

Calvin Roberts proposes the following substitute bill:

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

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- defines terms and modifies definitions;
- prohibits a political subdivision from providing an incentive to a large load data center, with exceptions;
- establishes the State Reinvestment Restricted Account (account);
- describes the potential uses for money in the 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 certified tax rate, as shown on the last equalized assessment rolls, in the conveyance of residential real property, if applicable;
- creates the optional County Energy Excise Tax;
- requires the State Tax Commission to deposit revenue, in certain circumstances, into the account;
- creates a process for a county or city to propose a regionally significant development zone (zone) and for a committee to approve the creation of a zone;
- authorizes a zone to capture and utilize certain forms of tax increment;
- describes how a zone will be managed, including how a community reinvestment agency (agency) will manage zone funds, prepare zone budgets, conduct zone audits, and make

28 biennial reports;

29 ▸ describes the circumstances in which an agency or a county treasurer shall transfer a
30 percentage of zone revenue into the account;

31 ▸ provides that a housing and transit reinvestment zone, first home investment zone,
32 convention center reinvestment zone, or home ownership promotion zone may not be
33 created after January 1, 2028;

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

46 **11-58-102**, as last amended by Laws of Utah 2024, Chapters 53, 438 and 535

47 **11-58-602**, as last amended by Laws of Utah 2025, Chapter 459

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

50 **17B-2a-1302**, as enacted by Laws of Utah 2024, Chapter 388

51 **17C-1-102**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16

52 **17C-1-409**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16

53 **17C-1-603**, as last amended by Laws of Utah 2025, Chapter 480

54 **17D-4-201**, as last amended by Laws of Utah 2025, Chapter 347

55 **17D-4-202**, as last amended by Laws of Utah 2025, Chapter 347

56 **17D-4-202.1**, as enacted by Laws of Utah 2025, Chapter 29

57 **17D-4-203**, as last amended by Laws of Utah 2025, Chapter 498

58 **17D-4-204**, as last amended by Laws of Utah 2025, Chapter 347

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

60 **59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

61 **63N-3-604**, as last amended by Laws of Utah 2025, Chapter 29

- 62 **63N-3-604.1**, as enacted by Laws of Utah 2025, Chapter 29
- 63 **63N-3-605**, as last amended by Laws of Utah 2025, Chapter 29
- 64 **63N-3-1603**, as enacted by Laws of Utah 2024, Chapter 537
- 65 **79-6-1104**, as enacted by Laws of Utah 2025, Chapter 375

66 ENACTS:

- 67 **11-41-201**, Utah Code Annotated 1953
- 68 **11-41-202**, Utah Code Annotated 1953
- 69 **11-58-607**, Utah Code Annotated 1953
- 70 **17C-6-101**, Utah Code Annotated 1953
- 71 **17C-6-102**, Utah Code Annotated 1953
- 72 **17C-6-201**, Utah Code Annotated 1953
- 73 **17C-6-202**, Utah Code Annotated 1953
- 74 **17C-6-203**, Utah Code Annotated 1953
- 75 **17C-6-301**, Utah Code Annotated 1953
- 76 **17C-6-401**, Utah Code Annotated 1953
- 77 **17C-6-402**, Utah Code Annotated 1953
- 78 **17C-6-403**, Utah Code Annotated 1953
- 79 **17C-6-404**, Utah Code Annotated 1953
- 80 **17D-4-401**, Utah Code Annotated 1953
- 81 **51-9-1001**, Utah Code Annotated 1953
- 82 **51-9-1002**, Utah Code Annotated 1953
- 83 **51-9-1003**, Utah Code Annotated 1953
- 84 **57-1-49**, Utah Code Annotated 1953
- 85 **59-35-101**, Utah Code Annotated 1953
- 86 **59-35-201**, Utah Code Annotated 1953
- 87 **59-35-202**, Utah Code Annotated 1953
- 88 **59-35-301**, Utah Code Annotated 1953
- 89 **63N-3a-101**, Utah Code Annotated 1953
- 90 **63N-3a-102**, Utah Code Annotated 1953
- 91 **63N-3a-103**, Utah Code Annotated 1953
- 92 **63N-3a-104**, Utah Code Annotated 1953
- 93 **63N-3a-105**, Utah Code Annotated 1953
- 94 **63N-3a-106**, Utah Code Annotated 1953
- 95 **63N-3a-201**, Utah Code Annotated 1953

96 **63N-3a-202**, Utah Code Annotated 1953
 97 **63N-3a-203**, Utah Code Annotated 1953
 98 **63N-3a-204**, Utah Code Annotated 1953
 99 **63N-3a-205**, Utah Code Annotated 1953
 100 **63N-3a-206**, Utah Code Annotated 1953
 101 **63N-3a-207**, Utah Code Annotated 1953
 102 **63N-3a-208**, Utah Code Annotated 1953
 103 **63N-3a-301**, Utah Code Annotated 1953
 104 **63N-3a-302**, Utah Code Annotated 1953
 105 **63N-3a-303**, Utah Code Annotated 1953
 106 **63N-3a-401**, Utah Code Annotated 1953
 107 **63N-3a-402**, Utah Code Annotated 1953
 108 **63N-3a-403**, Utah Code Annotated 1953
 109 **63N-3a-501**, Utah Code Annotated 1953

110 REPEALS:

111 **11-41-101**, as enacted by Laws of Utah 2004, Chapter 283

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

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

115 **10-21-501 . Municipal designation of a home ownership promotion zone.**

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

118 (a) before January 1, 2028; and

119 (b) as described in this section.

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

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

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

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

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

- 130 (i) the recommendation of the municipality planning commission; and
131 (ii) the notification requirements described in Section 10-21-503.
- 132 (b) The resolution described in Subsection (3)(a) shall describe how the home ownership
133 promotion zone created in accordance with this section meets the objectives and
134 requirements in Section 10-21-502.
- 135 (c) The home ownership promotion zone is created on the effective date of the resolution
136 described in Subsection (3)(a).
- 137 (4) If a home ownership promotion zone is created as described in this section:
138 (a) affected local taxing entities are required to participate according to the requirements
139 of the home ownership promotion zone established by the municipality; and
140 (b) each affected taxing entity is required to participate at the same rate.
- 141 (5) A home ownership promotion zone may be modified by the same manner it is created as
142 described in Subsection (3).
- 143 (6) Within 30 days after the day on which the municipality creates the home ownership
144 promotion zone as described in Subsection (3), the municipality shall:
145 (a) record with the recorder of the county in which the home ownership promotion zone
146 is located a document containing:
147 (i) a description of the land within the home ownership promotion zone; and
148 (ii) the date of creation of the home ownership promotion zone;
149 (b) transmit a copy of the description of the land within the home ownership promotion
150 zone and an accurate map or plat indicating the boundaries of the home ownership
151 promotion zone to the Utah Geospatial Resource Center created under Section
152 63A-16-505; and
153 (c) transmit a map and description of the land within the home ownership promotion
154 zone to:
155 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
156 part of the home ownership promotion zone is located;
157 (ii) the officer or officers performing the function of auditor or assessor for each
158 taxing entity that does not use the county assessment roll or collect the taxing
159 entity's taxes through the county;
160 (iii) the legislative body or governing board of each taxing entity impacted by the
161 home ownership promotion zone;
162 (iv) the tax commission; and
163 (v) the State Board of Education.

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

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

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

169 **CHAPTER 41. Prohibited Local Economic Development Incentives**

170 **Part 1. Prohibition on Retail Facility Incentive Payments Act**

171 **11-41-102 . Definitions.**

172 As used in this [~~chapter~~] part:

173 (1) "Agreement" means an oral or written agreement between a public entity and a person.

174 (2) "Business entity" means a sole proprietorship, partnership, limited partnership, limited
175 liability company, corporation, or other entity or association used to carry on a business
176 for profit.

177 (3) "Determination of violation" means a determination by the Governor's Office of
178 Economic Opportunity of substantial likelihood that a retail facility incentive payment
179 has been made in violation of Section 11-41-103, in accordance with Section 11-41-104.

180 (4) "Environmental mitigation" means an action or activity intended to remedy known
181 negative impacts to the environment.

182 (5) "Executive director" means the executive director of the Governor's Office of Economic
183 Opportunity.

184 (6) "General plan" means the same as that term is defined in Section 23A-6-101.

185 (7) "Legislative body" means the same as that term is defined in:

186 (a) Section 10-20-102; or

187 (b) Section 17-79-102.

188 (8) "Mixed-use development" means development with mixed land uses, including housing.

189 (9) "Moderate income housing" means housing occupied or reserved for occupancy by
190 households with a gross household income equal to or less than 80% of the median gross
191 income for households of the same size in the county in which the housing is located.

192 (10) "Moderate income housing plan" means the moderate income housing plan element of
193 a general plan.

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

195 (12) "Political subdivision" means any county, city, town, school district, special district,
196 special service district, community reinvestment agency, or entity created by an

- 197 interlocal agreement adopted under Chapter 13, Interlocal Cooperation Act.
- 198 (13) "Public entity" means:
- 199 (a) a political subdivision;
- 200 (b) a department, commission, board, council, agency, institution, officer, corporation,
- 201 fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or
- 202 other administrative unit of the executive branch of the state;
- 203 (c) an institution of higher education as defined in Section 53H-1-101;
- 204 (d) the Military Installation Development Authority created in Section 63H-1-201;
- 205 (e) the Utah Inland Port Authority created in Section 11-58-201; or
- 206 (f) the Point of the Mountain State Land Authority created in Section 11-59-201.
- 207 (14) "Public funds" means any money received by a public entity that is derived from:
- 208 (a) a sales and use tax authorized under Title 59, Chapter 12, Sales and Use Tax Act; or
- 209 (b) a property tax levy.
- 210 (15) "Public infrastructure" means:
- 211 (a) a public facility, as defined in Section 11-36a-102;
- 212 (b) a system improvement, as defined in Section 11-36a-102; or
- 213 (c) infrastructure developed with public funds included as part of an infrastructure
- 214 master plan related to a general plan.
- 215 (16) "Retail facility" means any facility operated by a business entity for the primary
- 216 purpose of making retail transactions.
- 217 (17) "Retail facility incentive payment" means a payment of public funds:
- 218 (a) to a person by a public entity;
- 219 (b) for the development, construction, renovation, or operation of a retail facility within
- 220 an area of the state; and
- 221 (c) in the form of:
- 222 (i) a payment;
- 223 (ii) a rebate;
- 224 (iii) a refund;
- 225 (iv) a subsidy; or
- 226 (v) any other similar incentive, award, or offset.
- 227 (18) "Retail transaction" means any transaction subject to a sales and use tax under Title 59,
- 228 Chapter 12, Sales and Use Tax Act.
- 229 (19)(a) "Small business" means a business entity that:
- 230 (i) has fewer than 30 full-time equivalent employees; and

231 (ii) maintains the business entity's principal office in the state.

232 (b) "Small business" does not include:

233 (i) a franchisee, as defined in 16 C.F.R. Sec. 436.1;

234 (ii) a dealer, as defined in Section 41-1a-102; or

235 (iii) a subsidiary or affiliate of another business entity that is not a small business.

236 Section 3. Section **11-41-201** is enacted to read:

237 **Part 2. Prohibition on Tax Increment Incentives for Large Load Data Centers Act**

238 **11-41-201 . Definitions.**

239 As used in this part:

240 (1) "Incentive" means a payment of public funds, funded by tax increment or personal
241 property tax revenue:

242 (a) from a political subdivision to a person;

243 (b) for the development, construction, renovation, operating, or citing of a large load
244 customer or qualifying data center within an area of the state; and

245 (c) in the form of:

246 (i) a payment, rebate, refund, subsidy, or other similar incentive, award, or offset; or

247 (ii) a payment of public funds for the development, construction, renovation, or
248 operation of public infrastructure and improvements that wholly or primarily
249 support a large load customer.

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

251 (3) "Large load data center" means a large load customer that is also a qualifying data
252 center.

253 (4) "Political subdivision" means any county, municipality, special district, special service
254 district, public infrastructure district, community reinvestment agency, entity created by
255 an interlocal agreement adopted under Chapter 13, Interlocal Cooperation Act, or
256 regional economic development authority.

257 (5)(a) "Public infrastructure and improvements" means infrastructure, improvements,
258 facilities, or buildings that:

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

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

261 (ii) are privately owned.

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

263 (i) facilities, lines, or systems that provide:

264 (A) water, chilled water, or steam; or

265 (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy,
 266 microgrids, or telecommunications service; and

267 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
 268 facilities, rail lines, intermodal facilities, multimodal facilities, and public
 269 transportation facilities.

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

271 (7) "Regional economic development authority" means the same as that term is defined in
 272 Section 63N-3a-101.

273 (8) "Tax increment" means the same as that term is defined in Section 59-2-924.

274 Section 4. Section **11-41-202** is enacted to read:

275 **11-41-202 . Political subdivisions prohibited from providing incentives --**

276 **Exceptions.**

277 (1) Beginning on May 6, 2027, except as provided in Subsections (2) and (3), a political
 278 subdivision may not provide an incentive to a large load data center.

