
1461 replacement who shall not be a representative of the city or county in which the
1462 convention center is located.

1463 (11)(a) A convention center public infrastructure district shall enter into an interlocal
1464 agreement with the relevant county that provides that, for any revenue that is
1465 transferred to the convention center public infrastructure district from a convention
1466 center reinvestment zone created [pursuant to] in accordance with Title 63N, Chapter
1467 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall
1468 have approval authority for the expenditure of any revenue related to a convention
1469 center revitalization project, as that term is defined in Section 63N-3-602.

1470 (b) The approval authority described in Subsection (11)(a) does not include approval
1471 authority over:
1472 (i) any bonds or debt or related terms issued by the convention center public
1473 infrastructure district; or
1474 (ii) revenue subject to a participation agreement entered into pursuant to Title 63N,
1475 Chapter 3, Part 14, Capital City Revitalization Zone.

1476 Section 23. Section **17D-4-203** is amended to read:

1477 **17D-4-203 . Public infrastructure district powers.**

1478 (1) A public infrastructure district has all of the authority conferred upon a special district
1479 under Section 17B-1-103.

1480 (2) A public infrastructure district may:
1481 (a) issue negotiable bonds to pay:
1482 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or
1483 extending any of the improvements, facilities, or property allowed under Section
1484 11-14-103;
1485 (ii) capital costs of improvements in an energy assessment area, as defined in Section
1486 11-42a-102, and other related costs, against the funds that the public infrastructure
1487 district will receive because of an assessment in an energy assessment area;
1488 (iii) public improvements related to the provision of housing;
1489 (iv) capital costs related to public transportation;
1490 (v) for a public infrastructure district that is within or adjacent to a housing and

transit reinvestment zone described in Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, any and all costs to finance any public or privately owned improvements, which, in the discretion of the board of the public infrastructure district, promote the objectives described in Section 63N-3-603.1;

(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:

1559 **17D-4-204 . Relation to other local entities.**

1560 (1) Notwithstanding the creation of a public infrastructure district, the creating entity and
1561 any other public entity, as applicable, retains all of the entity's authority over all zoning,
1562 planning, design specifications and approvals, and permitting within the public
1563 infrastructure district.

1564 (2) The inclusion of property within the boundaries of a public infrastructure district does
1565 not preclude the inclusion of the property within any other special district.

1566 (3)(a) All infrastructure that is connected to another public entity's system:
1567 (i) belongs to that public entity, regardless of inclusion within the boundaries of a
1568 public infrastructure district, unless the public infrastructure district and the public
1569 entity otherwise agree; and
1570 (ii) shall comply with the design, inspection requirements, and other standards of the
1571 public entity.

1572 (b) A public infrastructure district shall convey or transfer the infrastructure described in
1573 Subsection (3)(a) free of liens or financial encumbrances to the public entity at no
1574 cost to the public entity.

1575 (c) The conveyance, transfer, or dedication of infrastructure to a creating entity or a
1576 public entity in accordance with this section is not a financial benefit of the creating
1577 entity or public entity.

1578 (4)(a) No public entity or private person shall receive funds from any portion of a public
1579 infrastructure district's property tax revenue without a resolution of the public
1580 infrastructure district's board authorizing the public entity or private person to receive
1581 the funds.

1582 (b) Subsection (4)(a) does not apply to the county's expenses related to collecting
1583 property tax in accordance with Title 59, Chapter 2, [Part 12,]Property Tax Act.

1584 (c) Subsection (4)(a) applies notwithstanding any provision in:
1585 (i) Title 17C, Limited Purpose Local Government Entities - Community
1586 Reinvestment Agency Act;
1587 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
1588 (iii) a statute governing a development authority created under Utah Constitution,
1589 Article XI; or
1590 (iv) a provision of code related to the collection, distribution, or sharing of tax
1591 increment revenue, incremental property tax increases, or actions related to the
1592 collection, distribution, or sharing of tax increment revenue or incremental

1593 property tax increases.

1594 Section 25. Section **17D-4-401** is enacted to read:

1595 **Part 4. Dissolution**

1596 **17D-4-401 . District dissolution.**

1597 (1) A public infrastructure district, other than a public infrastructure district created by a
1598 development authority that provides ongoing services, shall be dissolved after:
1599 (a) all of the public infrastructure district's bonded indebtedness and contractual
1600 obligations are satisfied or defeased; and
1601 (b) the public infrastructure and improvements, facilities, or properties described in the
1602 governing document, as required in Section 17D-4-202 have been:
1603 (i) constructed, repaired, or otherwise completed; and
1604 (ii) transferred to the entity responsible for the maintenance and operation of the
1605 public infrastructure and improvement, facility, or property.

1606 (2) The dissolution of the public infrastructure district shall:

1607 (a) follow the process described in Title 17B, Chapter 1, Part 13, Dissolution of a
1608 Special District; and
1609 (b) be complete within one year of the day on which the requirements of Subsection (1)
1610 are met.

1611 Section 26. Section **51-9-1001** is enacted to read:

1612 **51-9-1001 . State Reinvestment Restricted Account created.**

1613 (1) There is created within the General Fund a restricted account known as the "State
1614 Reinvestment Restricted Account."

1615 (2) The account shall consist of:

1616 (a) revenue deposited into the account in accordance with Title 63N, Chapter 3a, Part 2,
1617 Creation of Regionally Significant Development Zones;
1618 (b) revenue deposited into the account by the Utah Inland Port Authority in accordance
1619 with Sections 11-58-602 and 11-58-607;
1620 (c) revenue deposited into the account in accordance with Subsection 59-1-306(8); and
1621 (d) interest and earnings on money in the account.

1622 Section 27. Section **57-1-49** is enacted to read:

1623 **57-1-49 . Disclosure of annual assessment to a public infrastructure district.**

1624 (1) As used in this section, "public infrastructure district" means a special district created as
1625 described in Title 17D, Chapter 4, Public Infrastructure District Act.

1626 (2) In a conveyance of residential real property within the boundaries of a public

1627 infrastructure district, a seller or the seller's representative shall ensure that the expected
1628 annual cost of the public infrastructure district's final tax rate, as shown on the last
1629 equalized assessment rolls, is included in a disclosure document at or before closing.

1630 Section 28. Section **59-1-306** is amended to read:

1631 **59-1-306 . Definition -- State Tax Commission Administrative Charge Account --**
1632 **Amount of administrative charge -- Deposit of revenue into the restricted account --**
1633 **Interest deposited into General Fund -- Expenditure of money deposited into the**
1634 **restricted account.**

1635 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the
1636 commission administers under:

- 1637 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 1638 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 1639 (c) Section 19-6-714;
- 1640 (d) Section 19-6-805;
- 1641 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax
1642 Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
- 1643 (f) Section 59-27-105;
- 1644 (g) Chapter 31, Cannabinoid Licensing and Tax Act;
- 1645 (h) Chapter 32, Local Impact Mitigation Tax Act;
- 1646 (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
- 1647 (j) Section 63H-1-205;
- 1648 (k) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;[~~or~~]
- 1649 (l) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
- 1650 (m) Title 79, Chapter 6, [Part 14] Part 14, Energy Project Assessment.

1651 (2) There is created a restricted account within the General Fund known as the "State Tax
1652 Commission Administrative Charge Account."

1653 (3) Subject to the other provisions of this section, the restricted account shall consist of
1654 administrative charges the commission retains and deposits in accordance with this
1655 section.

1656 (4) For purposes of this section, the administrative charge is a percentage of revenue the
1657 commission collects from each qualifying tax, fee, or charge of not to exceed the lesser
1658 of:

- 1659 (a) 1.5%; or
- 1660 (b) an equal percentage of revenue the commission collects from each qualifying tax,

1661 fee, or charge sufficient to cover the cost to the commission of administering the
1662 qualifying taxes, fees, or charges.

1663 (5) The commission shall deposit an administrative charge into the restricted account.
1664 (6) Interest earned on the restricted account shall be deposited into the General Fund.
1665 (7) The commission shall expend money appropriated by the Legislature to the commission
1666 from the restricted account to administer qualifying taxes, fees, or charges or to offset
1667 general operational expenses.
1668 (8) If the administrative charge set by the commission is calculated under Subsection (4)(b),
1669 then the commission shall deposit the amount of revenue that equals the difference
1670 between the administrative charge that could be charged under Subsection (4)(a) and
1671 what is being charged under Subsection (4)(b) into the State Reinvestment Restricted
1672 Account created in Section 51-9-1001.

1673 Section 29. Section **59-2-924** is amended to read:

1674 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
1675 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1676 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
1677 **commission.**

1678 (1) As used in this section:

1679 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
1680 this chapter.

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

1682 (A) interest;
1683 (B) penalties;
1684 (C) collections from redemptions; or
1685 (D) revenue received by a taxing entity from personal property that is
1686 semiconductor manufacturing equipment assessed by a county assessor in
1687 accordance with Part 3, County Assessment.

1688 (b) "Adjusted tax increment" means the same as that term is defined in Section
1689 17C-1-102.

1690 (c)(i) "Aggregate taxable value of all property taxed" means:

1691 (A) the aggregate taxable value of all real property a county assessor assesses in
1692 accordance with Part 3, County Assessment, for the current year;
1693 (B) the aggregate taxable value of all real and personal property the commission
1694 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;

1729 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,
1730 Major Sporting Event Venue Zone Act, a property's taxable value as shown upon
1731 the assessment roll last equalized during the property tax base year, as that term is
1732 defined in Section 63N-3-1701;[-or]
1733 (xi) for an electrical energy development zone created under Section 79-6-1104, the
1734 value of the property within an electrical energy development zone, as shown on
1735 the assessment roll last equalized before the creation of the electrical development
1736 zone, as that term is defined in Section 79-6-1104[.]; or
1737 (xii) for a regionally significant development zone created under Section 63N-3a-203,
1738 the value of the property within a regionally significant development zone
1739 boundary, as shown on the assessment roll last equalized during the base year, as
1740 that term is defined in Section 63N-3a-101.