279 (2)(a) A municipality or county, or agency created by a municipality or county, may
 280 provide an incentive to a large load data center:

281 (i) only if the large load data center is located within a regionally significant
 282 development zone, as described in Title 63N, Chapter 3a, Part 4, Regionally
 283 Significant Zones with Energy Implications; and

284 (ii) with regionally significant development zone funds described in Subsection
 285 63N-3a-403(5).

286 (b) A regional economic development authority may provide an incentive to a large load
 287 data center:

288 (i) if the large load data center is located in a project area created by the regional
 289 economic development authority;

290 (ii) if the regional economic development authority's project area overlaps with a
 291 regionally significant development zone, as described in Subsection
 292 63N-3a-208(7)(b); and

293 (iii) the incentive is funded by:

294 (A) regionally significant development zone funds described in Section
 295 63N-3a-403 that have been shared with the regional economic development
 296 authority; or

297 (B) the regional economic development authority's project area funds, subject to a
 298 maximum cap of 60% of property tax increment generated within the

- 299 overlapping project area.
- 300 (c) A county that levies the county energy excise tax authorized in Section 59-35-201
 301 may provide up to 80% of the revenue generated by the county energy excise tax as
 302 an incentive to a large load data center.
- 303 (d) A sales and use tax exemption described in Section 59-12-104 does not constitute an
 304 incentive.
- 305 (3) A political subdivision that entered into an agreement to provide an incentive to a large
 306 load data center, or has adopted a survey area resolution in accordance with Section
 307 17C-5-103 with intent to provide an incentive to a large load data center, before May 6,
 308 2027:
- 309 (a) may continue to provide the incentive according to the terms of the political
 310 subdivision's agreement;
- 311 (b) may not extend the term of the agreement; and
- 312 (c) may not increase the value of the incentive under the agreement.

313 Section 5. Section **11-58-102** is amended to read:

314 **11-58-102 . Definitions.**

315 As used in this chapter:

- 316 (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.
- 317 (2) "Authority jurisdictional land" means land within the authority boundary delineated:
- 318 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland
 319 Port Authority Amendments, 2018 Second Special Session; and
- 320 (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
- 321 (3) "Base taxable value" means:
- 322 (a)(i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the
 323 authority jurisdictional land, the taxable value of authority jurisdictional land in
 324 calendar year 2018; and
- 325 (ii) for an area described in Section 11-58-600.7, the taxable value of that area in
 326 calendar year 2017; or
- 327 (b) for a project area that consists of land outside the authority jurisdictional land, the
 328 taxable value of property within any portion of a project area, as designated by board
 329 resolution, from which the property tax differential will be collected, as shown upon
 330 the assessment roll last equalized before the year in which the authority adopts a
 331 project area plan for that area.
- 332 (4) "Board" means the authority's governing body, created in Section 11-58-301.

- 333 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about
334 development of the authority jurisdictional land to achieve the goals and objectives
335 described in Subsection 11-58-203(1), including the development and establishment of
336 an inland port.
- 337 (6) "Contaminated land" means land:
338 (a) within a project area; and
339 (b) that contains hazardous materials, as defined in Section 19-6-302, hazardous
340 substances, as defined in Section 19-6-302, or landfill material on, in, or under the
341 land.
- 342 (7) "Development" means:
343 (a) the demolition, construction, reconstruction, modification, expansion, or
344 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
345 recreational amenity, or other facility, including public infrastructure and
346 improvements; and
347 (b) the planning of, arranging for, or participation in any of the activities listed in
348 Subsection (7)(a).
- 349 (8) "Development project" means a project for the development of land within a project
350 area.
- 351 (9) "Distribution center" means a building that is:
352 (a) used for the storage, sorting, and distribution of goods intended for sale; and
353 (b) not associated with or operated in conjunction with an adjacent manufacturing
354 facility.
- 355 (10) "Inland port" means one or more sites that:
356 (a) contain multimodal facilities, intermodal facilities, or other facilities that:
357 (i) are related but may be separately owned and managed; and
358 (ii) together are intended to:
359 (A) allow global trade to be processed and altered by value-added services as
360 goods move through the supply chain;
361 (B) provide a regional merging point for transportation modes for the distribution
362 of goods to and from ports and other locations in other regions;
363 (C) provide cargo-handling services to allow freight consolidation and
364 distribution, temporary storage, customs clearance, and connection between
365 transport modes; and
366 (D) provide international logistics and distribution services, including freight

367 forwarding, customs brokerage, integrated logistics, and information systems;
368 and

369 (b) may include a satellite customs clearance terminal, an intermodal facility, a customs
370 pre-clearance for international trade, or other facilities that facilitate, encourage, and
371 enhance regional, national, and international trade.

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

373 (a) for an inland port;

374 (b) that directly implements or furthers the purposes of an inland port, as stated in
375 Subsection (10);

376 (c) that complements or supports the purposes of an inland port, as stated in Subsection
377 (10); or

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

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

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

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

385 (15) "Nonvoting member" means an individual appointed as a member of the board under
386 Subsection 11-58-302(3) who does not have the power to vote on matters of authority
387 business.

388 (16) "Project area" means:

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

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

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

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

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

400 (20) "Property tax differential":

- 401 (a) means the difference between:
- 402 (i) the amount of property tax revenues generated each tax year by all taxing entities
- 403 from a project area, using the current assessed value of the property; and
- 404 (ii) the amount of property tax revenues that would be generated from that same area
- 405 using the base taxable value of the property; and
- 406 (b) does not include property tax revenue from:
- 407 (i) a county additional property tax or multicounty assessing and collecting levy
- 408 imposed in accordance with Section 59-2-1602;
- 409 (ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330;
- 410 or
- 411 (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
- 412 obligation bond.
- 413 (21) "Public entity" means:
- 414 (a) the state, including each department, division, or other agency of the state; or
- 415 (b) a county, city, town, school district, special district, special service district, interlocal
- 416 cooperation entity, community reinvestment agency, or other political subdivision of
- 417 the state, including the authority.
- 418 (22)(a) "Public infrastructure and improvements" means infrastructure, improvements,
- 419 facilities, or buildings that:
- 420 (i)(A) benefit the public and are owned by a public entity or a utility; or
- 421 (B) benefit the public and are publicly maintained or operated by a public entity; or
- 422 (ii)(A) are privately owned;
- 423 (B) benefit the public;
- 424 (C) as determined by the board, provide a substantial benefit to the development
- 425 and operation of a project area; and
- 426 (D) are built according to applicable county or municipal design and safety
- 427 standards.
- 428 (b) "Public infrastructure and improvements" includes:
- 429 (i) facilities, lines, or systems that provide:
- 430 (A) water, chilled water, or steam; or
- 431 (B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy,
- 432 microgrids, or telecommunications service;
- 433 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
- 434 facilities, rail lines, intermodal facilities, multimodal facilities, and public

435 transportation facilities;
 436 (iii) an inland port; and
 437 (iv) infrastructure, improvements, facilities, or buildings that are developed as part of
 438 a remediation project.

439 (23) "Reinvestment account" means the State Reinvestment Restricted Account created in
 440 Section 51-9-1002.

441 (24) "Remediation" includes:

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

444 [~~(24)~~] (25) "Remediation differential" means property tax differential generated from a
 445 remediation project area.

446 [~~(25)~~] (26) "Remediation project" means a project for the remediation of contaminated land
 447 that:

448 (a) is owned by:

449 (i) the state or a department, division, or other instrumentality of the state;

450 (ii) an independent entity, as defined in Section 63E-1-102; or

451 (iii) a political subdivision of the state; and

452 (b) became contaminated land before the owner described in Subsection [~~(24)~~](a) (26)(a)
 453 obtained ownership of the land.

454 [~~(26)~~] (27) "Remediation project area" means a project area consisting of contaminated land
 455 that is or is expected to become the subject of a remediation project.

456 [~~(27)~~] (28) "Shapefile" means the digital vector storage format for storing geometric
 457 location and associated attribute information.

458 [~~(28)~~] (29) "Taxable value" means the value of property as shown on the last equalized
 459 assessment roll.

460 [~~(29)~~] (30) "Taxing entity":

461 (a) means a public entity that levies a tax on property within a project area; and

462 (b) does not include a public infrastructure district that the authority creates under Title
 463 17D, Chapter 4, Public Infrastructure District Act.

464 [~~(30)~~] (31) "Voting member" means an individual appointed or designated as a member of
 465 the board under Subsection 11-58-302(2).

466 Section 6. Section **11-58-602** is amended to read:

467 **11-58-602 . Allowable uses of property tax differential and other funds.**

468 (1)(a) The authority may use money from property tax differential, money the authority

- 469 receives from the state, money the authority receives under Subsection
470 59-12-205(2)(a)(ii)(C), and other money available to the authority:
- 471 (i) for any purpose authorized under this chapter;
 - 472 (ii) for administrative, overhead, legal, consulting, and other operating expenses of
473 the authority;
 - 474 (iii) to pay for, including financing or refinancing, all or part of the development of
475 land within or adjacent to a project area, including assisting the ongoing operation
476 of a development or facility within or adjacent to the project area;
 - 477 (iv) to pay the cost of the installation and construction of public infrastructure and
478 improvements within the project area from which the property tax differential
479 funds were collected;
 - 480 (v) to pay the cost of the installation of public infrastructure and improvements
481 outside a project area if the board determines by resolution that the infrastructure
482 and improvements are of benefit to the project area;
 - 483 (vi) to pay to a community reinvestment agency for affordable housing, as provided
484 in Subsection 11-58-606(2);
 - 485 (vii) to pay the principal and interest on bonds issued by the authority;
 - 486 (viii) to pay the cost of acquiring land or an easement on land that is part of or
487 adjacent to authority jurisdictional land:
 - 488 (A) for the perpetual preservation of the land from development; and
 - 489 (B) to provide a buffer area between authority jurisdictional land intended for
490 development and land outside the boundary of the authority jurisdictional land;
491 and
 - 492 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development
493 that:
 - 494 (A) mitigates noise, air pollution, light pollution, surface and groundwater
495 pollution, and other negative environmental impacts;
 - 496 (B) mitigates traffic congestion; or
 - 497 (C) uses high efficiency building construction and operation.
 - 498 (b)(i)(A) The authority shall establish minimum mitigation and environmental
499 standards that a landowner is required to meet to qualify for the use of property
500 tax differential under Subsection (1)(a)(ix) in the landowner's development.
 - 501 (B) Minimum mitigation and environmental standards established under
502 Subsection (1)(b)(i)(A) shall include a standard prohibiting the use of property

- 503 tax differential as a business recruitment incentive, as defined in Section
504 11-58-603, for new commercial or industrial development or an expansion of
505 existing commercial or industrial development within the authority
506 jurisdictional land if the new or expanded development will consume on an
507 annual basis more than 200,000 gallons of potable water per day.
- 508 (ii) In establishing minimum mitigation and environmental standards, the authority
509 shall consult with:
- 510 (A) the municipality in which the development is expected to occur, for
511 development expected to occur within a municipality; or
- 512 (B) the county in whose unincorporated area the development is expected to
513 occur, for development expected to occur within the unincorporated area of a
514 county.
- 515 (iii) The authority may not use property tax differential under Subsection (1)(a)(viii)
516 for a landowner's development in a project area unless the minimum mitigation
517 and environmental standards are followed with respect to that landowner's
518 development.
- 519 (2) The authority may use revenue generated from the operation of public infrastructure
520 operated by the authority or improvements, including an intermodal facility, operated by
521 the authority to:
- 522 (a) operate and maintain the infrastructure or improvements; and
- 523 (b) pay for authority operating expenses, including administrative, overhead, and legal
524 expenses.
- 525 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the
526 project area is final.
- 527 (4) ~~[The]~~ Subject to Subsection (7), the authority may not use property tax differential
528 revenue collected from one project area for a development project within another project
529 area.
- 530 (5)(a) The authority may use up to 10% of the general differential revenue generated
531 from a project area to pay for affordable housing within or near the project area.
- 532 (b) In using general differential revenue described in Subsection (5)(a), the authority
533 may provide general differential revenue generated from a project area to a non-profit
534 housing fund, as defined in Section 17C-1-102:
- 535 (i) for that non-profit housing fund to assist low-income individuals and families who
536 would qualify for income targeted housing to achieve homeownership, or retain

537 homeownership, within a 15 mile radius of the project area that generated the
538 general differential revenue, in accordance with the mission of the non-profit
539 housing fund; and
540 (ii) pursuant to an agreement between the non-profit housing fund and the authority
541 governing appropriate uses of general differential revenue.

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

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

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

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

555 Section 7. Section **11-58-607** is enacted to read:

556 **11-58-607 . Revenue sharing agreements.**

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

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

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

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

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

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

568 (2)(a) Following the remediation and development of land included in a remediation
569 project area, as described in Section 11-58-605, the authority shall ensure that a
570 percentage of the profits derived from private sector activities in the project area are

571 deposited into the reinvestment account on an annual basis.

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

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

577 **17-80-501 . County designation of a home ownership promotion zone.**

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

580 (a) before January 1, 2028; and

581 (b) as described in this section.

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

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

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

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

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

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

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

593 (b) The resolution described in Subsection (3)(a) shall describe how the home ownership
594 promotion zone created in accordance with this section meets the objectives and
595 requirements of Section 17-80-502.

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

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

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

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

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

604 (6) Within 30 days after the day on which the county creates the home ownership

- 605 promotion zone as described in Subsection (3), the county shall:
- 606 (a) record with the recorder a document containing:
- 607 (i) a description of the land within the home ownership promotion zone; and
- 608 (ii) the date of creation of the home ownership promotion zone;
- 609 (b) transmit a copy of the description of the land within the home ownership promotion
- 610 zone and an accurate map or plat indicating the boundaries of the home ownership
- 611 promotion zone to the Utah Geospatial Resource Center created under Section
- 612 63A-16-505; and
- 613 (c) transmit a map and description of the land within the home ownership promotion
- 614 zone to:
- 615 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
- 616 part of the home ownership promotion zone is located;
- 617 (ii) the officer or officers performing the function of auditor or assessor for each
- 618 taxing entity that does not use the county assessment roll or collect the taxing
- 619 entity's taxes through the county;
- 620 (iii) the legislative body or governing board of each taxing entity impacted by the
- 621 home ownership promotion zone;
- 622 (iv) the tax commission; and
- 623 (v) the State Board of Education.
- 624 (7) A county may receive tax increment and use home ownership promotion zone funds as
- 625 described in Section 17-80-504.
- 626 (8) A home ownership promotion zone created before January 1, 2028, continues to exist,
- 627 as described in this part, and shall comply with the provisions of this part until dissolved.
- 628 Section 9. Section **17B-2a-1302** is amended to read:
- 629 **17B-2a-1302 . Provisions applicable to infrastructure financing district --**
- 630 **Exceptions -- Conflicting provisions -- Contract for administrative services.**
- 631 (1) An infrastructure financing district is governed by and has the powers stated in:
- 632 (a) this part; and
- 633 (b) Chapter 1, Provisions Applicable to All Special Districts, except as provided in [
- 634 ~~Subsection (1)(b)] Subsection (5).~~
- 635 (2)(a) Notwithstanding Subsection 17B-1-103(2)(f) and except as provided in
- 636 Subsection (2)(b), an infrastructure financing district may issue bonds only as
- 637 provided in Title 11, Chapter 42, Assessment Area Act, subject to Subsection (2)(b),
- 638 and Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act.

- 639 (b) If an infrastructure financing district is created to facilitate a regionally significant
640 development zone, as described in Title 17C, Chapter 6, Regionally Significant
641 Development Zone Act, the infrastructure financing district may issue negotiable
642 bonds to pay all or part of the costs of acquiring, acquiring an interest in, improving,
643 or extending any of the improvements, facilities, or property allowed under Section
644 11-14-103.
- 645 [(b)] (c) To the extent that the provisions of Title 11, Chapter 42, Assessment Area Act,
646 apply to the use of funds from an assessment or an assessment bond for infrastructure
647 operation and maintenance costs or for the cost of conducting economic promotion
648 activities, those provisions do not apply to an infrastructure financing district.
- 649 [(e)] (d) Before a county or municipality's final inspection required for the issuance of a
650 certificate of occupancy for a residential unit that is subject to an assessment levied
651 by an infrastructure financing district under Title 11, Chapter 42, Assessment Area
652 Act, the infrastructure financing district shall ensure that the assessment allocable to
653 that unit is paid in full and that any assessment lien on that unit is satisfied and
654 released.
- 655 (3) Notwithstanding Subsection 17B-1-103(2)(h), an infrastructure financing district may
656 not exercise the power of eminent domain.
- 657 (4) This part applies only to an infrastructure financing district.
- 658 (5) If there is a conflict between a provision in Chapter 1, Provisions Applicable to All
659 Special Districts, and a provision in this part, the provision in this part governs.
- 660 (6) An infrastructure financing district may contract with another governmental entity for
661 the other governmental entity to provide administrative services to the infrastructure
662 financing district.
- 663 Section 10. Section **17C-1-102** is amended to read:
- 664 **17C-1-102 . Definitions.**
- 665 As used in this title:
- 666 (1) "Active project area" means a project area that has not been dissolved in accordance
667 with Section 17C-1-702.
- 668 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that
669 an agency is authorized to receive:
- 670 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
671 increment under Subsection 17C-1-403(3);
- 672 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax

- 673 increment under Section 17C-1-406;
- 674 (c) under a project area budget approved by a taxing entity committee; or
- 675 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
- 676 tax increment.
- 677 (3) "Affordable housing" means housing owned or occupied by a low or moderate income
- 678 family, as determined by resolution of the agency.
- 679 (4) "Agency" or "community reinvestment agency" means a separate body corporate and
- 680 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community
- 681 development and renewal agency under previous law:
- 682 (a) that is a political subdivision of the state;
- 683 (b) that is created to undertake or promote project area development as provided in this
- 684 title;
- 685 (c) that may, at the direction of the county or municipality that creates the agency, fulfill
- 686 the duties described in Chapter 6, Regionally Significant Development Zones Act;
- 687 and
- 688 [(e)] (d) whose geographic boundaries are coterminous with:
- 689 (i) for an agency created by a county, the unincorporated area of the county; and
- 690 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 691 (5) "Agency funds" means money that an agency collects or receives for agency operations,
- 692 implementing a project area plan or an implementation plan as defined in Section
- 693 17C-1-1001, or other agency purposes, including:
- 694 (a) project area funds;
- 695 (b) income, proceeds, revenue, or property derived from or held in connection with the
- 696 agency's undertaking and implementation of project area development or
- 697 agency-wide project development as defined in Section 17C-1-1001;
- 698 (c) a contribution, loan, grant, or other financial assistance from any public or private
- 699 source;
- 700 (d) project area incremental revenue as defined in Section 17C-1-1001; or
- 701 (e) property tax revenue as defined in Section 17C-1-1001.
- 702 (6) "Annual income" means the same as that term is defined in regulations of the United
- 703 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as
- 704 amended or as superseded by replacement regulations.
- 705 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 706 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of

- 707 this title, a property's taxable value as shown upon the assessment roll last equalized
708 during the base year.
- 709 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during
710 which the assessment roll is last equalized:
- 711 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,
712 before the project area plan's effective date;
- 713 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,
714 or a community reinvestment project area plan that is subject to a taxing entity
715 committee:
- 716 (i) before the date on which the taxing entity committee approves the project area
717 budget; or
- 718 (ii) if taxing entity committee approval is not required for the project area budget,
719 before the date on which the community legislative body adopts the project area
720 plan;
- 721 (c) for a project on an inactive airport site, after the later of:
- 722 (i) the date on which the inactive airport site is sold for remediation and
723 development; or
- 724 (ii) the date on which the airport that operated on the inactive airport site ceased
725 operations; or
- 726 (d) for a community development project area plan or a community reinvestment project
727 area plan that is subject to an interlocal agreement, as described in the interlocal
728 agreement.
- 729 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum
730 basic levy under Section 59-2-902.
- 731 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 732 (12) "Budget hearing" means the public hearing on a proposed project area budget required
733 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection
734 17C-3-201(2)(d) for an economic development project area budget, or Subsection
735 17C-5-302(2)(e) for a community reinvestment project area budget.
- 736 (13) "Closed military base" means land within a former military base that the Defense Base
737 Closure and Realignment Commission has voted to close or realign when that action has
738 been sustained by the president of the United States and Congress.
- 739 (14) "Combined incremental value" means the combined total of all incremental values
740 from all project areas, except project areas that contain some or all of a military

- 741 installation or inactive industrial site, within the agency's boundaries under project area
742 plans and project area budgets at the time that a project area budget for a new project
743 area is being considered.
- 744 (15) "Community" means a county or municipality.
- 745 (16) "Community development project area plan" means a project area plan adopted under
746 Chapter 4, Part 1, Community Development Project Area Plan.
- 747 (17) "Community legislative body" means the legislative body of the community that
748 created the agency.
- 749 (18) "Community reinvestment project area plan" means a project area plan adopted under
750 Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 751 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title
752 78A, Judiciary and Judicial Administration, and in a county in which the agency is
753 located if the action is filed in the district court.
- 754 (20) "Development impediment" means a condition of an area that meets the requirements
755 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405
756 for a community reinvestment project area.
- 757 (21) "Development impediment hearing" means a public hearing regarding whether a
758 development impediment exists within a proposed:
- 759 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
760 17C-2-302; or
- 761 (b) community reinvestment project area under Section 17C-5-404.
- 762 (22) "Development impediment study" means a study to determine whether a development
763 impediment exists within a survey area as described in Section 17C-2-301 for an urban
764 renewal project area or Section 17C-5-403 for a community reinvestment project area.
- 765 (23) "Economic development project area plan" means a project area plan adopted under
766 Chapter 3, Part 1, Economic Development Project Area Plan.
- 767 (24) "Fair share ratio" means the ratio derived by:
- 768 (a) for a municipality, comparing the percentage of all housing units within the
769 municipality that are publicly subsidized income targeted housing units to the
770 percentage of all housing units within the county in which the municipality is located
771 that are publicly subsidized income targeted housing units; or
- 772 (b) for the unincorporated part of a county, comparing the percentage of all housing
773 units within the unincorporated county that are publicly subsidized income targeted
774 housing units to the percentage of all housing units within the whole county that are

- 775 publicly subsidized income targeted housing units.
- 776 (25) "Family" means the same as that term is defined in regulations of the United States
777 Department of Housing and Urban Development, 24 C.F.R. [~~Section~~] Sec. 5.403, as
778 amended or as superseded by replacement regulations.
- 779 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 780 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
781 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
782 toxic substance, or identified as hazardous to human health or the environment, under
783 state or federal law or regulation.
- 784 (28) "Housing allocation" means project area funds allocated for housing under Section
785 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 786 (29) "Housing fund" means a fund created by an agency for purposes described in Section
787 17C-1-411 or 17C-1-412 that is comprised of:
- 788 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
789 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
790 described in Section 17C-1-411; or
- 791 (b) an agency's housing allocation.
- 792 (30)(a) "Inactive airport site" means land that:
- 793 (i) consists of at least 100 acres;
- 794 (ii) is occupied by an airport:
- 795 (A)(I) that is no longer in operation as an airport; or
- 796 (II)(Aa) that is scheduled to be decommissioned; and
- 797 (Bb) for which a replacement commercial service airport is under
798 construction; and
- 799 (B) that is owned or was formerly owned and operated by a public entity; and
- 800 (iii) requires remediation because:
- 801 (A) of the presence of hazardous waste or solid waste; or
- 802 (B) the site lacks sufficient public infrastructure and facilities, including public
803 roads, electric service, water system, and sewer system, needed to support
804 development of the site.
- 805 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
806 described in Subsection (30)(a).
- 807 (31)(a) "Inactive industrial site" means land that:
- 808 (i) consists of at least 1,000 acres;

- 809 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
810 facility; and
- 811 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 812 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
813 described in Subsection (31)(a).
- 814 (32) "Income targeted housing" means housing that is:
- 815 (a) owned and occupied by a family whose annual income is at or below 120% of the
816 median annual income for a family within the county in which the housing is located;
817 or
- 818 (b) occupied by a family whose annual income is at or below 80% of the median annual
819 income for a family within the county in which the housing is located.
- 820 (33) "Incremental value" means a figure derived by multiplying the marginal value of the
821 property located within a project area on which tax increment is collected by a number
822 that represents the adjusted tax increment from that project area that is paid to the
823 agency.
- 824 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established
825 under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 826 (35)(a) "Local government building" means a building owned and operated by a
827 community for the primary purpose of providing one or more primary community
828 functions, including:
- 829 (i) a fire station;
- 830 (ii) a police station;
- 831 (iii) a city hall; or
- 832 (iv) a court or other judicial building.
- 833 (b) "Local government building" does not include a building the primary purpose of
834 which is cultural or recreational in nature.
- 835 (36) "Low-income individual" means the same as that term is defined in Section
836 35A-8-504.5.
- 837 (37) "Major transit investment corridor" means the same as that term is defined in Section
838 10-20-102.
- 839 (38) "Marginal value" means the difference between actual taxable value and base taxable
840 value.
- 841 (39) "Military installation project area" means a project area or a portion of a project area
842 located within a federal military installation ordered closed by the federal Defense Base

- 843 Realignment and Closure Commission.
- 844 (40) "Municipality" means a city or town.
- 845 (41) "Non-profit housing fund" means:
- 846 (a) an organization that meets the definition of "housing organization" in Section
- 847 35A-8-2401;
- 848 (b) a registered nonprofit that assists veterans or individuals who work in public service
- 849 to achieve homeownership in the state;
- 850 (c) a registered nonprofit that:
- 851 (i) assists low-income individuals or families who would qualify for income targeted
- 852 housing to achieve homeownership in the state; and
- 853 (ii) provides direct support to help a low-income individual or a family eligible for
- 854 income targeted housing to retain ownership of a home, including through
- 855 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
- 856 counseling that results in retention of the home, refinancing, or a reverse mortgage;
- 857 (d) a registered nonprofit that partners with a community to promote affordable housing
- 858 for the workforce in that community; or
- 859 (e) a registered nonprofit established to administer housing programs on behalf of an
- 860 association representing 10 or more counties in the state.
- 861 (42) "Participant" means one or more persons that enter into a participation agreement with
- 862 an agency.
- 863 (43) "Participation agreement" means a written agreement between a person and an agency
- 864 under Subsection 17C-1-202(5).
- 865 (44) "Plan hearing" means the public hearing on a proposed project area plan required
- 866 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
- 867 17C-3-102(1)(d) for an economic development project area plan, Subsection
- 868 17C-4-102(1)(d) for a community development project area plan, or Subsection
- 869 17C-5-104(3)(e) for a community reinvestment project area plan.
- 870 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after
- 871 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the
- 872 project area plan's adoption.
- 873 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,
- 874 1993, whether or not amended subsequent to the project area plan's adoption.
- 875 (47) "Private," with respect to real property, means property not owned by a public entity or
- 876 any other governmental entity.