1741 (e) "Centrally assessed benchmark value" means an amount equal to the average year
1742 end taxable value of real and personal property the commission assesses in
1743 accordance with Part 2, Assessment of Property, for the previous three calendar
1744 years, adjusted for taxable value attributable to:
1745 (i) an annexation to a taxing entity;
1746 (ii) an incorrect allocation of taxable value of real or personal property the
1747 commission assesses in accordance with Part 2, Assessment of Property; or
1748 (iii) a change in value as a result of a change in the method of apportioning the value
1749 prescribed by the Legislature, a court, or the commission in an administrative rule
1750 or administrative order.

1751 (f) "Centrally assessed industry" means the following industry classes the commission
1752 assesses in accordance with Part 2, Assessment of Property:
1753 (i) air carrier;
1754 (ii) coal;
1755 (iii) coal load out property;
1756 (iv) electric generation;
1757 (v) electric rural;
1758 (vi) electric utility;
1759 (vii) gas utility;
1760 (viii) ground access property;
1761 (ix) land only property;
1762 (x) liquid pipeline;

- 1763 (xi) metalliferous mining;
- 1764 (xii) nonmetalliferous mining;
- 1765 (xiii) oil and gas gathering;
- 1766 (xiv) oil and gas production;
- 1767 (xv) oil and gas water disposal;
- 1768 (xvi) railroad;
- 1769 (xvii) sand and gravel; and
- 1770 (xviii) uranium.

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, 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

1831 property located within a project area and on which property tax allocation is
1832 collected; and

1833 (B) the number that represents the percentage of the property tax allocation from
1834 that project area that is paid to the authority;

1835 (vi) for a housing and transit reinvestment zone or convention center reinvestment
1836 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
1837 Reinvestment Zone Act, an amount calculated by multiplying:

1838 (A) the difference between the taxable value and the base taxable value of the
1839 property that is located within a housing and transit reinvestment zone or
1840 convention center reinvestment zone and on which tax increment is collected;
1841 and

1842 (B) the number that represents the percentage of the tax increment that is paid to
1843 the housing and transit reinvestment zone or convention center reinvestment
1844 zone;

1845 (vii) for a host local government, an amount calculated by multiplying:

1846 (A) the difference between the taxable value and the base taxable value of the
1847 hotel property on which incremental property tax revenue is collected; and
1848 (B) the number that represents the percentage of the incremental property tax
1849 revenue from that hotel property that is paid to the host local government;

1850 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
1851 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
1852 5, Home Ownership Promotion Zone, an amount calculated by multiplying:

1853 (A) the difference between the taxable value and the base taxable value of the
1854 property that is located within a home ownership promotion zone and on which
1855 tax increment is collected; and

1856 (B) the number that represents the percentage of the tax increment that is paid to
1857 the home ownership promotion zone;

1858 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
1859 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:

1860 (A) the difference between the taxable value and the base taxable value of the
1861 property that is located within a first home investment zone and on which tax
1862 increment is collected; and

1863 (B) the number that represents the percentage of the tax increment that is paid to
1864 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

1899 for a primary residence under Section 59-2-103;

1900 (C) assessed value based on whether a property is assessed under Part 5, Farmland
1901 Assessment Act; or

1902 (D) assessed value based on whether a property is assessed under Part 17, Urban
1903 Farming Assessment Act.

1904 (q) "Project area" means:

1905 (i) for an authority created under Section 11-58-201, the same as that term is defined
1906 in Section 11-58-102;

1907 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
1908 11-70-201, the same as that term is defined in Section 11-70-101;

1909 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
1910 defined in Section 17C-1-102;

1911 (iv) for an authority created under Section 63H-1-201, the same as that term is
1912 defined in Section 63H-1-102;

1913 (v) for a housing and transit reinvestment zone or convention center reinvestment
1914 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
1915 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;

1916 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
1917 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
1918 5, Home Ownership Promotion Zone, the same as that term is defined in Section
1919 10-21-101 or Section 17-80-101;

1920 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
1921 First Home Investment Zone Act, the same as that term is defined in Section
1922 63N-3-1601;[or]

1923 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
1924 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
1925 as defined in Section 63N-3-1701[.] ; or

1926 (ix) for a regionally significant development zone created under Title 63N, Chapter
1927 3a, Part 2, Creation of Regionally Significant Development Zones, the qualified
1928 development zone, as defined in Section 63N-3a-204.

1929 (r) "Project area new growth" means:

1930 (i) for an authority created under Section 11-58-201, an amount equal to the
1931 incremental value that is no longer provided to an authority as property tax
1932 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);

2001 (b) an estimate of the revenue from personal property;

2002 (c) the certified tax rate; and

2003 (d) all forms necessary to submit a tax levy request.

2004 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be

2005 calculated by dividing the ad valorem property tax revenue that a taxing entity

2006 budgeted for the prior year by the amount calculated under Subsection (4)(b).

2007 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall

2008 calculate an amount as follows:

2009 (i) calculate for the taxing entity the difference between:

2010 (A) the aggregate taxable value of all property taxed; and

2011 (B) any adjustments for current year incremental value;

2012 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount

2013 determined by increasing or decreasing the amount calculated under Subsection

2014 (4)(b)(i) by the average of the percentage net change in the value of taxable

2015 property for the equalization period for the three calendar years immediately

2016 preceding the current calendar year;

2017 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the

2018 product of:

2019 (A) the amount calculated under Subsection (4)(b)(ii); and

2020 (B) the percentage of property taxes collected for the five calendar years

2021 immediately preceding the current calendar year; and

2022 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an

2023 amount determined by:

2024 (A) multiplying the percentage of property taxes collected for the five calendar

2025 years immediately preceding the current calendar year by eligible new growth;

2026 and

2027 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the

2028 amount calculated under Subsection (4)(b)(iii).

2029 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated

2030 as follows:

2031 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified

2032 tax rate is zero;

2033 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

2034 (i) in a county of the first, second, or third class, the levy imposed for municipal-type

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

2069 growth.

2070 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.

2071 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
2072 the county auditor of:

2073 (i) the taxing entity's intent to exceed the certified tax rate; and

2074 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

2075 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
2076 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

2077 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
2078 electronic means on or before July 31, to a taxing entity and the Revenue and
2079 Taxation Interim Committee if:

2080 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
2081 taxable value of the real and personal property the commission assesses in
2082 accordance with Part 2, Assessment of Property, for the previous year, adjusted
2083 for prior year end incremental value; and

2084 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
2085 end taxable value of the real and personal property of a taxpayer the commission
2086 assesses in accordance with Part 2, Assessment of Property, for the previous year.

2087 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
2088 subtracting the taxable value of real and personal property the commission assesses
2089 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
2090 current year incremental value, from the year end taxable value of the real and
2091 personal property the commission assesses in accordance with Part 2, Assessment of
2092 Property, for the previous year, adjusted for prior year end incremental value.

2093 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
2094 subtracting the total taxable value of real and personal property of a taxpayer the
2095 commission assesses in accordance with Part 2, Assessment of Property, for the
2096 current year, from the total year end taxable value of the real and personal property of
2097 a taxpayer the commission assesses in accordance with Part 2, Assessment of
2098 Property, for the previous year.

2099 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
2100 requirement under Subsection (9)(a)(ii).

2101 Section 30. Section **59-12-205** is amended to read:

2102 **59-12-205 . Ordinances to conform with statutory amendments -- Distribution of**

2103 **tax revenue -- Determination of population.**

2104 (1) To maintain in effect sales and use tax ordinances adopted [pursuant to] in accordance
2105 with Section 59-12-204, a county, city, or town shall adopt amendments to the county's,
2106 city's, or town's sales and use tax ordinances:
2107 (a) within 30 days of the day on which the state makes an amendment to an applicable
2108 provision of Part 1, Tax Collection; and
2109 (b) as required to conform to the amendments to Part 1, Tax Collection.
2110 (2)(a) Except as provided in Subsections (3), (4), and (5) and subject to Subsection (6):
2111 (i) 50% of each dollar collected from the sales and use tax authorized by this part
2112 shall be distributed to each county, city, and town on the basis of the percentage
2113 that the population of the county, city, or town bears to the total population of all
2114 counties, cities, and towns in the state; and
2115 (ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), (D), (E), and (F), 50%
2116 of each dollar collected from the sales and use tax authorized by this part shall
2117 be distributed to each county, city, and town on the basis of the location of the
2118 transaction as determined under Sections 59-12-211 through 59-12-215;
2119 (B) except as provided in Subsections (10) through (13), 50% of each dollar
2120 collected from the sales and use tax authorized by this part within a project
2121 area described in a project area plan adopted by the military installation
2122 development authority under Title 63H, Chapter 1, Military Installation
2123 Development Authority Act, shall be distributed to the military installation
2124 development authority created in Section 63H-1-201;
2125 (C) except as provided in Subsections (10) through (13), beginning July 1, 2024,
2126 20% of each dollar collected from the sales and use tax authorized by this part
2127 within a project area under Title 11, Chapter 58, Utah Inland Port Authority
2128 Act, shall be distributed to the Utah Inland Port Authority, created in Section
2129 11-58-201;
2130 (D) except as provided in Subsections (10) through (13), 50% of each dollar
2131 collected from the sales and use tax authorized by this part within the lake
2132 authority boundary, as defined in Section 11-65-101, shall be distributed to the
2133 Utah Lake Authority, created in Section 11-65-201, beginning the next full
2134 calendar quarter following the creation of the Utah Lake Authority;[-and]
2135 (E) except as provided in Subsections (10) through (13), beginning January 1,
2136 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

2205 homeless shelters located within the boundaries of the participating local
2206 government, as reported to the commission by the Office of Homeless Services
2207 in accordance with Section 35A-16-405; and

2208 (ii) deposit the resulting amount described in Subsection (5)(b)(i) into the Homeless
2209 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.