- 877 (48) "Project area" means the geographic area described in a project area plan within which
878 the project area development described in the project area plan takes place or is
879 proposed to take place.
- 880 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues
881 and expenses and other fiscal matters pertaining to a project area prepared in accordance
882 with:
- 883 (a) for an urban renewal project area, Section 17C-2-201;
 - 884 (b) for an economic development project area, Section 17C-3-201;
 - 885 (c) for a community development project area, Section 17C-4-204; or
 - 886 (d) for a community reinvestment project area, Section 17C-5-302.
- 887 (50) "Project area development" means activity within a project area that, as determined by
888 the board, encourages, promotes, or provides development or redevelopment for the
889 purpose of implementing a project area plan, including:
- 890 (a) promoting, creating, or retaining public or private jobs within the state or a
891 community;
 - 892 (b) providing office, manufacturing, warehousing, distribution, parking, or other
893 facilities or improvements;
 - 894 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or
895 remediating environmental issues;
 - 896 (d) providing residential, commercial, industrial, public, or other structures or spaces,
897 including recreational and other facilities incidental or appurtenant to the structures
898 or spaces;
 - 899 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
900 existing structures;
 - 901 (f) providing open space, including streets or other public grounds or space around
902 buildings;
 - 903 (g) providing public or private buildings, infrastructure, structures, or improvements;
 - 904 (h) relocating a business;
 - 905 (i) improving public or private recreation areas or other public grounds;
 - 906 (j) eliminating a development impediment or the causes of a development impediment;
 - 907 (k) redevelopment as defined under the law in effect before May 1, 2006; or
 - 908 (l) any activity described in this Subsection (50) outside of a project area that the board
909 determines to be a benefit to the project area.
- 910 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency

- 911 receives under a project area budget adopted by a taxing entity committee or an
912 interlocal agreement.
- 913 (52) "Project area funds collection period" means the period of time that:
- 914 (a) begins the day on which the first payment of project area funds is distributed to an
915 agency under a project area budget approved by a taxing entity committee or an
916 interlocal agreement; and
- 917 (b) ends the day on which the last payment of project area funds is distributed to an
918 agency under a project area budget approved by a taxing entity committee or an
919 interlocal agreement.
- 920 (53) "Project area plan" means an urban renewal project area plan, an economic
921 development project area plan, a community development project area plan, or a
922 community reinvestment project area plan that, after the project area plan's effective
923 date, guides and controls the project area development.
- 924 (54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible
925 personal or real property.
- 926 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
927 Tax.
- 928 (55) "Public entity" means:
- 929 (a) the United States, including an agency of the United States;
- 930 (b) the state, including any of the state's departments or agencies; or
- 931 (c) a political subdivision of the state, including a county, municipality, school district,
932 special district, special service district, community reinvestment agency, or interlocal
933 cooperation entity.
- 934 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm
935 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,
936 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
937 facilities, or other facilities, infrastructure, and improvements benefitting the public and
938 to be publicly owned or publicly maintained or operated.
- 939 (57) "Record property owner" or "record owner of property" means the owner of real
940 property, as shown on the records of the county in which the property is located, to
941 whom the property's tax notice is sent.
- 942 (58) "Sales and use tax revenue" means revenue that is:
- 943 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
944 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

- 945 (59) "Superfund site":
- 946 (a) means an area included in the National Priorities List under the Comprehensive
947 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.
948 9605; and
- 949 (b) includes an area formerly included in the National Priorities List, as described in
950 Subsection (59)(a), but removed from the list following remediation that leaves on
951 site the waste that caused the area to be included in the National Priorities List.
- 952 (60) "Survey area" means a geographic area designated for study by a survey area
953 resolution to determine whether:
- 954 (a) one or more project areas within the survey area are feasible; or
955 (b) a development impediment exists within the survey area.
- 956 (61) "Survey area resolution" means a resolution adopted by a board that designates a
957 survey area.
- 958 (62) "Taxable value" means:
- 959 (a) the taxable value of all real property a county assessor assesses in accordance with
960 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
- 961 (b) the taxable value of all real and personal property the commission assesses in
962 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
963 year; and
- 964 (c) the year end taxable value of all personal property a county assessor assesses in
965 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
966 prior year's tax rolls of the taxing entity.
- 967 (63)(a) "Tax increment" means the difference between:
- 968 (i) the amount of property tax revenue generated each tax year by a taxing entity from
969 the area within a project area designated in the project area plan as the area from
970 which tax increment is to be collected, using the current assessed value of the
971 property and each taxing entity's current certified tax rate as defined in Section
972 59-2-924; and
- 973 (ii) the amount of property tax revenue that would be generated from that same area
974 using the base taxable value of the property and each taxing entity's current
975 certified tax rate as defined in Section 59-2-924.
- 976 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
977 on or after January 1, 1994, upon the taxable property in the project area unless:
- 978 (i) the project area plan was adopted before May 4, 1993, whether or not the project

- 979 area plan was subsequently amended; and
- 980 (ii) the taxes were pledged to support bond indebtedness or other contractual
- 981 obligations of the agency.
- 982 (64) "Taxing entity" means a public entity that:
- 983 (a) levies a tax on property located within a project area; or
- 984 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 985 (65) "Taxing entity committee" means a committee representing the interests of taxing
- 986 entities, created in accordance with Section 17C-1-402.
- 987 (66) "Unincorporated" means not within a municipality.
- 988 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,
- 989 Part 1, Urban Renewal Project Area Plan.
- 990 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.
- 991 Section 11. Section **17C-1-409** is amended to read:
- 992 **17C-1-409 . Allowable uses of agency funds.**
- 993 (1)(a) An agency may use agency funds:
- 994 (i) for any purpose authorized under this title;
- 995 (ii) for administrative, overhead, legal, or other operating expenses of the agency,
- 996 including consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B)
- 997 or funding for a business resource center;
- 998 (iii) subject to Section 11-41-103, to pay for, including financing or refinancing, all
- 999 or part of:
- 1000 (A) project area development in a project area, including environmental
- 1001 remediation activities occurring before or after adoption of the project area
- 1002 plan;
- 1003 (B) housing-related expenditures, projects, or programs as described in Section
- 1004 17C-1-411 or 17C-1-412;
- 1005 (C) an incentive or other consideration paid to a participant under a participation
- 1006 agreement, subject to Subsection (6);
- 1007 (D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of
- 1008 the installation and construction of any publicly owned building, facility,
- 1009 structure, landscaping, or other improvement within the project area from
- 1010 which the project area funds are collected; or
- 1011 (E) the cost of the installation of publicly owned infrastructure and improvements
- 1012 outside the project area from which the project area funds are collected if the

- 1013 board and the community legislative body determine by resolution that the
1014 publicly owned infrastructure and improvements benefit the project area;
- 1015 (iv) in an urban renewal project area that includes some or all of an inactive industrial
1016 site and subject to Subsection (1)(e), to reimburse the Department of
1017 Transportation created under Section 72-1-201, or a public transit district created
1018 under Title 17B, Chapter 2a, Part 8, Public Transit District Act, for the cost of:
- 1019 (A) construction of a public road, bridge, or overpass;
1020 (B) relocation of a railroad track within the urban renewal project area; or
1021 (C) relocation of a railroad facility within the urban renewal project area;
- 1022 (v) subject to Subsection (5), to transfer funds to a community that created the
1023 agency; or
- 1024 (vi) subject to Subsection (1)(f), for agency-wide project development under Part 10,
1025 Agency Taxing Authority.
- 1026 (b) The determination of the board and the community legislative body under Subsection
1027 (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.
- 1028 (c) An agency may not use project area funds received from a taxing entity for the
1029 purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan,
1030 an economic development project area plan, or a community reinvestment project
1031 area plan without the community legislative body's consent.
- 1032 (d)(i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a
1033 project area fund to another project area fund if:
- 1034 (A) the board approves; and
1035 (B) the community legislative body approves.
- 1036 (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the
1037 projections for agency funds are sufficient to repay the loan amount.
- 1038 (iii) A loan described in this Subsection (1)(d) is not subject to Title 10, Chapter 5,
1039 Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform
1040 Fiscal Procedures Act for Utah Cities, Title 17, Chapter 63, Fiscal Authority and
1041 Processes, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Special Districts.
- 1042 (e) Before an agency may pay any tax increment or sales tax revenue under Subsection
1043 (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of
1044 the reimbursement with:
- 1045 (i) the Department of Transportation; or
1046 (ii) a public transit district.

- 1047 (f) Before an agency may use project area funds for agency-wide project development,
1048 as defined in Section 17C-1-1001, the agency shall obtain the consent of the taxing
1049 entity committee or each taxing entity party to an interlocal agreement with the
1050 agency.
- 1051 (2)(a) Sales and use tax revenue that an agency receives from a taxing entity is not
1052 subject to the prohibition or limitations of [~~Title 11, Chapter 41, Prohibition on Retail~~
1053 ~~Facility Incentive Payments Act]~~ Title 11, Chapter 41, Part 1, Prohibition on Retail
1054 Facility Incentive Payments Act.
- 1055 (b) An agency may use sales and use tax revenue that the agency receives under an
1056 interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized
1057 in the interlocal agreement.
- 1058 (3)(a) An agency may contract with the community that created the agency or another
1059 public entity to use agency funds to reimburse the cost of items authorized by this
1060 title to be paid by the agency that are paid by the community or other public entity.
- 1061 (b) If land is acquired or the cost of an improvement is paid by another public entity and
1062 the land or improvement is leased to the community, an agency may contract with
1063 and make reimbursement from agency funds to the community.
- 1064 (4) Notwithstanding any other provision of this title, an agency may not use project area
1065 funds, project area incremental revenue as defined in Section 17C-1-1001, or property
1066 tax revenue as defined in Section 17C-1-1001, to construct a local government building
1067 unless the taxing entity committee or each taxing entity party to an interlocal agreement
1068 with the agency consents.
- 1069 (5) For the purpose of offsetting the community's annual local contribution to the Homeless
1070 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a
1071 calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and
1072 17C-1-412(1)(a)(x) may not exceed the community's annual local contribution as
1073 defined in Subsection 59-12-205(5).
- 1074 (6)(a) Before providing tax increment funding to a private participant pursuant to a
1075 participation agreement, an agency shall consult with the county treasurer of the
1076 county in which the agency operates to determine if:
- 1077 (i) the private participant is delinquent on property tax;
 - 1078 (ii) the private participant is delinquent on privilege tax; or
 - 1079 (iii) the private participant is subject to a political subdivision lien for past due fees or
1080 charges.

- 1081 (b) If the county treasurer, in consultation with the agency, determines a participant is
 1082 delinquent on property tax or privilege tax or subject to a political subdivision lien,
 1083 the agency shall confirm whether the participation agreement between the agency and
 1084 private participant includes a provision described in Subsection 17C-1-202(5)(d).
- 1085 (c) If authorized by the agency pursuant to a participation agreement, the county
 1086 treasurer of the county in which the agency operates may provide tax increment
 1087 funding that would otherwise be provided directly to the agency to provide to the
 1088 private participant to:
- 1089 (i) the county, in the amount the private entity is delinquent for property tax or
 1090 privilege tax; and
- 1091 (ii) the political subdivision holding the political subdivision lien, in the amount
 1092 necessary to resolve the political subdivision lien.

1093 Section 12. Section **17C-1-603** is amended to read:

1094 **17C-1-603 . Reporting requirements -- Governor's Office of Economic**
 1095 **Opportunity to maintain a database.**

- 1096 (1) As used in this section:
- 1097 (a) "Database" means the collection of electronic data described in Subsection (2)(a).
 1098 (b) "Office" means the Governor's Office of Economic Opportunity.
 1099 (c) "Office website" means a public website maintained by the office.
 1100 (d) "Project area" means:
 1101 (i) the same as that term is defined in Section 17C-1-102; and
 1102 (ii) if applicable, a regionally significant development zone for which the agency is
 1103 responsible, as described in Chapter 6, Regionally Significant Development Zones
 1104 Act.
- 1105 (e) "Project area funds" means:
 1106 (i) the same as that term is defined in Section 17C-1-102; and
 1107 (ii) if applicable, regionally significant development zone revenue as described in
 1108 Section 17C-6-202.
- 1109 (2) The office shall:
- 1110 (a) create and maintain electronic data to track information for each agency located
 1111 within the state; and
- 1112 (b) make the database publicly accessible from the office website.
- 1113 (3)(a) The office may:
- 1114 (i) contract with a third party to create and maintain the database; and

- 1115 (ii) charge a fee for a county, city, or agency to provide information to the database.
- 1116 (b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah
- 1117 Administrative Rulemaking Act, to establish a fee schedule for the fee described in
- 1118 Subsection (3)(a)(ii).
- 1119 (4) On or before June 30 of each year, an agency shall, for each active project area for
- 1120 which the project area funds collection period has not expired, submit to the office for
- 1121 inclusion in the database the following information:
- 1122 (a) an assessment of the change in marginal value, including:
- 1123 (i) the base year;
- 1124 (ii) the estimated current assessed value;
- 1125 (iii) the percentage change in marginal value; and
- 1126 (iv) a narrative description of the relative growth in assessed value;
- 1127 (b) the amount of project area funds the agency received and the amount of project area
- 1128 funds the agency spent for each year of the project area funds collection period,
- 1129 broken down by the applicable budget or funds analysis category described in
- 1130 Subsection (4)(d), including:
- 1131 (i) a comparison of the actual project area funds received and spent for each year to
- 1132 the amount of project area funds forecasted for each year when the project area
- 1133 was created, if available;
- 1134 (ii)(A) the agency's historical receipts and expenditures of project area funds,
- 1135 including the tax year for which the agency first received project area funds
- 1136 from the project area; or
- 1137 (B) if the agency has not yet received project area funds from the project area, the
- 1138 year in which the agency expects each project area funds collection period to
- 1139 begin;
- 1140 (iii) a list of each taxing entity that levies or imposes a tax within the project area and
- 1141 a description of the benefits that each taxing entity receives from the project area;
- 1142 and
- 1143 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 1144 (c) a description of current and anticipated project area development, including:
- 1145 (i) a narrative of any significant project area development, including infrastructure
- 1146 development, site development, participation agreements, or vertical construction;
- 1147 and
- 1148 (ii) other details of development within the project area, including:

- 1149 (A) the total developed acreage;
- 1150 (B) the total undeveloped acreage;
- 1151 (C) the percentage of residential development; and
- 1152 (D) the total number of housing units authorized, if applicable;
- 1153 (d) the project area budget, if applicable, or other project area funds analyses, with
- 1154 receipts and expenditures categorized by the type of receipt and expenditure related
- 1155 to the development performed or to be performed under the project area plan,
- 1156 including:
- 1157 (i) each project area funds collection period, including:
- 1158 (A) the start and end date of the project area funds collection period; and
- 1159 (B) the number of years remaining in each project area funds collection period;
- 1160 (ii) the amount of project area funds the agency is authorized to receive from the
- 1161 project area cumulatively and from each taxing entity, including:
- 1162 (A) the total dollar amount; and
- 1163 (B) the percentage of the total amount of project area funds generated within the
- 1164 project area;
- 1165 (iii) the remaining amount of project area funds the agency is authorized to receive
- 1166 from the project area cumulatively and from each taxing entity; and
- 1167 (iv) the amount of project area funds the agency is authorized to use to pay for the
- 1168 agency's administrative costs, as described in Subsection 17C-1-409(1), including:
- 1169 (A) the total dollar amount; and
- 1170 (B) the percentage of the total amount of all project area funds;
- 1171 (e) the estimated amount of project area funds that the agency is authorized to receive
- 1172 from the project area for the current calendar year;
- 1173 (f) the estimated amount of project area funds to be paid to the agency for the next
- 1174 calendar year;
- 1175 (g) a map of the project area;
- 1176 (h) a description of how the goals, policies, and purposes of the project area plan have
- 1177 been furthered during the preceding year; and
- 1178 (i) any other relevant information the agency elects to provide.
- 1179 (5) An agency with no active project area shall, no later than June 30 of each year until the
- 1180 agency is dissolved under Section 17C-1-701.5, submit a report to the office stating that
- 1181 the agency has no active project area.
- 1182 (6) Any information an agency submits in accordance with this section:

- 1183 (a) is for informational purposes only; and
1184 (b) does not alter the amount of project area funds that an agency is authorized to receive
1185 from a project area.
- 1186 (7) The provisions of this section apply regardless of when the agency or project area is
1187 created.
- 1188 (8) On or before September 1 of each year, the office shall prepare and submit an annual
1189 written report to the Political Subdivisions Interim Committee that identifies the
1190 agencies that complied and the agencies that failed to comply with the reporting
1191 requirements of this section during the preceding reporting period.
- 1192 (9)(a) If, by September 30 of the year the information is due, the office does not receive
1193 the information that an agency is required to submit under Subsection (4), the office
1194 shall:
- 1195 (i) refer the noncompliant agency to the state auditor for review; and
1196 (ii) post a notice on the office website identifying the noncompliant agency and
1197 describing the agency's noncompliance.
- 1198 (b) If the office does not receive a report an agency is required to submit under
1199 Subsection (5), the office shall refer the noncompliant agency to the state auditor for
1200 review.
- 1201 (c) If, for two consecutive years, the office does not receive information an agency is
1202 required to submit under Subsection (4):
- 1203 (i) the office shall, no later than July 31 of the second consecutive year, notify the
1204 auditor and treasurer of the county in which the noncompliant agency is located of
1205 the agency's noncompliance; and
- 1206 (ii) upon receiving the notice described in Subsection (9)(c)(i), the county treasurer
1207 shall withhold from the agency 20% of the amount of tax increment the agency is
1208 otherwise entitled to receive.
- 1209 (d) If, after having funds withheld under Subsection (9)(c)(ii), an agency complies with
1210 Subsection (4):
- 1211 (i) the office shall notify the county auditor and treasurer that the agency has
1212 complied with the requirement of Subsection (4); and
- 1213 (ii) the county treasurer shall disburse the withheld funds to the agency.

1214 Section 13. Section **17C-6-101** is enacted to read:

1215 **CHAPTER 6. Regionally Significant Development Zones Act**

1216

Part 1. General Provisions

1217 **17C-6-101 . Definitions.**

1218 As used in this chapter:

1219 (1) "Creating entity" means the political subdivision that proposes and receives approval for
1220 the creation of a zone under Title 63N, Chapter 3a, Part 2, Creation of Regionally
1221 Significant Development Zones.

1222 (2) "Enhanced development" means the same as that term is defined in Section 63N-3a-101.

1223 (3) "Financing district" means:

1224 (a) an infrastructure financing district created under Title 17B, Chapter 2a, Part 13,
1225 Infrastructure Financing District; or

1226 (b) a public infrastructure district created under Title 17D, Chapter 4, Public
1227 Infrastructure District Act.

1228 (4) "Impacted primary area" means the same as that term is defined in Section 63N-3a-101.

1229 (5) "Large load data center" means the same as that term is defined in Section 11-41-201.

1230 (6) "Proposal" means the document approved by a committee as described in Title 63N,
1231 Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

1232 (7) "Zone" means a regionally significant development zone created under Title 63N,
1233 Chapter 3a, Part 2, Creation of Regionally Significant Development Zones.

1234 Section 14. Section **17C-6-102** is enacted to read:

1235 **17C-6-102 . Agency to manage a regionally significant development zone.**

1236 (1)(a) Upon the approval of a zone, as described in Section 63N-3a-203, a creating entity
1237 shall designate the creating entity's agency as the entity responsible for:

1238 (i) the management of the zone;

1239 (ii) the development of the zone; and

1240 (iii) the fulfillment of any duties described in this chapter.

1241 (b) If one or more creating entities propose a zone, as described in Section 63N-3a-201
1242 by entering into an interlocal agreement as described in Section 63N-3a-202, the
1243 interlocal agreement shall describe:

1244 (i) which agency is responsible for the management of the zone and zone revenue; or

1245 (ii) how each participating agency shall share responsibility for:

1246 (A) the management of the zone; and

1247 (B) zone revenue, as described in Part 2, Financing.

1248 (2) A proposal, along with conditions established by the committee that approved the

- 1249 proposal under Section 63N-3a-203, constitutes a governing document for the zone.
- 1250 (3)(a) The agency, in consultation with the creating entity, may create policies governing
- 1251 the development of the zone if the policies:
- 1252 (i) conform with the proposal; and
- 1253 (ii) do not contradict any provision of the proposal or any condition established by
- 1254 the committee that approved the proposal to create the zone.
- 1255 (b) If the agency and creating entity determine a modification to the proposal is required
- 1256 to pursue the objectives of the zone, the creating entity shall submit a proposal to
- 1257 modify the regionally significant development zone as described in Section
- 1258 63N-3a-208.

1259 Section 15. Section **17C-6-201** is enacted to read:

1260 **Part 2. Financing**

1261 **17C-6-201 . Energy tax -- Agency to study revenue generation options.**

- 1262 (1) A county that levies the county energy excise tax authorized by Title 59, Chapter 35,
- 1263 County Energy Excise Tax Act, may provide revenue generated by the county energy
- 1264 excise tax to an agency for use in a zone if the zone includes at least one large load data
- 1265 center.
- 1266 (2) An agency shall study options to generate additional revenue within a zone and provide
- 1267 recommendations to the legislative body of the creating entity.

1268 Section 16. Section **17C-6-202** is enacted to read:

1269 **17C-6-202 . Regionally significant development zone revenue.**

- 1270 (1) The following are approved revenue sources for a zone:
- 1271 (a) property tax increment or personal property tax, as described in Section 63N-3a-204;
- 1272 and
- 1273 (b) revenue, if any, an agency receives from a county as described in Section 17C-6-201.
- 1274 (2) Revenue described in Subsection (1):
- 1275 (a) is zone revenue;
- 1276 (b) shall be administered by the agency; and
- 1277 (c) may be expended as provided in this chapter.

1278 Section 17. Section **17C-6-203** is enacted to read:

1279 **17C-6-203 . Allowable uses of zone revenue.**

- 1280 (1) An agency that is assigned to manage a zone shall use zone revenue within:
- 1281 (a) the zone; and
- 1282 (b) an impacted primary area, if the agency finds that the use of the zone revenue will:

- 1283 (i) directly benefit the zone; and
- 1284 (ii) promote the objectives of the zone, as outlined in the proposal.
- 1285 (2) An agency that receives zone revenue shall, subject to any requirement to remit revenue
1286 to the State Reinvestment Restricted Account as described in Title 63N, Chapter 3a, Part
1287 2, Creation of Regionally Significant Development Zones, allocate zone revenue to:
- 1288 (a) development in the zone, including, as applicable:
- 1289 (i) income targeted housing costs;
- 1290 (ii) structured parking;
- 1291 (iii) enhanced development costs;
- 1292 (iv) horizontal construction costs;
- 1293 (v) vertical construction costs;
- 1294 (vi) property acquisition costs;
- 1295 (vii) public infrastructure and improvements; and
- 1296 (viii) realigning public infrastructure;
- 1297 (b) public infrastructure and improvements in an impacted primary area, if any; and
- 1298 (c) make the annual payment of principal, interest, premiums, and necessary reserves for
1299 any of the aggregate of bonds authorized under Subsection (3).
- 1300 (3) An agency may issue bonds, or cause bonds to be issued, as permitted by law, to pay all
1301 or part of the costs incurred for the purposes described in Subsection (2), including the
1302 cost to issue and repay the bonds including interest and reserves.
- 1303 (4) An agency may create one or more financing districts within the boundaries of the zone,
1304 and pledge and utilize zone funds to secure the payment of bonds issued by the created
1305 financing district.
- 1306 (5) In addition to the purposes described in Subsection (2), an agency may use zone
1307 revenue to cover the costs of the agency to administer the zone, not to exceed:
- 1308 (a) 3% of the total annual zone revenue; or
- 1309 (b) if the agency provides zone revenue to an entity through a participation agreement,
1310 3% of the total annual zone revenue retained by the agency after providing zone
1311 revenue pursuant to the terms of the participation agreement.
- 1312 (6) At the request of a creating entity, an agency shall reimburse the creating entity the cost
1313 of conducting the pro forma analysis required for the proposal, as described in Section
1314 63N-3a-202.
- 1315 (7) An agency may provide zone revenue to a person according to the terms of a
1316 participation agreement or an agreement described in Section 17C-6-301.

1317 Section 18. Section **17C-6-301** is enacted to read:

1318 **Part 3. Partnership Agreements**

1319 **17C-6-301 . Private-public partnerships for a zone.**

- 1320 (1) A person that seeks to enter into a private-public partnership with an agency shall
1321 provide the agency with an application that:
- 1322 (a) demonstrates the applicant is qualified to operate, in whole or in part, a project
1323 within the zone; and
- 1324 (b) provides any additional information required by the creating entity or agency.
- 1325 (2) An agency may enter into a private-public partnership:
- 1326 (a) if, after reviewing the application described in Subsection (1), the agency determines
1327 a private-public partnership will promote the objectives of the zone; and
- 1328 (b) through an agreement described in this section.
- 1329 (3) An agreement to create a private-public partnership between a person and an agency
1330 may:
- 1331 (a) establish or recognize an ownership interest in the project for the person, in
1332 consideration of the person's financial investment in the project;
- 1333 (b) establish an ownership interest in the project for the agency or agency's creating
1334 entity, in consideration of the public's financial investment in the project; or
- 1335 (c) create a lease between the person and the agency.