2210 (c) For a participating local government that qualifies to receive a distribution described
2211 in Subsection (4), the commission shall apply the provisions of this Subsection (5)
2212 after the commission applies the provisions of Subsections (3) and (4).

2213 (6)(a) As used in this Subsection (6):

2214 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to
2215 the total revenue an establishment described in NAICS Code 327320, Ready-Mix
2216 Concrete Manufacturing, of the 2022 North American Industry Classification
2217 System of the federal Executive Office of the President, Office of Management
2218 and Budget, collects and remits under this part for a calendar year.

2219 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

2220 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:

2221 (A) contains sand and gravel; and

2222 (B) is assessed by the commission in accordance with Section 59-2-201.

2223 (iv) "Ton" means a short ton of 2,000 pounds.

2224 (v) "Tonnage ratio" means the ratio of:

2225 (A) the total amount of sand and gravel, measured in tons, sold during a calendar
2226 year from all sand and gravel extraction sites located within a county, city, or
2227 town; to

2228 (B) the total amount of sand and gravel, measured in tons, sold during the same
2229 calendar year from sand and gravel extraction sites statewide.

2230 (b) For purposes of calculating the ratio described in Subsection (6)(a)(v), the
2231 commission shall:

2232 (i) use the gross sales data provided to the commission as part of the commission's
2233 property tax valuation process; and

2234 (ii) if a sand and gravel extraction site operates as a unit across municipal or county
2235 lines, apportion the reported tonnage among the counties, cities, or towns based on
2236 the percentage of the sand and gravel extraction site located in each county, city,
2237 or town, as approximated by the commission.

2238 (c)(i) Each July, the commission shall distribute from total collections under this part

2239 an amount equal to the annual dedicated sand and gravel sales tax revenue for the
2240 preceding calendar year to each county, city, or town in the same proportion as the
2241 county's, city's, or town's tonnage ratio for the preceding calendar year.

2242 (ii) The commission shall ensure that the revenue distributed under this Subsection
2243 (6)(c) is drawn from each jurisdiction's collections in proportion to the
2244 jurisdiction's share of total collections for the preceding 12-month period.

2245 (d) A county, city, or town shall use revenue described in Subsection (6)(c) for class B
2246 or class C roads.

2247 (7)(a) Population figures for purposes of this section shall be based on, to the extent not
2248 otherwise required by federal law:

2249 (i) the most recent estimate from the Utah Population Committee created in Section
2250 63C-20-103; or
2251 (ii) if the Utah Population Committee estimate is not available for each municipality
2252 and unincorporated area, the adjusted sub-county population estimate provided by
2253 the Utah Population Committee in accordance with Section 63C-20-104.

2254 (b) The population of a county for purposes of this section shall be determined only
2255 from the unincorporated area of the county.

2256 (8)(a) As used in Subsections (8) and (9):

2257 (i) "Applicable percentage" means, for a convention center reinvestment zone created
2258 under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act,
2259 for sales occurring within the qualified development zone described in Subsection
2260 (8)(a)(ii), 100% of the sales and use tax increment, as that term is defined in
2261 Section 63N-3-602, from the sales and use tax:

2262 (A) imposed by a city of the first class in a county of the first class under this part;
2263 (B) imposed by a city of the first class in a county of the first class under Section
2264 59-12-402.1;
2265 (C) imposed by a county of the first class under Section 59-12-1102; and
2266 (D) imposed by a county of the first class under Part 22, Local Option Sales and
2267 Use Taxes for Transportation Act.

2268 (ii) "Qualified development zone" means the sales and use tax boundary of a
2269 convention center reinvestment zone created under Title 63N, Chapter 3, Part 6,
2270 Housing and Transit Reinvestment Zone Act.

2271 (iii) "Qualifying construction materials" means construction materials that are:
2272 (A) delivered to a delivery outlet within a qualified development zone; and

2273 (B) intended to be permanently attached to real property within the qualified
2274 development zone.

2275 (b) For a sale of qualifying construction materials, the commission shall distribute the
2276 product calculated in Subsection (8)(c) to a qualified development zone if the seller
2277 of the construction materials:

2278 (i) establishes a delivery outlet with the commission within the qualified development
2279 zone;

2280 (ii) reports the sales of the construction materials to the delivery outlet described in
2281 Subsection (8)(b)(i); and

2282 (iii) does not report the sales of the construction materials on a simplified electronic
2283 return.

2284 (c) For the purposes of Subsection (8)(b), the product is equal to:

2285 (i) the sales price or purchase price of the qualifying construction materials; and

2286 (ii) the applicable percentage.

2287 (9)(a) As used in this Subsection (9), "Schedule J sale" means a sale reported on State
2288 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as
2289 designated by the commission.

2290 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
2291 qualified development zone shall be distributed into the jurisdiction that would have
2292 received the revenue in the absence of the qualified development zone.

2293 (10)(a) As used in this Subsection (10):

2294 (i) "Applicable percentage" means:

2295 (A) for a project area adopted by the military installation development authority
2296 under Title 63H, Chapter 1, Military Installation Development Authority Act,
2297 for sales occurring within a qualified development zone described in
2298 Subsection (10)(a)(iii)(A):

2299 (I) 50% of the revenue from the sales and use tax imposed under this part;
2300 (II) 100% of the revenue from the sales and use tax imposed by the military
2301 installation development authority under Section 59-12-401; and

2302 (III) 100% of the revenue from the sales and use tax imposed by the military
2303 installation development authority under Section 59-12-402;[and]

2304 (B) for a project area under Title 11, Chapter 58, Utah Inland Port Authority Act,
2305 for sales occurring within a qualified development zone described in
2306 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

2341 (B) intended to be permanently attached to real property within the qualified
2342 development zone.

2343 (b) For a sale of qualifying construction materials, the commission shall distribute the
2344 product calculated in Subsection (10)(c) to a qualified development zone if the seller
2345 of the construction materials:

2346 (i) establishes a delivery outlet with the commission within the qualified development
2347 zone;

2348 (ii) reports the sales of the construction materials to the delivery outlet described in
2349 Subsection (10)(b)(i); and

2350 (iii) does not report the sales of the construction materials on a simplified electronic
2351 return[; or].

2352 (c) For the purposes of Subsection (10)(b), the product is equal to:

2353 (i) the sales price or purchase price of the qualifying construction materials; and

2354 (ii) the applicable percentage.

2355 (11)(a) As used in this Subsection (11):

2356 (i) "Applicable percentage" means the same as that term is defined in Subsection (10).

2357 (ii) "Qualified development zone" means the same as that term is defined in
2358 Subsection (10).

2359 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
2360 TC-62M, Schedule J or a substantially similar form as designated by the
2361 commission.

2362 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
2363 qualified development zone shall be distributed to the jurisdiction that would have
2364 received the revenue in the absence of the qualified development zone.

2365 (12)(a) As used in this Subsection (12):

2366 (i) "Applicable percentage" means, for a major sporting event venue zone created
2367 under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for
2368 sales occurring within the qualified development zone described in Subsection
2369 (12)(a)(ii):

2370 (A) 50% of the sales and use tax increment, as that term is defined in Section
2371 63N-3-601, from the sales and use tax imposed under this part;

2372 (B) 100% of the revenue from the sales and use tax imposed by the creating entity
2373 of a major sporting event venue zone under Section 59-12-401; and

2374 (C) 100% of the revenue from the sales and use tax imposed by the creating entity

2375 of a major sporting event venue zone under Section 59-12-402.

2376 (ii) "Qualified development zone" means the sales and use tax boundary, as described
2377 in Section 63N-3-1710, of a major sporting event venue zone created under Title
2378 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.

2379 (iii) "Qualifying construction materials" means construction materials that are:
2380 (A) delivered to a delivery outlet within a qualified development zone; and
2381 (B) intended to be permanently attached to real property within the qualified
2382 development zone.

2383 (b) For a sale of qualifying construction materials, the commission shall distribute the
2384 product calculated in Subsection (12)(c) to the creating entity of a qualified
2385 development zone if the seller of the construction materials:
2386 (i) establishes a delivery outlet with the commission within the qualified development
2387 zone;
2388 (ii) reports the sales of the construction materials to the delivery outlet described in
2389 Subsection (12)(b)(i); and
2390 (iii) does not report the sales of the construction materials on a simplified electronic
2391 return[; or].

2392 (c) For the purposes of Subsection (12)(b), the product is equal to:
2393 (i) the sales price or purchase price of the qualifying construction materials; and
2394 (ii) the applicable percentage.

2395 (13)(a) As used in this Subsection (13):

2396 (i) "Applicable percentage" means the same as that term is defined in Subsection (12).
2397 (ii) "Qualified development zone" means the same as that term is defined in
2398 Subsection (12).
2399 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
2400 TC-62M, Schedule J or a substantially similar form as designated by the
2401 commission.

2402 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
2403 qualified development zone shall be distributed to the jurisdiction that would have
2404 received the revenue in the absence of the qualified development zone.