1336 Section 19. Section **17C-6-401** is enacted to read:

1337 **Part 4. Budgets, Audits, and Reports**

1338 **17C-6-401 . Regionally significant development zone budgets.**

- 1339 (1) An agency shall develop a budget for the zone in accordance with:
- 1340 (a) Chapter 1, Part 6, Agency Annual Report, Budget, and Audit Requirements; and
1341 (b) this section.
- 1342 (2) An agency:
- 1343 (a) may incorporate a zone budget into the agency's budget; and
1344 (b) shall develop and present a zone budget as a separate agency budget item.

1345 Section 20. Section **17C-6-402** is enacted to read:

1346 **17C-6-402 . Audits -- County auditor reports.**

- 1347 (1) An agency shall comply with the same auditing requirements that are described in
1348 Sections 17C-1-604 and 17C-1-605 in regard to the regionally significant development
1349 zone.

1350 (2) The county auditor for a county in which a zone is created shall prepare an annual report
 1351 in accordance with Section 17C-1-606, the same as if the zone were a project area.

1352 Section 21. Section **17C-6-403** is enacted to read:

1353 **17C-6-403 . Reporting.**

1354 (1) Beginning the second year after the effective date of a zone, an agency shall produce a
 1355 biennial written report in accordance with this section no later than September 1.

1356 (2) Notwithstanding Section 17C-1-609, the report described in Subsection (1) shall:

1357 (a) describe the agency's progress in managing the zone and pursuing the objectives of
 1358 the zone, as described in the proposal;

1359 (b) describe any impediments to the continued development of the zone;

1360 (c) describe the degree to which the development of the zone is complete;

1361 (d) detail the amount of zone revenues received to date; and

1362 (e) detail the amount of revenues the agency has spent on behalf of the zone to date.

1363 (3) The agency shall provide the report described in this section to the Political
 1364 Subdivisions Interim Committee.

1365 (4) The report described in this section is in addition to the reporting requirements
 1366 described in Section 17C-1-603.

1367 Section 22. Section **17C-6-404** is enacted to read:

1368 **17C-6-404 . Use of financing district.**

1369 If an agency creates or utilizes a financing district to fulfill one or more objectives of the
 1370 zone, the agency and the creating entity shall ensure that the financing district complies with
 1371 the same budgeting, auditing, and reporting requirements described in this part, the same as if
 1372 the financing district were the agency.

1373 Section 23. Section **17D-4-201** is amended to read:

1374 **17D-4-201 . Creation -- Annexation or withdrawal of property.**

1375 (1)(a) Except as provided in Subsection (1)(b), Subsection (2), and in addition to the
 1376 provisions regarding creation of a special district in Title 17B, Chapter 1, Provisions
 1377 Applicable to All Special Districts, a public infrastructure district may not be created
 1378 unless a petition is filed with the creating entity that contains the signatures of 100%
 1379 of surface property owners within the applicable area consenting to the creation of
 1380 the public infrastructure district.

1381 (b)(i) As used in this Subsection (1)(b):

1382 (A) "Military land" means the same as that term is defined in Section 63H-1-102.

1383 (B) "Project area" means the same as that term is defined in Section 63H-1-102.

- 1384 (ii) Notwithstanding Title 17B, Chapter 1, Part 2, Creation of a Special District, and
1385 any other provision of this chapter, a development authority may adopt a
1386 resolution creating a public infrastructure district if all owners of surface property
1387 proposed to be included within the public infrastructure district consent in writing
1388 to the creation of the public infrastructure district.
- 1389 (iii) For purposes of Subsection (1)(b)(ii), if the surface property proposed to be
1390 included within the public infrastructure district includes military land that is
1391 within a project area, the owner of the military land within the project area is the
1392 lessee of the military land.
- 1393 (iv) A public infrastructure district created under Subsection (1)(b)(ii) may be created
1394 as a subsidiary of the development authority that adopts the resolution creating the
1395 public infrastructure district.
- 1396 (2)(a) The following do not apply to the creation of a public infrastructure district:
- 1397 (i) Section 17B-1-203;
- 1398 (ii) Section 17B-1-204;
- 1399 (iii) Subsection 17B-1-208(2);
- 1400 (iv) Section 17B-1-212; or
- 1401 (v) Section 17B-1-214.
- 1402 (b) The protest period described in Section 17B-1-213 may be waived in whole or in
1403 part with the consent of 100% of the surface property owners within the applicable
1404 area approving the creation of the public infrastructure district.
- 1405 (c) If the protest period is waived under Subsection (2)(b), a resolution approving the
1406 creation of the public infrastructure district may be adopted in accordance with
1407 Subsection 17B-1-213(5).
- 1408 (d) A petition meeting the requirements of Subsection (1) may be certified under Section
1409 17B-1-209.
- 1410 (e) Notwithstanding Subsection 17B-1-215(1)(b), the district applicant shall file the
1411 items required by Subsection 17B-1-215(1)(a) with the lieutenant governor within 30
1412 days of the day on which a resolution creating a public infrastructure district is
1413 adopted.
- 1414 (3) Notwithstanding Title 17B, Chapter 1, Part 4, Annexation, an area outside of the
1415 boundaries of a public infrastructure district may be annexed into the public
1416 infrastructure district if the following requirements are met:
- 1417 [(a)(i) adoption of resolutions of the board and the creating entity, each approving of

- 1418 ~~the annexation; or]~~
- 1419 [(ii) adoption of a resolution of the board to annex the area, provided that the
- 1420 governing document or creation resolution for the public infrastructure district
- 1421 authorizes the board to annex an area outside of the boundaries of the public
- 1422 infrastructure district without future consent of the creating entity; and]
- 1423 ~~[(b)]~~ (a) the board adopts a resolution approving the annexation;
- 1424 (b) the governing document or resolution creating the public infrastructure district
- 1425 authorizes the public infrastructure district to annex the proposed annexation area;
- 1426 (c) a petition is filed with the public infrastructure district that contains the signatures of
- 1427 100% of surface property owners within the [area proposed to be annexed] proposed
- 1428 annexation area, demonstrating the surface property owners' consent to the
- 1429 annexation into the public infrastructure district[-] ;
- 1430 (d) if the creating entity is a county or municipality and the proposed annexation area is
- 1431 outside the boundaries of the creating entity:
- 1432 (i) for an area that is unincorporated, the legislative body of the county where the
- 1433 area is located adopts a resolution approving the annexation; or
- 1434 (ii) for an area that is within the boundaries of a municipality, the legislative body of
- 1435 the municipality where the area is located adopts a resolution approving the
- 1436 annexation; and
- 1437 (e) the proposed annexation area is contiguous to the area inside the boundaries of the
- 1438 public infrastructure district.
- 1439 (4)(a) Notwithstanding Title 17B, Chapter 1, Part 5, Withdrawal, property may be
- 1440 withdrawn from a public infrastructure district if the following requirements are met:
- 1441 (i)(A) adoption of resolutions of the board and the creating entity, each approving
- 1442 of the withdrawal; or
- 1443 (B) adoption of a resolution of the board to withdraw the property, provided that
- 1444 the governing document or creation resolution for the public infrastructure
- 1445 district authorizes the board to withdraw property from the public
- 1446 infrastructure district without further consent from the creating entity; and
- 1447 (ii) a petition is filed with the public infrastructure district that contains the signatures
- 1448 of 100% of surface property owners within the area proposed to be withdrawn,
- 1449 demonstrating that the surface property owners consent to the withdrawal from the
- 1450 public infrastructure district.
- 1451 (b) If any bonds that the public infrastructure district issues are allocable to the area to

- 1452 be withdrawn remain unpaid at the time of the proposed withdrawal, the property
1453 remains subject to any taxes, fees, or assessments that the public infrastructure
1454 district imposes until the bonds or any associated refunding bonds are paid.
- 1455 (c) Upon meeting the requirements of Subsection (3) or (4)(a), the board shall:
- 1456 (i) within 30 days of the day on which a resolution is adopted or a petition is filed
1457 under Subsection (3) or (4)(a), file with the lieutenant governor:
- 1458 (A) a copy of a notice of impending boundary action, as defined in Section
1459 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
1460 (B) a copy of an approved final local entity plat, as defined in Section 67-1a-6.5;
1461 and
- 1462 (ii) comply with the requirements of Section 17B-1-512, except:
- 1463 (A) Subsections 17B-1-512(1)(b) and (c) do not apply; and
1464 (B) the time periods described in this section govern.
- 1465 (5) A creating entity may impose limitations on the powers of a public infrastructure district
1466 through the governing document.
- 1467 (6)(a) A public infrastructure district is separate and distinct from the creating entity.
- 1468 (b)(i) Except as provided in Subsection (6)(b)(ii), any financial burden, including the
1469 cost of accounting, audit reporting, and budget preparation, of a public
1470 infrastructure district:
- 1471 (A) is borne solely by the public infrastructure district; and
1472 (B) is not borne by the creating entity, by the state, or by any municipality,
1473 county, or other political subdivision.
- 1474 (ii) Notwithstanding Subsection (6)(b)(i) and Section 17B-1-216, the governing
1475 document may require:
- 1476 (A) the district applicant to bear the initial costs of the public infrastructure
1477 district; and
1478 (B) the public infrastructure district to reimburse the district applicant for the
1479 initial costs the creating entity bears.
- 1480 (iii) Nothing in this Subsection (6) precludes a public infrastructure district from
1481 qualifying directly for an impact fee offset, credit, or refund under Title 11,
1482 Chapter 36a, Impact Fees Act, regarding any qualifying system improvements
1483 financed by the public infrastructure district.
- 1484 (c) Any legal responsibility, liability, judgment, or claim against a public infrastructure
1485 district:

- 1486 (i) is the sole responsibility of the public infrastructure district; and
 1487 (ii) does not constitute a liability, judgment, or claim against the creating entity, the
 1488 state, or any municipality, county, or other political subdivision.

1489 (d)(i)(A) The public infrastructure district solely bears the responsibility of any
 1490 collection, enforcement, or foreclosure proceeding with regard to any fee or
 1491 assessment the public infrastructure district imposes.

1492 (B) The creating entity does not bear the responsibility described in Subsection
 1493 (6)(d)(i)(A).

1494 (ii) A public infrastructure district, and not the creating entity, shall undertake the
 1495 enforcement responsibility described in, as applicable, Subsection (6)(d)(i) in
 1496 accordance with Title 11, Chapter 42, Assessment Area Act.

1497 (7) A creating entity may establish criteria in determining whether to approve or disapprove
 1498 of the creation of a public infrastructure district, including:

- 1499 (a) historical performance of the district applicant;
 1500 (b) compliance with the creating entity's master plan;
 1501 (c) credit worthiness of the district applicant;
 1502 (d) plan of finance of the public infrastructure district; and
 1503 (e) proposed development within the public infrastructure district.

1504 (8)(a) The creation of a public infrastructure district is subject to the sole discretion of
 1505 the creating entity responsible for approving or rejecting the creation of the public
 1506 infrastructure district.

1507 (b) The proposed creating entity bears no liability for rejecting the proposed creation of
 1508 a public infrastructure district.

1509 Section 24. Section **17D-4-202** is amended to read:

1510 **17D-4-202 . Public infrastructure district board -- Governing document.**

1511 (1)(a) The legislative body or board of the creating entity shall ~~[appoint the initial~~
 1512 ~~members of the board of a public infrastructure district, in accordance with the~~
 1513 ~~governing document.] approve the governing document for the public infrastructure~~
 1514 ~~district through resolution.~~

1515 (b) A governing document ~~[approved by the legislative body or board of the creating~~
 1516 ~~entity may provide for] :~~

1517 (i) shall include the names of the initial members of the board;

1518 (ii) shall provide that, upon the lieutenant governor issuing a certificate of
 1519 incorporation for the public infrastructure district, members of the board may be

1520 appointed in accordance with the terms of the governing document and this
 1521 section; and

1522 (iii) may provide for the board of a public infrastructure district to, upon a vacancy
 1523 on the board and subject to Subsection (4), appoint an individual to the board so
 1524 long as the individual meets the requirements to serve on a public infrastructure
 1525 district board described in this section.

1526 [~~(e) For public infrastructure districts not described in Subsection (1)(b), and except as~~
 1527 ~~provided in Subsection (1)(d):]~~

1528 [~~(i) if there is a vacancy on the board of a public infrastructure district, or a board~~
 1529 ~~member provides notice to the legislative body or board of the creating entity of~~
 1530 ~~the board member's intention to resign from the board, the legislative body or~~
 1531 ~~board of the creating entity shall appoint a replacement board member within 45~~
 1532 ~~days from the day on which the vacancy first occurs or the board member~~
 1533 ~~provides notice of the board member's intent to resign; and]~~

1534 [~~(ii) if a legislative body or board of the creating entity fails to fill a vacancy on the~~
 1535 ~~board within the time period described in Subsection (1)(e)(i), the board of the~~
 1536 ~~public infrastructure district may appoint an individual who is eligible to serve on~~
 1537 ~~the board according to the requirements of this section to fill the board vacancy.]~~

1538 [~~(d)~~] (c) If a public infrastructure district board position has transitioned from
 1539 appointment to election, as described in Subsection (4), and an elected board position
 1540 becomes vacant, the [~~provisions of Section 20A-1-512 apply to fill the vacancy]~~
 1541 vacant board position shall be filled through the remainder of the term in the method
 1542 provided in the governing document.

1543 (2)(a) Unless otherwise limited in the governing document and except as provided in
 1544 Subsection (2)(b), the initial term of each member of the board is four years.

1545 (b) Notwithstanding Subsection (2)(a), approximately half of the members of the initial
 1546 board shall serve a six-year term so that, after the expiration of the initial term, the
 1547 term of approximately half the board members expires every two years.

1548 (c) A board may elect that a majority of the board serve an initial term of six years.

1549 (d) After the initial term, the term of each member of the board is four years.

1550 (e) A member of the board who is appointed shall continue to serve on the board of the
 1551 public infrastructure district until a replacement board member is appointed.

1552 (3)(a) Notwithstanding Subsection 17B-1-302(1)(b), a board member is not required to
 1553 be a resident within the boundaries of the public infrastructure district if:

- 1554 (i) all of the surface property owners consent to the waiver of the residency
1555 requirement in the petition requesting the creation of the public infrastructure
1556 district;
- 1557 (ii) there are no residents within the boundaries of the public infrastructure district;
1558 (iii) no qualified candidate timely files to be considered for appointment to the board;
1559 or
- 1560 (iv) no qualified individual files a declaration of candidacy for a board position in
1561 accordance with Subsection 17B-1-306(5).
- 1562 (b) Except under the circumstances described in Subsection (3)(a)(iii) or (iv), the
1563 residency requirement in Subsection 17B-1-302(1)(b) is applicable to any board
1564 member elected for a division or board position that has transitioned from an
1565 appointed to an elected board member in accordance with this section.
- 1566 (c) An individual who is not a resident within the boundaries of the public infrastructure
1567 district may not serve as a board member unless the individual is:
- 1568 (i) an owner of land or an agent or officer of the owner of land within the boundaries
1569 of the public infrastructure district; and
- 1570 (ii) a registered voter at the individual's primary residence.
- 1571 (d) If [~~the creating entity determines that~~] a public infrastructure district is not
1572 anticipated to have permanent residents within the public infrastructure district's
1573 boundaries, or is anticipated to be primarily composed of non-residential property or
1574 non-primary residential property, a governing document may allow the [~~creating~~
1575 ~~entity to continue~~] board to appoint a property owner, or the agent of a property
1576 owner, to the public infrastructure district board.
- 1577 (e) A governing document may allow for a property owner to recommend a property
1578 owner or a property owner's agent for appointment to the public infrastructure district
1579 board in numbers proportional to the property owner's ownership of land, or value of
1580 land, within a public infrastructure district.
- 1581 (4)(a) A governing document may provide for a transition from [~~legislative body~~]
1582 appointment under Subsection (1) to a method of election by registered voters based
1583 upon milestones or events that the governing document identifies, including a
1584 milestone for each division or individual board position providing that when the
1585 milestone is reached:
- 1586 (i) for a division, the registered voters of the division elect a member of the board in
1587 place of an appointed member at the next municipal general election for the board

- 1588 position; or
- 1589 (ii) for an at large board position established in the governing document, the
- 1590 registered voters of the public infrastructure district elect a member of the board in
- 1591 place of an appointed member at the next municipal general election for the board
- 1592 position.
- 1593 (b) Regardless of whether a board member is elected under Subsection (4)(a), the
- 1594 position of each remaining board member shall continue to be appointed under
- 1595 Subsection (1) until the member's respective division or board position surpasses the
- 1596 density milestone described in the governing document.
- 1597 (5)(a) [~~Subject to Subsection (5)(e), the~~] For a public infrastructure district that has
- 1598 transitioned to a method of election as described in Subsection (4), the board may, in
- 1599 the board's discretion but no more frequently than every four years, reestablish the
- 1600 boundaries of each division so that each division that has reached a milestone
- 1601 specified in the governing document, as described in Subsection (4)(a), has, as nearly
- 1602 as possible, the same number of eligible voters.
- 1603 (b) In reestablishing division boundaries under Subsection (5)(a), the board shall
- 1604 consider existing or potential developments within the divisions that, when
- 1605 completed, would increase or decrease the number of eligible voters within the
- 1606 division.
- 1607 [~~(e) The governing document may prohibit the board from reestablishing, without the~~
- 1608 ~~consent of the creating entity, the division boundaries as described in Subsection~~
- 1609 ~~(5)(a).]~~
- 1610 (6) A public infrastructure district may not compensate a board member for the member's
- 1611 service on the board under Section 17B-1-307 unless the board member is a resident
- 1612 within the boundaries of the public infrastructure district.
- 1613 (7) A governing document shall:
- 1614 (a) include a boundary description and a map of the public infrastructure district;
- 1615 (b) state the number of board members;
- 1616 (c) describe any divisions of the public infrastructure district;
- 1617 (d) establish any applicable property tax levy rate limit for the public infrastructure
- 1618 district;
- 1619 (e) establish any applicable limitation on the principal amount of indebtedness for the
- 1620 public infrastructure district;
- 1621 (f) describe the public infrastructure and improvements, facilities, or properties that the

1622 public infrastructure district is created to facilitate or develop, as described in Section
 1623 17D-4-203; and

1624 [(f)] (g) include other information that the public infrastructure district or the creating
 1625 entity determines to be necessary or advisable.

1626 (8)(a) Except as provided in Subsection (8)(b), the board and the governing body of the
 1627 creating entity may amend a governing document by each adopting a resolution that
 1628 approves the amended governing document.

1629 (b) Notwithstanding Subsection (8)(a), any amendment to increase a property tax levy
 1630 rate limitation requires the consent of 100% of surface property owners within the
 1631 boundaries of the public infrastructure district.

1632 (9) A board member is not in violation of Section 67-16-9 if the board member:

1633 (a) discloses a business relationship in accordance with Sections 67-16-7 and 67-16-8
 1634 and files the disclosure with the creating entity:

1635 (i) before any appointment or election; and

1636 (ii) upon any significant change in the business relationship; and

1637 (b) conducts the affairs of the public infrastructure district in accordance with this title
 1638 and any parameters described in the governing document.

1639 (10) Notwithstanding any other provision of this section, the governing document governs
 1640 the number, appointment, eligibility for appointment, and terms of board members of a
 1641 public infrastructure district created by the development authority.

1642 Section 25. Section **17D-4-202.1** is amended to read:

1643 **17D-4-202.1 . Convention center public infrastructure -- District board --**

1644 **Petition and process requirements -- Governing document.**

1645 (1) As used in this section:

1646 (a) "City" means a municipality of the first class located in a county of the first class in
 1647 which a convention center is located.

1648 (b) "County" means a county in which a convention center is located.

1649 (c) "Lessee" means a lessee of property within the proposed convention center public
 1650 infrastructure district that leases the property from the city or county for a term of at
 1651 least 10 years.

1652 (d)(i) "Petitioner" means:

1653 (A) a surface property owner, a property owner, or lessee of property within a
 1654 proposed convention center public infrastructure district's boundaries that
 1655 initiates the formation of a convention center public infrastructure district; or

- 1656 (B) a surface property owner under this chapter, and Title 17B, Chapter 1,
1657 Provisions Applicable to All Special Districts, in relation to a convention
1658 center public infrastructure district.
- 1659 (ii) "Petitioner" does not include a city, county, or other public entity.
- 1660 (2) A convention center public infrastructure district shall be created in a city upon the
1661 submission of a petition in accordance with this part and shall have all the powers of a
1662 public infrastructure district under this chapter.
- 1663 (3) A convention center public infrastructure district may only be created within a city in
1664 which a convention center is located.
- 1665 (4) The petition described in Subsection (2) shall:
- 1666 (a) include the governing document; and
- 1667 (b) for a petition to a city which has previously authorized revitalization taxes described
1668 in Section 63N-3-1403, include as part of the governing document approval and
1669 authorization of an interlocal agreement pledging and securing the revitalization
1670 taxes for debt of the proposed convention center public infrastructure district.
- 1671 (5)(a) The process for creating a convention center public infrastructure district or a
1672 convention center public infrastructure district in a capital city shall be initiated by
1673 the submission of a petition and a governing document to the city, except that:
- 1674 (i) the city recorder shall certify the petition within 14 days from the day the
1675 petitioner submits the petition to the city recorder;
- 1676 (ii) if the city recorder fails to certify the petition within the time described in
1677 Subsection (5)(a)(i), the petition shall be considered certified; and
- 1678 (iii) within 30 days from the day that the petitioner submits the petition to the city
1679 recorder, or if the city and the petitioner have come to an agreement as described
1680 in Subsection (5)(b), the city shall adopt a resolution to approve:
- 1681 (A) the governing document the petitioner submitted with the petition; and
- 1682 (B) the creation of a convention center public infrastructure district or a
1683 convention center public infrastructure district in a capital city.
- 1684 (b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized
1685 terms of the petition, including the terms of an interlocal agreement, within a time
1686 period agreed upon by the city and petitioner.
- 1687 (6)(a) The boundaries of a convention center public infrastructure district shall be
1688 limited to an area within a one-half-mile radius of a convention center.
- 1689 (b) If a parcel is intersected by the radius described in Subsection (6)(a), the entire parcel

- 1690 may be included in the district.
- 1691 (7) A convention center public infrastructure district shall be subject to the following
1692 provisions regarding taxation and financing:
- 1693 (a) a convention center public infrastructure district may levy an administrative tax of up
1694 to 0.0005 per dollar of taxable value on taxable property within the district; and
1695 (b) the administrative tax shall be used exclusively for administrative expenses and may
1696 not be used for capital costs or debt payment.
- 1697 (8) A convention center public infrastructure district shall be governed by the governing
1698 document submitted and approved as described in this section.
- 1699 (9) The convention center public infrastructure board shall consist of five members to be
1700 appointed by the board in accordance with the governing document as follows:
- 1701 (a) three members shall be representatives of the petitioner and selected by the petitioner;
1702 (b) one member may be a representative of the city and selected by the mayor of the
1703 city; and
1704 (c) one member may be a representative of the county and selected by the mayor of the
1705 county.
- 1706 (10)(a) Except as provided in Subsection (10)(b), upon a vacancy or expiration of a term
1707 of a board member for a convention center public infrastructure district, the board
1708 shall appoint the replacement in the same manner as described in Subsection (9) for
1709 the unexpired period of the board member's term.
- 1710 (b) If a city or county mayor chooses not to select a member of the board as described in
1711 Subsection (9)(b) or (c), elects in writing to permanently abdicate the board seat, or
1712 chooses to vacate a member at any time, the petitioner shall select a member for the
1713 replacement who shall not be a representative of the city or county in which the
1714 convention center is located.
- 1715 (11)(a) A convention center public infrastructure district shall enter into an interlocal
1716 agreement with the relevant county that provides that, for any revenue that is
1717 transferred to the convention center public infrastructure district from a convention
1718 center reinvestment zone created ~~[pursuant to]~~ in accordance with Title 63N, Chapter
1719 3, Part 6, Housing and Transit Reinvestment Zone Act, the mayor of the county shall
1720 have approval authority for the expenditure of any revenue related to a convention
1721 center revitalization project, as that term is defined in Section 63N-3-602.
- 1722 (b) The approval authority described in Subsection (11)(a) does not include approval
1723 authority over:

- 1724 (i) any bonds or debt or related terms issued by the convention center public
1725 infrastructure district; or
- 1726 (ii) revenue subject to a participation agreement entered into pursuant to Title 63N,
1727 Chapter 3, Part 14, Capital City Revitalization Zone.
- 1728 Section 26. Section **17D-4-203** is amended to read:
- 1729 **17D-4-203 . Public infrastructure district powers.**
- 1730 (1) A public infrastructure district has all of the authority conferred upon a special district
1731 under Section 17B-1-103.
- 1732 (2) A public infrastructure district may:
- 1733 (a) issue negotiable bonds to pay:
- 1734 (i) all or part of the costs of acquiring, acquiring an interest in, improving, or
1735 extending any of the improvements, facilities, or property allowed under Section
1736 11-14-103;
- 1737 (ii) capital costs of improvements in an energy assessment area, as defined in Section
1738 11-42a-102, and other related costs, against the funds that the public infrastructure
1739 district will receive because of an assessment in an energy assessment area;
- 1740 (iii) public improvements related to the provision of housing;
- 1741 (iv) capital costs related to public transportation;
- 1742 (v) for a public infrastructure district that is within or adjacent to a housing and
1743 transit reinvestment zone described in Title 63N, Chapter 3, Part 6, Housing and
1744 Transit Reinvestment Zone Act, any and all costs to finance any public or
1745 privately owned improvements, which, in the discretion of the board of the public
1746 infrastructure district, promote the objectives described in Section 63N-3-603.1;
- 1747 (vi) the cost of acquiring or financing public infrastructure and improvements;
- 1748 (vii) for a public infrastructure district that is a subsidiary of or created by the Utah
1749 Inland Port Authority, the costs associated with a remediation project, as defined
1750 in Section 11-58-102;
- 1751 (viii) for a convention center public infrastructure district that is within or adjacent to
1752 a convention center reinvestment zone as defined in Section 63N-3-602, any or all
1753 of the costs to finance any public or privately owned improvements, including
1754 convention center-related improvements and arena improvements, which, in the
1755 discretion of the board of a convention center public infrastructure district,
1756 promote the objectives of the convention center reinvestment zone, as described in
1757 Section 63N-3-603.1;