2405 Section 31. Section **63N-3-604** is amended to read:

2406 **63N-3-604 . Process for a proposal of a housing and transit reinvestment zone --**

2407 **Analysis.**

2408 (1) [Subject] On or before December 31, 2027, and subject to approval of the housing and

2409 transit reinvestment zone committee as described in Section 63N-3-605, in order to
2410 create a housing and transit reinvestment zone, a municipality or public transit county
2411 that has general land use authority over the housing and transit reinvestment zone area,
2412 shall:

2413 (a) prepare a proposal for the housing and transit reinvestment zone that:

2414 (i) demonstrates that the proposed housing and transit reinvestment zone will meet
2415 the objectives described in Subsection 63N-3-603(1);

2416 (ii) explains how the municipality or public transit county will achieve the
2417 requirements of Subsection 63N-3-603(2)(a)(i);

2418 (iii) defines the specific transportation infrastructure needs, if any, and proposed
2419 improvements and estimated budgets;

2420 (iv) defines the boundaries of:

2421 (A) the housing and transit reinvestment zone; and

2422 (B) the sales and use tax boundary corresponding to the housing and transit
2423 reinvestment zone boundary, as described in Section 63N-3-610;

2424 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:

2425 (A) the proposed boundary and radius from a public transit hub;

2426 (B) proposed housing density within the housing and transit reinvestment zone;
2427 and

2428 (C) existing zoning and proposed zoning changes related to the housing and transit
2429 reinvestment zone;

2430 (vi) identifies any development impediments that prevent the development from
2431 being a market-rate investment, including proposed strategies and estimated
2432 budgets for addressing each one;

2433 (vii) describes the proposed development plan and estimated budgets, including the
2434 requirements described in Subsections 63N-3-603(2) and (4);

2435 (viii) establishes a base year and collection period to calculate the property tax
2436 increment within the housing and transit reinvestment zone;

2437 (ix) establishes a sales and use tax base year to calculate the sales and use tax
2438 increment within the housing and transit reinvestment zone in accordance with
2439 Section 63N-3-610;

2440 (x) describes projected maximum revenues generated and the amount of property tax
2441 increment capture from each taxing entity and proposed expenditures of revenue
2442 derived from the housing and transit reinvestment zone;

2443 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
2444 of revenue that can be used to reduce the finance gap;

2445 (xii) estimates budgets and evaluates possible benefits to active and public
2446 transportation availability and impacts on air quality;

2447 (xiii) proposes a finance schedule to align expected revenue with required financing
2448 costs and payments;

2449 (xiv) provides a pro-forma for the planned development that:

2450 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
2451 (B) includes data showing the cost difference between what type of development
2452 could feasibly be developed absent the housing and transit reinvestment zone
2453 property tax increment and the type of development that is proposed to be
2454 developed with the housing and transit reinvestment zone property tax
2455 increment; and

2456 (C) provides estimated budgets and construction costs, anticipated revenue,
2457 financing, expenses, and other sources and uses of funds for the project area;
2458 and

2459 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
2460 station, or bus rapid transit station that is proposed and not in public transit service
2461 operation as of the date of submission of the proposal, demonstrates that the
2462 proposed station is:

2463 (A) included as needed in phase one of a metropolitan planning organization's
2464 adopted long-range transportation plan and in phase one of the relevant public
2465 transit district's adopted long-range plan; and

2466 (B) reasonably anticipated to be constructed in the near future; and

2467 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
2468 of Economic Opportunity.

2469 (2) As part of the proposal described in Subsection (1), a municipality or public transit
2470 county shall study and evaluate possible impacts of a proposed housing and transit
2471 reinvestment zone on parking within the city and housing and transit reinvestment zone.

2472 (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's
2473 Office of Economic Opportunity shall:

2474 (i) within 14 days after the date on which the Governor's Office of Economic
2475 Opportunity receives the proposal described in Subsection (1)(b), provide notice
2476 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;

- 2545 (d) a member of the board of trustees of a large public transit district;
- 2546 (e) one individual from the Office of the State Treasurer, designated by the state
- 2547 treasurer;
- 2548 (f) two members designated by the president of the Senate;
- 2549 (g) two members designated by the speaker of the House of Representatives;
- 2550 (h) one member designated by the chief executive officer of each county affected by the
- 2551 housing and transit reinvestment zone or first home investment zone;
- 2552 (i) two representatives designated by the school superintendent from the school district
- 2553 affected by the housing and transit reinvestment zone or first home investment zone;
- 2554 and
- 2555 (j) one representative, representing the largest participating local taxing entity, after the
- 2556 municipality, county, and school district.

2557 (3) The individual designated by the Governor's Office of Economic Opportunity as

2558 described in Subsection (2)(a) shall serve as chair of the housing and transit

2559 reinvestment zone committee.

2560 (4)(a) A majority of the members of the housing and transit reinvestment zone

2561 committee constitutes a quorum of the housing and transit reinvestment zone

2562 committee.

2563 (b) An action by a majority of a quorum of the housing and transit reinvestment zone

2564 committee is an action of the housing and transit reinvestment zone committee.

2565 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the

2566 analysis described in Section 63N-3-604, and after the Governor's Office of

2567 Economic Opportunity has received a request from the submitting municipality or

2568 public transit county to submit the housing and transit reinvestment zone proposal to

2569 the housing and transit reinvestment zone committee, the Governor's Office of

2570 Economic Opportunity shall notify each of the entities described in Subsection (2) of

2571 the formation of the housing and transit reinvestment zone committee.

2572 (b) For a first home investment zone, the housing and transit reinvestment zone

2573 committee shall follow the procedures described in Section 63N-3-1604.

2574 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a

2575 public meeting to consider the proposed housing and transit reinvestment zone.

2576 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title

2577 52, Chapter 4, Open and Public Meetings Act.

2578 (7)(a) The proposing municipality or public transit county shall present the housing and

2579 transit reinvestment zone proposal to the housing and transit reinvestment zone
2580 committee in a public meeting.

2581 (b) The housing and transit reinvestment zone committee shall, for a housing and transit
2582 reinvestment zone proposal:

2583 (i) evaluate and verify whether the elements of a housing and transit reinvestment
2584 zone described in Subsections 63N-3-603(2) and (4) have been met; and
2585 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
2586 analysis described in Subsection 63N-3-604(2).

2587 (c) The housing and transit reinvestment zone committee shall, for a convention center
2588 reinvestment zone proposal, evaluate and verify whether the objectives of a
2589 convention center reinvestment zone described in Section 63N-3-603.1 have been
2590 met.

2591 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee
2592 may:

2593 (i)(A) for a housing and transit reinvestment zone, request changes to the housing
2594 and transit reinvestment zone proposal based on the analysis, characteristics,
2595 and criteria described in Section 63N-3-604; or
2596 (B) for a convention center reinvestment zone, request changes to the convention
2597 center reinvestment zone proposal based on the characteristics and criteria
2598 described in Sections 63N-3-603.1 and 63N-3-604.1; or
2599 (ii) subject to Subsection (12), vote to approve or deny the proposal.

2600 (b) Before the housing and transit reinvestment zone committee may approve the
2601 housing and transit reinvestment zone proposal, the municipality or public transit
2602 county proposing the housing and transit reinvestment zone shall ensure that the area
2603 of the proposed housing and transit reinvestment zone is zoned in such a manner to
2604 accommodate the requirements of a housing and transit reinvestment zone described
2605 in this section and the proposed development.

2606 (9) If a housing and transit reinvestment zone is approved by the committee:

2607 (a) the proposed housing and transit reinvestment zone is established according to the
2608 terms of the housing and transit reinvestment zone proposal;
2609 (b) affected local taxing entities are required to participate according to the terms of the
2610 housing and transit reinvestment zone proposal; and
2611 (c) each affected taxing entity is required to participate at the same rate.

2612 (10) A housing and transit reinvestment zone proposal may be amended by following the

2613 same procedure as approving a housing and transit reinvestment zone proposal.

2614 (11)(a) The approval for a convention center reinvestment zone in a capital city may be
2615 completed with a condition that the relevant municipality also create a public
2616 infrastructure district as provided in Subsection 63N-3-607(8)(b).

2617 (b) The approval described in Subsection (11)(a) shall verify that the requirements and
2618 limitations on use of funds is limited to the conditions described under Subsections
2619 63N-3-604.1(2)(b) and (c).

2620 (12)(a) Beginning January 1, 2028, the committee may not approve a proposal for a
2621 housing and transit reinvestment zone or a first home investment zone unless the
2622 proposal was pending on December 31, 2027.

2623 (b) Housing and transit reinvestment zones that are in existence on January 1, 2028,
2624 continue to exist and shall comply with the relevant requirements of this part until the
2625 housing and transit reinvestment zone is dissolved.

2626 Section 33. Section **63N-3-1603** is amended to read:

2627 **63N-3-1603 . Process for a proposal of a first home investment zone.**

2628 (1) [Subjeet] On or before December 31, 2027, and subject to approval of the housing and
2629 transit reinvestment zone committee as described in Section 63N-3-1604, in order to
2630 create a first home investment zone, a municipality that has general land use authority
2631 over the first home investment zone area, shall:

2632 (a) prepare a proposal for the first home investment zone that:

2633 (i) demonstrates that the proposed first home investment zone will meet the
2634 objectives described in Subsection 63N-3-1602(1);

2635 (ii) explains how the municipality will achieve the requirements of Subsection
2636 63N-3-1602(2);

2637 (iii) defines the specific infrastructure needs, if any, and proposed improvements;

2638 (iv) demonstrates how the first home investment zone will ensure:

2639 (A) sufficient pedestrian access to schools and other areas of community; and
2640 (B) inclusion of child care facilities and access;

2641 (v) defines the boundaries of the first home investment zone;

2642 (vi) includes maps of the proposed first home investment zone to illustrate:

2643 (A) proposed housing density within the first home investment zone;

2644 (B) extraterritorial homes relevant to the first home investment zone, including
2645 density of the development of extraterritorial homes; and

2646 (C) existing zoning and proposed zoning changes related to the first home

2647 investment zone;

2648 (vii) identifies any development impediments that prevent the development from
2649 being a market-rate investment and proposed strategies for addressing each one;

2650 (viii) describes the proposed development plan, including the requirements described
2651 in Subsections 63N-3-1602(2) and (4);

2652 (ix) establishes the collection period or periods to calculate the tax increment;

2653 (x) describes projected maximum revenues generated and the amount of tax
2654 increment capture from each taxing entity and proposed expenditures of revenue
2655 derived from the first home investment zone;

2656 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
2657 of revenue that can be used to reduce the finance gap;

2658 (xii) proposes a finance schedule to align expected revenue with required financing
2659 costs and payments;

2660 (xiii) evaluates possible benefits to active transportation, public transportation
2661 availability and utilization, street connectivity, and air quality; and

2662 (xiv) provides a pro forma for the planned development that:

2663 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and

2664 (B) includes data showing the cost difference between what type of development
2665 could feasibly be developed absent the first home investment zone tax
2666 increment and the type of development that is proposed to be developed with
2667 the first home investment zone tax increment;

2668 (b) submit the proposal to the relevant school district to discuss the requirements of the
2669 proposal and whether the proposal provides the benefits and achieves the objectives
2670 described in this part; and

2671 (c) submit the first home investment zone proposal to the Governor's Office of
2672 Economic Opportunity.

2673 (2) As part of the proposal described in Subsection (1), a municipality shall:

2674 (a) study and evaluate possible impacts of a proposed first home investment zone on
2675 parking and efficient use of land within the municipality and first home investment
2676 zone; and

2677 (b) include in the first home investment zone proposal the findings of the study
2678 described in Subsection (2)(a) and proposed strategies to efficiently address parking
2679 impacts.

2680 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's

2681 Office of Economic Opportunity shall:

2682 (i) within 14 days after the date on which the Governor's Office of Economic
2683 Opportunity receives the proposal described in Subsection (1)(c), provide notice
2684 of the proposal to all affected taxing entities, including the State Tax Commission,
2685 cities, counties, school districts, metropolitan planning organizations, and the
2686 county assessor and county auditor of the county in which the first home
2687 investment zone is located; and

2688 (ii) at the expense of the proposing municipality as described in Subsection (5),
2689 contract with an independent entity to:
2690 (A) perform the gap analysis described in Subsection (3)(b); and
2691 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
2692 and the feasibility of the proposed development absent the tax increment.

2693 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
2694 (i) a description of the planned development;
2695 (ii) a market analysis relative to other comparable project developments included in
2696 or adjacent to the municipality absent the proposed first home investment zone;
2697 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency
2698 of the proposal;
2699 (iv) an evaluation of the proposed tax increment capture needed to cover the system
2700 improvements and project improvements associated with the first home
2701 investment zone proposal and enable the proposed development to occur, and for
2702 the benefit of affordable housing projects; and
2703 (v) based on the market analysis and other findings, an opinion relative to the
2704 appropriate amount of potential public financing reasonably determined to be
2705 necessary to achieve the objectives described in Subsection 63N-3-1602(1).

2706 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
2707 proposed first home investment zone as described in Subsection (3)(a)(i), the
2708 municipality, in consultation with the county assessor and the State Tax Commission,
2709 shall:
2710 (i) evaluate the feasibility of administering the tax implications of the proposal; and
2711 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
2712 challenges in the administration of the proposal, or indicating that the county
2713 assessor can feasibly administer the proposal.

2714 (4) After receiving the results from the analysis described in Subsection (3)(b), the

2715 municipality proposing the first home investment zone may:

2716 (a) amend the first home investment zone proposal based on the findings of the analysis
2717 described in Subsection (3)(b) and request that the Governor's Office of Economic
2718 Opportunity submit the amended first home investment zone proposal to the housing
2719 and transit reinvestment zone committee; or
2720 (b) request that the Governor's Office of Economic Opportunity submit the original first
2721 home investment zone proposal to the housing and transit reinvestment zone
2722 committee.

2723 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
2724 credit, up to \$20,000 from a municipality for the costs of the gap analysis described
2725 in Subsection (3)(b).

2726 (b) The Governor's Office of Economic Opportunity may expend funds received from a
2727 municipality as dedicated credits to pay for the costs associated with the gap analysis
2728 described in Subsection (3)(b).

2729 (6)(a) Beginning January 1, 2028:

2730 (i) a municipality may not propose a first home investment zone;
2731 (ii) a municipality may amend a first home investment zone proposal, as described in
2732 Subsection (4), if the proposal was pending on December 31, 2027; and
2733 (iii) the Governor's Office of Economic Opportunity may not fulfill the duties
2734 described in Subsection (3) or (5) in regard to a proposal for a first home
2735 investment zone unless the proposal was pending on December 31, 2027.

2736 (b) First home investment zones that are in existence on January 1, 2028, continue to
2737 exist and shall comply with the relevant requirements of this part until the housing
2738 and transit reinvestment zone is dissolved.

2739 Section 34. Section **63N-3a-101** is enacted to read:

2740 **CHAPTER 3a. Coordination of Regional Economic Development Activity**

2741 **Part 1. General Provisions**

2742 **63N-3a-101 . Definitions.**

2743 As used in this chapter:

2744 (1) "Affordable housing" means:

2745 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy
2746 by households with a gross household income equal to or less than 80% of the county
2747 median gross income for households of the same size; or

2748 (b)(i) for homes that are owner occupied, housing that is priced at 80% of the county
2749 median home price; or
2750 (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code
2751 median home price if:
2752 (A) the proposal demonstrates that a deviation from the county median home price
2753 will achieve the objectives described in Section 63N-3a-103; and
2754 (B) the zip code median home price is based upon county property tax assessment
2755 data.

2756 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
2757 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
2758 roll last equalized during the base year.
2759 (4) "Base year" means:
2760 (a) for property tax increment, the calendar year:
2761 (i) immediately before the year in which the committee approves a regionally
2762 significant development zone; or
2763 (ii) in which the committee approves a regionally significant development zone;
2764 (b) for sales and use tax increment, a sales and use tax year specified in the approved
2765 proposal;
2766 (c) for municipal energy tax increment, a tax year specified in the approved proposal; and
2767 (d) for transient room tax increment, a tax year specified in the approved proposal.
2768 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and
2769 efficient service that may include dedicated lanes, busways, traffic signal priority,
2770 off-board fare collection, elevated platforms, and enhanced stations.
2771 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed
2772 station, stop, or terminal that is specifically identified as needed in phase one of a
2773 metropolitan planning organization's adopted long-range transportation plan:
2774 (a) along an existing bus rapid transit line; or
2775 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
2776 (7) "Committee" means the increment financing committee created in Section 63N-3a-102.
2777 (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a
2778 large public transit district.
2779 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
2780 transit district.
2781 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed

2782 station, stop, or terminal, which has been specifically identified as needed in phase one
2783 of a metropolitan planning organization's adopted long-range transportation plan and in
2784 phase one of the relevant public transit district's adopted long-range transit plan:
2785 (a) along an existing commuter rail line;
2786 (b) along an extension to an existing commuter rail line or new commuter rail line;
2787 (c) along a fixed guideway extension from an existing commuter rail line; or
2788 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an
2789 existing commuter rail station.

2790 (10) "Creating entity" means:

2791 (a) a municipality; or
2792 (b) a county.

2793 (11)(a) "Developable area" means the portion of land within a zone available for
2794 development and construction of uses that met the objectives described in Section
2795 63N-3a-104.

2796 (b) "Developable area" does not include portions of land within a zone intended for
2797 housing development that are allocated to:
2798 (i) parks;
2799 (ii) open spaces;
2800 (iii) trails;
2801 (iv) parking;
2802 (v) roadway facilities; or
2803 (vi) other public facilities.

2804 (12) "Dwelling unit" means one or more rooms arranged for the use of one or more
2805 individuals living together, as a single housekeeping unit, with cooking, living, sanitary,
2806 and sleeping facilities.

2807 (13) "Enhanced development" means the construction of mixed uses including housing,
2808 commercial, recreational, and related facilities.

2809 (14) "Enhanced development costs" means extra costs associated with structured parking
2810 costs, vertical construction costs, horizontal construction costs, life safety costs,
2811 structural costs, conveyor or elevator costs, and other costs incurred due to the increased
2812 height of buildings or enhanced development.

2813 (15) "Extraterritorial home" means a dwelling that is included as part of a proposal that:
2814 (a) is located within the municipality making the proposal but outside the boundary of
2815 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.

2884 (b) "Project improvements" does not mean system improvements.

2885 (36)(a) "Property tax increment" means the difference between:

2886 (i) the amount of property tax revenue generated each tax year by a taxing entity from
2887 within a regionally significant development zone, using the current assessed value
2888 and each taxing entity's current final tax rate as defined in Section 59-2-924; and
2889 (ii) the amount of property tax revenue that was generated from that same area during
2890 the base year.

2891 (b) "Property tax increment" does not include property tax revenue from:

2892 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
2893 (ii) a county additional property tax described in Subsection 59-2-1602(4);
2894 (iii) a levy imposed by a public infrastructure district as described in Section
2895 17D-4-303; or
2896 (iv) a public library fund levy described in Subsection 9-7-501(2).

2897 (37) "Proposal" means a document, physical or electronic, developed by a creating entity:

2898 (a) outlining the need for the creation of a regionally significant development zone;
2899 (b) explaining whether the zone is proposed to create:
2900 (i) a regionally significant transient oriented development, as described in Section
2901 63N-3a-301;
2902 (ii) a regionally significant first home village, as described in Section 63N-3a-302;
2903 (iii) a regionally significant major sporting event venue, as described in Section
2904 63N-3a-303; and
2905 (iv) a regionally significant economic development opportunity, as described in
2906 Section 63N-3a-304;

2907 (c) describing how the relevant objectives would be achieved by the creation of the
2908 regionally significant development zone;

2909 (d) describing the boundaries of the proposed regionally significant development zone;
2910 (e) describing the impacted primary area, if any, of a proposed regionally significant
2911 development zone; and
2912 (f) that is submitted to a committee.

2913 (38) "Public transit county" means a county that has created a small public transit district.

2914 (39) "Public transit hub" means a public transit depot or station where four or more routes
2915 serving separate parts of the county-created transit district stop to transfer riders between
2916 routes.

2917 (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;

2986 (d) two members designated by the president of the Senate;
2987 (e) two members designated by the speaker of the House of Representatives;
2988 (f) one representative representing the largest participating local taxing entity by
2989 population, after the creating entity, in the proposed zone;
2990 (g) one representative from the creating entity; and
2991 (h)(i) if a proposal addresses affordable housing, moderate income housing, or
2992 creates a regionally significant first home village:
2993 (A) one representative from the office, designated by the executive director, who
2994 works on housing policy; and
2995 (B) two representatives designated by the school superintendent from the largest
2996 school district by student population affected by the proposal;
2997 (ii) if a proposal addresses a regionally significant transit zone, one member
2998 appointed by the governor:
2999 (A) from the Transportation Committee created in Section 72-1-301; or
3000 (B) a member of the board of trustees of a large public transit district;
3001 (iii) if a proposal addresses a major sporting event venue that will be used during an
3002 Olympic Games, one member of the executive committee for the Salt Lake
3003 City-Utah Committee for the Games;
3004 (iv) if a proposal addresses a major sporting event venue that will not be used during
3005 an Olympic Games, one individual with expertise in a professional sports
3006 industry, appointed by the governor; and
3007 (v) if a proposal addresses a regionally significant economic development
3008 opportunity that is not described in Subsections (2)(h)(i) through (iv), any
3009 individual with relevant expertise appointed by the governor.

3010 (3) A majority of committee members constitutes a quorum.

3011 (4) A majority vote of a quorum constitutes action by the committee.

3012 Section 36. Section **63N-3a-103** is enacted to read:

3013 **63N-3a-103 . Executive director duties -- Contracting.**

3014 (1) In addition to the duties described in Section 63N-1a-303, the executive director shall
3015 coordinate the use of increment financing to achieve the state's long-term housing and
3016 economic development goals while balancing the need of local communities to protect
3017 tax base and continue to provide essential services to a growing population.

3018 (2) Following the office's evaluation of a proposal, as described in Section 63N-3a-202, the
3019 executive director shall:

3020 (a) determine whether the proposal demonstrates broad regional benefits to the state and
3021 the state's residents, including the provision of affordable housing, enhancing
3022 statewide infrastructure, or contributing to economic resilience;
3023 (b) evaluate the proposal by considering:
3024 (i) the impact of proposed increment financing on residents; and
3025 (ii) existing uses of increment in the proposed area; and
3026 (c) provide the proposal, with the executive director's determination and
3027 recommendation, to the committee for consideration.

3028 (3) The executive director shall:

3029 (a) coordinate a committee's evaluation of a proposal; and
3030 (b) maintain active communication with regional economic development authorities
3031 regarding increment financing.

3032 (4)(a) Subject to Subsections (4)(b) and (c), the office may enter into a contract with an
3033 independent consultant, another executive branch agency, a regional economic
3034 development authority, or a political subdivision with expertise in analyzing
3035 economic development opportunities and managing increment financing to assist the
3036 office in the performance of the duties described in this chapter.

3037 (b) A regional economic development authority or political subdivision may not perform
3038 the duties described in Subsection (4)(a) in regard to a proposal if the regional
3039 economic development authority or political subdivision is directly financially
3040 impacted by the proposal.

3041 (c) An independent consultant contracted to assist the office under Subsection (4)(a)
3042 may not advise the creating entity or any party with a financial stake in the proposed
3043 regionally significant development zone.

3044 Section 37. Section **63N-3a-104** is enacted to read:

3045 **63N-3a-104 . Maximum number of zones per county.**

3046 (1) As used in this section, "increment zone" means:

3047 (a) a housing and transit reinvestment zone;
3048 (b) a convention center reinvestment zone;
3049 (c) a first homes investment zone;
3050 (d) a home ownership promotion zone;
3051 (e) a major sporting event venue zone;
3052 (f) an electrical energy development zone; and
3053 (g) a regionally significant development zone.

3054 (2) In any given county, the maximum number of increment zones at light rail stations, not
3055 including a convention center reinvestment zone, is eight.

3056 (3) Within a county of the first class, as classified under Section 17-60-104:

3057 (a) the maximum number of housing and transit reinvestment zones at bus rapid transit
3058 stations is three;

3059 (b) the maximum total combined number of housing and transit reinvestment zones and
3060 first home investment zones is 11; and

3061 (c) the maximum total combined number of increment zones is 14.

3062 Section 38. Section **63N-3a-105** is enacted to read:

3063 **63N-3a-105 . Rulemaking.**

3064 In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3065 office may make rules as necessary to fulfill the duties described in this chapter.

3066 Section 39. Section **63N-3a-201** is enacted to read:

3067 **Part 2. Creation of Regionally Significant Development Zones**

3068 **63N-3a-201 . Process to propose -- Advance consultation -- Proposal**
3069 **requirements -- Consultation and public comment required -- Office review.**

3070 (1)(a) A creating entity may propose the creation of a regionally significant development
3071 zone:

3072 (i) within the jurisdictional boundaries of the creating entity; and
3073 (ii) as provided in this section.

3074 (b) One or more creating entities may jointly propose a regionally significant
3075 development zone, and be treated as a single creating entity for the purposes of this
3076 part, if:

3077 (i) the creating entities first enter an interlocal agreement governing how the creating
3078 entities shall manage the zone, if approved; or

3079 (ii) the creating entities include a proposed interlocal agreement the creating entities
3080 will enter upon approval of the zone.

3081 (c) An interlocal agreement described in Subsection (1)(b) shall meet the requirements
3082 of Section 17C-6-102.

3083 (2) Before a creating entity may submit a proposal to the office as described in this section:

3084 (a) the legislative body of the creating entity shall:

3085 (i) submit a draft of the proposal to every school district that would be impacted by
3086 the creation of a regionally significant development zone, as described in the
3087 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

3122 creation of a regionally significant development zone; and

3123 (ii) the type of redevelopment or development that is proposed to occur with the

3124 creation of a regionally significant development zone and the accompanying

3125 regionally significant development zone revenue; and

3126 (d) include any other information the office requires by rule.

3127 (6) A proposal may include:

3128 (a) a request to capture property tax increment, the entirety of personal property tax

3129 revenue, or both;

3130 (b) a request to capture local sales and use tax increment; and

3131 (c) an explanation of the creating entity's intent to implement a tax described in Section

3132 17C-6-201, either immediately upon the creation of the regionally significant

3133 development zone or on a specified timeline following the creation of the regionally

3134 significant development zone.

3135 (7) A regionally significant development zone may not be smaller than 10 acres.

3136 (8)(a) After receiving a proposal, the office shall:

3137 (i) provide notice of the proposal to all affected taxing entities, including the tax

3138 commission, municipalities, counties, school districts, and special districts;

3139 (ii) provide notice of the proposal to any impacted metropolitan planning

3140 organizations;

3141 (iii) provide notice of the proposal to the county assessor and county auditor of every

3142 county in which a proposed regionally significant development zone would be

3143 wholly or partially located;

3144 (iv) evaluate the feasibility of administering the tax implications of the proposal;

3145 (v) evaluate the pro forma analysis included in the proposal; and

3146 (vi) following the evaluations described in Subsections (8)(a)(iv) and (v), provide any

3147 findings the office makes to the creating entity.

3148 (b) In conducting the evaluations described in Subsections (8)(a)(iv) and (v), the office:

3149 (i) shall consult with the tax commission and the relevant county assessor and county

3150 auditor; and

3151 (ii) may consult with an independent consultant, executive branch agency, regional

3152 land use authority, or political subdivision as described in Section 63N-3a-103.

3153 (c)(i) The office shall provide any findings following the evaluations described in

3154 Subsections (8)(a)(iv) and (v) to the creating entity.

3155 (ii) After receiving the findings described in Subsection (8)(b)(vi), the creating entity

3156 may:

3157 (A) amend the proposal and request the office submit the amended proposal to the
3158 committee; or

3159 (B) request the office submit the original proposal to the committee.

3160 (9) If the office determines a proposal meets the requirements of this section, the office
3161 shall:

3162 (a) notify the creating entity;

3163 (b) provide the proposal to the executive director for the executive director's evaluation
3164 and recommendation, as described in Section 63N-3a-103; and

3165 (c) notify the relevant individuals described in Section 63N-3a-102 that an increment
3166 financing committee is convened to consider a proposal.

3167 Section 40. Section **63N-3a-202** is enacted to read:

3168 **63N-3a-202 . Committee consideration of a proposal.**

3169 (1) The proposing creating entity shall present the proposal to the committee in a public
3170 meeting.

3171 (2) Before voting to approve or deny a proposal, the committee shall evaluate and verify
3172 whether the proposal adequately addresses relevant objectives and requirements
3173 described in Part 3, Specific Provisions.

3174 (3) In considering a proposal, a committee may request any information from a creating
3175 entity needed to make a determination about whether to approve or deny a proposal, or
3176 approve a proposal with modifications, including a description of the proposed uses of
3177 funds and how funds will be used to support public projects related to the regionally
3178 significant development zone.

3179 (4) The committee may:

3180 (a) request changes to the proposal;

3181 (b) vote to approve the proposal, with or without modifications to the proposal; or

3182 (c) vote to deny the proposal.

3183 (5) If the committee votes to approve the proposal, with or without modifications, the
3184 committee shall fulfill the requirements of Section 63N-3a-203.

3185 Section 41. Section **63N-3a-203** is enacted to read:

3186 **63N-3a-203 . Approval process -- Creation of a regionally significant**
3187 **development zone -- Boundaries.**

3188 (1) If the committee votes to approve a proposal, as described in Section 63N-3a-202:
3189 (a) a regionally significant development zone is created as of the effective date and

subject to the governance requirements described in Section 63N-3a-206;

- (b) affected local taxing entities are required to participate according to the terms approved by the committee; and
- (c) each affected taxing entity is required to participate at the same rate.

(2)(a) The effective date of a regionally significant development zone is the later of:

- (i) January 1 following the approval of the proposal, if the committee approves the proposal on or before September 30; or
- (ii) January 1 following the year after the year in which the committee approves the proposal.

(b) A creating entity may not trigger the collection of tax increment within a regionally significant development zone before the effective date.

(3)(a) In approving a proposal, the committee shall establish:

- (i) the qualified development zone boundary for the purpose of calculating property tax increment;
- (ii) in consultation with the tax commission, the sales and use tax boundary for the purpose of calculating local sales and use tax increment, municipal energy tax increment, or transient room tax increment;
- (iii) for each proposed source of tax increment other than property tax, the maximum number of consecutive years a creating entity's agency may collect and use increment, not to exceed 25 years; and
- (iv) the maximum amount of tax increment revenue, in total and from each proposed source, that may be captured in the regionally significant development zone.

(4)(a) In accordance with Section 63N-3a-204, for any proposal requesting approval of the use of property tax increment, the committee shall also establish:

- (i) the property tax base year, which shall be either:
 - (A) the year before the year in which the committee approves the proposal; or
 - (B) the year the committee approves the proposal; and
- (ii) the percentage of property tax increment allowed to be captured within and used on behalf of a regionally significant development zone, not to exceed 60% of all property tax increment generated within the property tax boundary.

(b) The base taxable value of land within a regionally significant development zone is determined as of January 1 of the base year established by the committee under Subsection (4)(a).

(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

3258 Utah Geospatial Resource Center created under Section 63A-16-505; and
3259 (c) transmit a copy of the approved regionally significant development zone proposal,
3260 map, and legal description of the regionally significant development zone, and if
3261 applicable, primary project area, to:
3262 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
3263 part of the regionally significant development zone is located;
3264 (ii) the officer or officers performing the function of auditor or assessor for each
3265 taxing entity that does not use the county assessment roll or collect the taxing
3266 entity's taxes through the county;
3267 (iii) the legislative body or governing board of each taxing entity affected by the
3268 regionally significant development zone;
3269 (iv) the tax commission; and
3270 (v) the State Board of Education.

3271 (7) Within 90 days after the committee approves a proposal, the committee shall provide to
3272 the tax commission:
3273 (a) a statement that the regionally significant development zone is established under this
3274 part;
3275 (b) the approval date of the proposal and the effective date of the regionally significant
3276 development zone;
3277 (c) the qualified development zone boundary, if applicable;
3278 (d) the sales and use tax base year, if applicable;
3279 (e) the sales and use tax boundary, if applicable; and
3280 (f) any information about the regionally significant development zone requested by the
3281 commission.

3282 Section 42. Section **63N-3a-204** is enacted to read:

3283 **63N-3a-204 . Property tax increment -- Personal property tax revenue diversion**
3284 **-- Remittance to the State Reinvestment Fund.**

3285 (1) As used in this section, "designated remitting percentage" means the percentage of
3286 property tax increment revenue established by the committee as described in Subsection
3287 63N-3a-203(4).

3288 (2)(a) A creating entity may propose a qualified development zone boundary that
3289 includes a project area and an impacted primary area.
3290 (b) The committee may establish a qualified development zone boundary that includes:
3291 (i) a project area only; or

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

3360 the committee, is the qualified development zone for purposes of the calculations in
3361 Sections 59-12-103 and 59-12-205.

3362 (5) A creating entity may only trigger one sales and use tax increment collection period for
3363 a regionally significant development zone.

3364 (6) A creating entity's agency may collect local sales and use tax increment within a sales
3365 and use tax boundary for:

3366 (a) up to the total number of years established by the committee under Subsection
3367 63N-3a-203(4); and

3368 (b) no longer than 40 years after the effective date of the regionally significant
3369 development zone.

3370 (7) A creating entity's agency may receive and use local sales and use tax increment in
3371 accordance with this section and as described in Title 17C, Chapter 6, Regionally
3372 Significant Development Zones Act.

3373 (8) The creating entity of a regionally significant development zone shall notify the tax
3374 commission that the creating entity's agency intends to begin receiving local sales and
3375 use tax increment by no later than two fiscal quarters before distribution of local sales
3376 and use tax increment, as described in Subsection (9), may commence.

3377 (9) For transactions that occur within the sales and use tax boundary, the tax commission
3378 shall provide the following information to the creating entity on a quarterly basis, after
3379 timely notice described in Subsection (8):

3380 (a) the total revenue generated by transactions that occur within the sales and use tax
3381 boundary in the preceding quarter; and

3382 (b) the amount of revenue the creating entity shall transfer to the creating entity's
3383 agency, calculated using the percentage of local sales and use tax increment
3384 established by the committee under Subsection 63N-3a-203(5).

3385 (10) Local sales and use tax increment distributed to a creating entity's agency in
3386 accordance with this section:

3387 (a) is not revenue of the creating entity or the creating entity's agency; and

3388 (b) constitutes regionally significant development zone funds and shall be administered
3389 as described in Section 17C-6-203.

3390 (11)(a) The creating entity shall notify the tax commission once the maximum amount
3391 of local sales and use tax increment has been distributed to the creating entity's
3392 agency, as approved by the committee.

3393 (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

3428 relevant to a regionally significant development zone, the creating entity may:
3429 (a) make corresponding adjustments to the qualified development zone; and
3430 (b) in consultation with the commission, and with the approval of the commission, make
3431 corresponding adjustments to the local sales and use tax boundary.

3432 Section 45. Section **63N-3a-207** is enacted to read:

3433 **63N-3a-207 . Triggering increment collection.**

3434 In addition to any other notification requirements in this part, a creating entity of a
3435 regionally significant development zone shall notify each affected taxing entity within the zone
3436 at least six months before the creating entity triggers a collection period for tax increment.

3437 Section 46. Section **63N-3a-208** is enacted to read:

3438 **63N-3a-208 . Payment, use, and administration of regionally significant**
3439 **development zone revenue.**

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

3441 (a) administer the regionally significant development zone;
3442 (b) promote the objectives for the regionally significant development zone; and
3443 (c) be the custodian of regionally significant development zone revenue, as described in
3444 Title 17C, Chapter 6, Regionally Significant Development Zones Act.

3445 (2) An agency may share regionally significant development zone revenue with another
3446 governmental entity or a private party as described in this section.

3447 (3) Before a governmental entity that is not an agency may receive regionally significant
3448 development zone funds from the creating entity, the creating entity or creating entity's
3449 agency and the governmental entity shall enter into an agreement governing the use of
3450 the funds, consistent with this chapter and Title 17C, Chapter 6, Regionally Significant
3451 Development Zones Act.

3452 (4) Before a private party may receive regionally significant development zone funds, the
3453 creating entity or creating entity's agency and the private party shall enter into an
3454 agreement governing the use of the funds, consistent with this chapter and Title 17C,
3455 Chapter 6, Regionally Significant Development Zones Act.

3456 (5) A creating entity's agency shall use and be responsible for regionally significant
3457 development zone funds as described in Section 17C-6-203.

3458 (6) The creating entity of a regionally significant development zone shall be responsible for:
3459 (a) tracking revenue received by the creating entity on behalf of the regionally
3460 significant development zone; and
3461 (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

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

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

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

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

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

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

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

Part 3. Specific Provisions for Certain Zones

3530 **63N-3a-301 . Provisions specific to a regionally significant transit-oriented**
3531 **development.**

3532 (1) A proposal to create a regionally significant development zone that qualifies as a
3533 regionally significant transit-oriented development, as described in this section, shall
3534 demonstrate how the proposal addresses the following objectives:

- 3535 (a) higher utilization of public transit;
- 3536 (b) increasing availability of housing, including affordable housing;
- 3537 (c) promoting and encouraging development of owner-occupied housing;
- 3538 (d) improving efficiencies in parking and transportation, including walkability of
3539 communities near public transit facilities;
- 3540 (e) overcoming development impediments and market conditions that render a
3541 development cost prohibitive absent the proposal and incentives;
- 3542 (f) conserving water resources through efficient land use;
- 3543 (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- 3544 (h) encouraging mixed-use development and investment in transportation and public
3545 transit infrastructure in strategic areas;
- 3546 (i) strategic land use and municipal planning in major transit investment corridors as
3547 described in Subsection 10-20-404(2);
- 3548 (j) increasing access to employment and educational opportunities; and
- 3549 (k) increasing access to child care.

3550 (2) To accomplish the objectives described in Subsection (1), a creating entity that proposes
3551 a regionally significant transit-oriented development as described in this section shall
3552 ensure that the proposal includes:

- 3553 (a) except as provided in Subsection (3), at least 12% of the proposed dwelling units
3554 within the zone are affordable housing units, with:
 - 3555 (i) up to 9% of the proposed dwelling units occupied or reserved for occupancy by
3556 households with a gross household income equal to or less than 80% of the county
3557 median gross income for households of the same size; and
 - 3558 (ii) at least 3% of the proposed dwelling units occupied or reserved for occupancy by
3559 households with a gross household income equal to or less than 60% of the county
3560 median gross income for households of the same size; and
- 3561 (b) except as provided in Subsection (4), at least 51% of the developable area within a
3562 zone be dedicated to residential uses and:
 - 3563 (i) an average of at least 50 dwelling units per acre within the acreage of the zone

3564 dedicated to residential uses;

3565 (ii) mixed-use development within the zone; and

3566 (iii) a mix of dwelling units to ensure that at least 25% of the dwelling units have
3567 more than one bedroom.

3568 (3)(a) If the projects within a regionally significant transit-oriented development are
3569 developed in phases, a creating entity and agency shall ensure that each phase is
3570 developed to provide the required 12% of affordable housing units.

3571 (b) A creating entity may allow a regionally significant transit development to be phased
3572 and developed in a manner to provide more of the required affordable housing units
3573 in early phases of development.

3574 (c) A creating entity shall include in a proposal an affordable housing plan, which may
3575 include deed restrictions, to ensure the affordable housing required in the proposal
3576 will continue to meet the definition of affordable housing at least throughout the
3577 entire term of the zone.

3578 (d) If the creating entity meets the affordable housing guidelines of the United States
3579 Department of Housing and Urban Development at 60% area median income at the
3580 time the regionally significant transit-oriented development proposal is approved by
3581 the committee, the creating entity is exempt from the percentage requirements
3582 described in Subsection (2)(a).

3583 (4) For a regionally significant transit-oriented development proposed to be located at a
3584 public transit hub or a bus rapid transit station, the regionally significant transit-oriented
3585 development shall include:

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

3587 (b) an average of at least 50 dwelling units per acre within the acreage of the zone
3588 dedicated to residential uses.

3589 Section 49. Section **63N-3a-302** is enacted to read:

3590 **63N-3a-302 . Provisions specific to a regionally significant first home village.**

3591 (1) A proposal to create a regionally significant development zone that qualifies as a
3592 regionally significant first home village, as described in this section, shall demonstrate
3593 how the proposal addresses the following objectives:

3594 (a) improving efficiencies in parking and transportation, including walkability of
3595 communities near public transit facilities, street and path interconnectivity within the
3596 proposed development and connections to surrounding communities, and access to
3597 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

3632 beginning one year after the day on which the condominium building is complete and
3633 receives a certificate of occupancy from the relevant local land use authority.

3634 Section 50. Section **63N-3a-303** is enacted to read:

3635 **63N-3a-303 . Provisions specific to a major sporting event venue development.**

3636 (1) A regionally significant development zone that qualifies as a major sporting event venue
3637 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.

3649 (2) A creating entity may not propose a regionally significant development zone to pursue a
3650 major sporting event venue development unless the owner of the major sporting event
3651 venue, as applicable, provides written consent.

3652 (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

3666 strategies for addressing each one;

3667 (f) describe the proposed development or refurbishment to a sporting event venue,
3668 including estimated costs;

3669 (g) describe projected maximum revenues generated within the zone by each permitted
3670 source of revenue described in Section 17C-6-201;

3671 (h) describe proposed expenditures of revenue generated within the zone;

3672 (i) include an analysis of other applicable or eligible incentives, grants, or sources of
3673 revenue that can be used to reduce any finance gap between generated revenue and
3674 estimated costs;

3675 (j)(i) describe any known opportunities for private-public partnership in developing,
3676 refurbishing, operating, or managing a major sporting event venue, as described in
3677 Section 17C-6-301; or

3678 (ii) describe a strategy to pursue private-public partnership in developing or
3679 refurbishing a major sporting event venue; and

3680 (k) evaluate possible benefits to active transportation, public transportation availability
3681 and utilization, street connectivity, and air quality.

3682 Section 51. Section **63N-3a-304** is enacted to read:

3683 **63N-3a-304 . Provisions specific to a regionally significant economic development**
3684 **opportunity.**

3685 (1) A creating entity with general land use authority over an area may submit a proposal
3686 that does not qualify under Sections 63N-3a-301 through 303 as a regionally significant
3687 development opportunity.

3688 (2) A proposal for a regionally significant economic development opportunity shall
3689 demonstrate the likelihood that the project will constitute a significant capital
3690 investment, as that term is defined in Section 63N-2-103.

3691 (3) The executive director and office shall establish additional criteria by rule, in
3692 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for a
3693 regionally significant development opportunity.

3694 Section 52. Section **63N-3a-401** is enacted to read:

3695 **Part 4. Coordinating the Use of Increment Financing**

3696 **63N-3a-401 . Coordinating regional land use authority uses of increment**
3697 **financing.**

3698 (1) A regional economic development authority is not required to make a proposal or obtain
3699 approval from the committee before taking action the regional economic development

3700 authority is legally authorized to take.

3701 (2) In addition to any other requirements, beginning July 1, 2026, a regional economic
3702 development authority shall provide notice of tax increment financing to the office at
3703 least 30 days before the regional economic development authority intends to trigger or
3704 otherwise begin the process of collecting tax increment.

3705 (3) Notification of tax increment financing described in Subsection (2) shall include:

3706 (a) a description of the type of tax increment financing planned for use;
3707 (b) a description of the geographical area from which the regional economic
3708 development authority shall collect the tax increment financing;
3709 (c) the amount of time the regional economic development authority shall collect and
3710 use the tax increment financing; and
3711 (d) a general description of the intended use of the tax increment financing.

3712 (4) Beginning January 1, 2027, a regional economic development authority shall provide
3713 the office with information on any increment financing the regional economic
3714 development authority began collecting and utilizing before July 1, 2026.

3715 Section 53. Section **63N-3a-402** is enacted to read:

3716 **63N-3a-402 . Mapping increment financing.**

3717 (1) Within available funds, the office shall maintain or cause to be maintained a
3718 public-facing dashboard indicating:
3719 (a) for a regionally significant development zone proposal approved by the committee:
3720 (i) the boundaries of any increment financing project approved by the committee;
3721 (ii) the public entity collecting increment financing revenue;
3722 (iii) the public entities forgoing increment financing revenue; and
3723 (iv) the dates upon which increment financing for the project are anticipated to begin
3724 and cease; and
3725 (b) for any increment financing the office is notified about under Section 63N-3a-401,
3726 the regional economic development authority managing the project.

3727 (2) The office shall evaluate the public-facing dashboard described in Subsection (1):
3728 (a) on a periodic basis; and
3729 (b) for ease of public use and transparency.

3730 (3) The office may coordinate with another executive branch agency or state officer to
3731 fulfill the duties described in this section.

3732 Section 54. Section **63N-3a-501** is enacted to read:

3733 **Part 5. Reporting**

3734 **63N-3a-501 . Reporting.**

3735 (1) After the effective date of a regionally significant development zone, as described in
3736 Section 63N-3a-203, the creating entity shall provide a written report, no later than
3737 August 1, on the creating entity's activities to implement the objectives of the regionally
3738 significant development zone to the executive director.

3739 (2) The executive director shall annually provide a written report, no later than October 1,
3740 summarizing all reports received under Subsection (1) and including any
3741 recommendations to the Legislature for statutory changes to this chapter or Title 17C,
3742 Chapter 6, Regionally Significant Development Zones Act, to the:

3743 (a) Revenue and Taxation Interim Committee;
3744 (b) Political Subdivisions Interim Committee; and
3745 (c) Economic Development and Workforce Services Interim Committee.

3746 Section 55. Section **79-6-1104** is amended to read:

3747 **79-6-1104 . Electrical energy development zones -- Property tax differential.**

3748 (1) As used in this section:

3749 (a) "Base taxable value" means the value of property within an electrical energy
3750 development zone, as shown on the assessment roll last equalized before the creation
3751 of the electrical energy development zone.

3752 (b) "Community reinvestment agency" means the same as that term is defined in Section
3753 17C-1-102.

3754 (c) "Community reinvestment project area" means the same as that term is defined in
3755 Section 17C-1-102.

3756 (d) "Municipal power project" means an electrical energy project that:

3757 (i) is operated by or on behalf of a municipality; and
3758 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.

3759 (e) "Property tax differential" means the difference between:

3760 (i) the amount of property tax revenues generated each tax year by all taxing entities
3761 from an electrical energy development zone, using the current assessed value of
3762 the property; and
3763 (ii) the amount of property tax revenues that would be generated from that same area
3764 using the base taxable value of the property.

3765 (f) "[State land-use] Regional economic development authority" means:
3766 (i) the Utah Inland Port Authority created in Section 11-58-201;
3767 (ii) the Military Installation Development Authority created in Section 63H-1-201;

3768 (iii) the School and Institutional Trust Lands Administration created in Section
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

council, as applicable;

- (v) if the applicant is a county and any portion of the proposed electrical energy development zone is within the boundaries of a municipality, evidence of an agreement with the municipality regarding the establishment of the electrical energy development zone; and
- (vi) any other information required by the council.

(4) A [state land use] regional economic development authority may:

- (a) propose an electrical energy development zone within lands under [its] the regional economic development authority's jurisdiction; and
- (b) apply to the council for the designation of an electrical energy development zone by submitting:
 - (i) a description of the proposed boundaries of the electrical energy development zone;
 - (ii) an assessment of existing electrical energy infrastructure within and proximate to the proposed electrical energy development zone;
 - (iii) a development plan that includes:
 - (A) proposed electrical energy development projects;
 - (B) anticipated infrastructure improvements; and
 - (C) projected economic benefits;
 - (iv) evidence that the proposed zone is consistent with applicable land use plans and regulations; and
 - (v) any other information required by the council.

(5) The council shall:

- (a) approve an application for electrical energy development zone designation if the application demonstrates:
 - (i) the proposed electrical energy development zone includes land suitable for electrical energy development based on:
 - (A) access to electrical energy resources;
 - (B) proximity to existing or planned transmission infrastructure;
 - (C) adequate transportation access; and
 - (D) sufficient land area for proposed development; and
 - (ii) the development plan:
 - (A) aligns with state energy policy under Section 79-6-301;
 - (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.