- 1758 (ix) for a convention center public infrastructure district, the costs of financing a
1759 convention revitalization project, as the term is defined in Section 63N-3-602;
- 1760 (x) for a convention center public infrastructure district in a capital city that is within
1761 or adjacent to a convention center reinvestment zone in a capital city, as defined in
1762 Section 63N-3-602, any or all of the costs to financing any publicly owned
1763 improvements, including the cost of financing a convention center revitalization
1764 project in a capital city, as defined in Section 63N-3-602, convention
1765 center-related improvements, and publicly or privately owned improvements that
1766 directly serve the convention center, which, in the discretion of the board of the
1767 convention center public infrastructure district in a capital city, promote the
1768 objectives of the convention center reinvestment zone in a capital city, as
1769 described in Section 63N-3-603.1; and
- 1770 (xi) for a convention center public infrastructure district in a capital city that is within
1771 a capital city revitalization zone project area, as defined in Section 63N-3-1401,
1772 any allowed uses of funds or revenue provided for under Section 59-12-402.5,
1773 including eligible expenses consistent with the terms of the participation
1774 agreement, except that a convention center public infrastructure district in a
1775 capital city may not issue negotiable bonds serviced by the revitalization tax under
1776 Section 59-12-402.5 for privately owned improvements for more than the
1777 maximum dollar amount described in the participation agreement.
- 1778 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal
1779 Cooperation Act, provided that the interlocal agreement may not expand the powers
1780 of the public infrastructure district, within the limitations of Title 11, Chapter 13,
1781 Interlocal Cooperation Act, without the consent of the creating entity;
- 1782 (c) notwithstanding any other provision in code, acquire completed or partially
1783 completed improvements, including related design and consulting services and
1784 related work product, for fair market value as reasonably determined by[=]
1785 [(i) the board;]
1786 [(ii) the creating entity, if required in the governing document; or]
1787 [(iii)] a surveyor or engineer that a public infrastructure district employs or engages
1788 to perform the necessary engineering services for and to supervise the
1789 construction or installation of the improvements;
- 1790 (d) contract with the creating entity for the creating entity to provide administrative
1791 services on behalf of the public infrastructure district, when agreed to by both parties,

- 1792 in order to achieve cost savings and economic efficiencies, at the discretion of the
1793 creating entity;
- 1794 (e) for a public infrastructure district created by a development authority, or for a public
1795 infrastructure district created by a municipality and located in an urban renewal
1796 project area that includes some or all of an inactive industrial site:
- 1797 (i)(A) operate and maintain public infrastructure and improvements the district
1798 acquires or finances; and
- 1799 (B) use fees, assessments, or taxes to pay for the operation and maintenance of
1800 those public infrastructure and improvements; and
- 1801 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1802 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland
1803 Port Authority, pay for costs associated with a remediation project, as defined in
1804 Section 11-58-102, of the Utah Inland Port Authority.
- 1805 (3) A public infrastructure district created by the Utah Fairpark Area Investment and
1806 Restoration District, created in Section 11-70-201, may:
- 1807 (a) pay for the cost of the development and construction of a qualified stadium, as
1808 defined in Section 11-70-101; and
- 1809 (b) pay for the cost of public infrastructure and improvements.
- 1810 Section 27. Section **17D-4-204** is amended to read:
- 1811 **17D-4-204 . Relation to other local entities.**
- 1812 (1) Notwithstanding the creation of a public infrastructure district, the creating entity and
1813 any other public entity, as applicable, retains all of the entity's authority over all zoning,
1814 planning, design specifications and approvals, and permitting within the public
1815 infrastructure district.
- 1816 (2) The inclusion of property within the boundaries of a public infrastructure district does
1817 not preclude the inclusion of the property within any other special district.
- 1818 (3)(a) All infrastructure that is connected to another public entity's system:
- 1819 (i) belongs to that public entity, regardless of inclusion within the boundaries of a
1820 public infrastructure district, unless the public infrastructure district and the public
1821 entity otherwise agree; and
- 1822 (ii) shall comply with the design, inspection requirements, and other standards of the
1823 public entity.
- 1824 (b) A public infrastructure district shall convey or transfer the infrastructure described in
1825 Subsection (3)(a) free of liens or financial encumbrances to the public entity at no

- 1826 cost to the public entity.
- 1827 (c) The conveyance, transfer, or dedication of infrastructure to a creating entity or a
- 1828 public entity in accordance with this section is not a financial benefit of the creating
- 1829 entity or public entity.
- 1830 (4)(a) No public entity or private person shall receive funds from any portion of a public
- 1831 infrastructure district's property tax revenue without a resolution of the public
- 1832 infrastructure district's board authorizing the public entity or private person to receive
- 1833 the funds.
- 1834 (b) Subsection (4)(a) does not apply to the county's expenses related to collecting
- 1835 property tax in accordance with Title 59, Chapter 2, [~~Part 12,~~]Property Tax Act.
- 1836 (c) Subsection (4)(a) applies notwithstanding any provision in:
- 1837 (i) Title 17C, Limited Purpose Local Government Entities - Community
- 1838 Reinvestment Agency Act;
- 1839 (ii) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1840 (iii) a statute governing a development authority created under Utah Constitution,
- 1841 Article XI; or
- 1842 (iv) a provision of code related to the collection, distribution, or sharing of tax
- 1843 increment revenue, incremental property tax increases, or actions related to the
- 1844 collection, distribution, or sharing of tax increment revenue or incremental
- 1845 property tax increases.

1846 Section 28. Section **17D-4-401** is enacted to read:

1847 **Part 4. Dissolution**

1848 **17D-4-401 . District dissolution.**

- 1849 (1) A public infrastructure district, other than a public infrastructure district created by a
- 1850 development authority that provides ongoing services, shall be dissolved after:
- 1851 (a) all of the public infrastructure district's bonded indebtedness and contractual
- 1852 obligations are satisfied or defeased; and
- 1853 (b) the public infrastructure and improvements, facilities, or properties described in the
- 1854 governing document, as required in Section 17D-4-202 have been:
- 1855 (i) constructed, repaired, or otherwise completed; and
- 1856 (ii) transferred to the entity responsible for the maintenance and operation of the
- 1857 public infrastructure and improvement, facility, or property.
- 1858 (2) The board shall:
- 1859 (a) adopt a resolution approving the dissolution of the public infrastructure district

- 1860 within 30 days of the day on which the requirements of Subsection (1) are met; and
 1861 (b) notify the lieutenant governor of the dissolution.
 1862 (3) Upon the lieutenant governor's issuance of a certificate of dissolution under Section
 1863 67-1a-6.5:
 1864 (a) the public infrastructure district is dissolved; and
 1865 (b) the board shall:
 1866 (i) if the public infrastructure district was located within the boundary of a single
 1867 county, submit to the recorder of that county the original and a certified copy of
 1868 the resolution described in Subsection (2)(a); or
 1869 (ii) if the public infrastructure district was located within the boundaries of more than
 1870 a single county:
 1871 (A) submit to the recorder of one of those counties the original certificate of
 1872 dissolution and a certified copy of the resolution described in Subsection (2)(a);
 1873 and
 1874 (B) submit to the recorder of each other county a certified copy of the certificate
 1875 of dissolution and a certified copy of the resolution described in Subsection
 1876 (2)(a).

1877 Section 29. Section **51-9-1001** is enacted to read:

1878 **Part 10. State Reinvestment Restricted Account**

1879 **51-9-1001 . Definitions.**

1880 As used in this part:

- 1881 (1) "Account" means the State Reinvestment Restricted Account created in Section
 1882 51-9-1002.
 1883 (2) "Generational water infrastructure" means physical facilities or other physical assets
 1884 designed to meet generational demands for water.

1885 Section 30. Section **51-9-1002** is enacted to read:

1886 **51-9-1002 . State Reinvestment Restricted Account created.**

- 1887 (1) There is created within the General Fund a restricted account known as the "State
 1888 Reinvestment Restricted Account."
 1889 (2) The account shall consist of:
 1890 (a) revenue deposited into the account in accordance with:
 1891 (i) Title 63N, Chapter 3a, Part 2, Creation of Regionally Significant Development
 1892 Zones; and
 1893 (ii) Title 63N, Chapter 3a, Part 4, Regionally Significant Zones with Energy

- 1894 Implications;
- 1895 (b) revenue deposited into the account by the Utah Inland Port Authority in accordance
- 1896 with Sections 11-58-602 and 11-58-607; and
- 1897 (c) interest and earnings on money in the account.
- 1898 (3) The state treasurer shall invest the money in the fund according to Title 51, Chapter 7,
- 1899 State Money Management Act, except that interest or other earnings derived from those
- 1900 investments shall be deposited into the account.

1901 Section 31. Section **51-9-1003** is enacted to read:

1902 **51-9-1003 . Authorized use of the State Reinvestment Restricted Account.**

- 1903 (1) Money in the account is to be used, subject to appropriation, for:
- 1904 (a) income tax relief;
- 1905 (b) development of generational water infrastructure;
- 1906 (c) facilitating preservation of the Great Salt Lake watershed, as described in Title 73,
- 1907 Chapter 10g, Part 4, Great Salt Lake Watershed Integrated Water Assessment;
- 1908 (d) regionally significant transit development and regionally significant transit
- 1909 infrastructure; and
- 1910 (e) development of energy resources, as described in Title 79, Chapter 6, Utah Energy
- 1911 Act.
- 1912 (2) Money in the account that is derived from a local source may not be used in an area
- 1913 outside the area in which the money was generated unless the money is used for a
- 1914 purpose described in Subsection (1).

1915 Section 32. Section **57-1-49** is enacted to read:

1916 **57-1-49 . Disclosure of annual assessment to a public infrastructure district.**

- 1917 (1) As used in this section, "public infrastructure district" means an entity created as
- 1918 described in Title 17D, Chapter 4, Public Infrastructure District Act.
- 1919 (2) In a conveyance of residential real property within the boundaries of a public
- 1920 infrastructure district, a seller or the seller's representative shall ensure that the expected
- 1921 annual cost of the public infrastructure district's final tax rate, as shown on the last
- 1922 equalized assessment rolls, is included in a disclosure document at or before closing.

1923 Section 33. Section **59-1-306** is amended to read:

1924 **59-1-306 . Definition -- State Tax Commission Administrative Charge Account --**

1925 **Amount of administrative charge -- Deposit of revenue into the restricted account --**

1926 **Interest deposited into General Fund -- Expenditure of money deposited into the**

1927 **restricted account.**

- 1928 (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the
 1929 commission administers under:
- 1930 (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 1931 (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
- 1932 (c) Section 19-6-714;
- 1933 (d) Section 19-6-805;
- 1934 (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax
 1935 Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
- 1936 (f) Section 59-27-105;
- 1937 (g) Chapter 31, Cannabinoid Licensing and Tax Act;
- 1938 (h) Chapter 32, Local Impact Mitigation Tax Act;
- 1939 (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
- 1940 (j) Chapter 35, County Energy Excise Tax Act;
- 1941 [~~(j)~~] (k) Section 63H-1-205;
- 1942 [~~(k)~~] (l) Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act; [~~or~~]
- 1943 [~~(l)~~] (m) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
 1944 Charges; or
- 1945 [~~(m)~~] (n) Title 79, Chapter 6, [~~Part 14~~] Part 14, Energy Project Assessment.
- 1946 (2) There is created a restricted account within the General Fund known as the "State Tax
 1947 Commission Administrative Charge Account."
- 1948 (3) Subject to the other provisions of this section, the restricted account shall consist of
 1949 administrative charges the commission retains and deposits in accordance with this
 1950 section.
- 1951 (4) For purposes of this section, the administrative charge is a percentage of revenue the
 1952 commission collects from each qualifying tax, fee, or charge of not to exceed the lesser
 1953 of:
- 1954 (a) 1.5%; or
- 1955 (b) an equal percentage of revenue the commission collects from each qualifying tax,
 1956 fee, or charge sufficient to cover the cost to the commission of administering the
 1957 qualifying taxes, fees, or charges.
- 1958 (5) The commission shall deposit an administrative charge into the restricted account.
- 1959 (6) Interest earned on the restricted account shall be deposited into the General Fund.
- 1960 (7) The commission shall expend money appropriated by the Legislature to the commission
 1961 from the restricted account to administer qualifying taxes, fees, or charges or to offset

1962 general operational expenses.

1963 Section 34. Section **59-2-924** is amended to read:

1964 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
 1965 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
 1966 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
 1967 **commission.**

1968 (1) As used in this section:

1969 (a)(i) "Ad valorem property tax revenue" means revenue collected in accordance with
 1970 this chapter.

1971 (ii) "Ad valorem property tax revenue" does not include:

1972 (A) interest;

1973 (B) penalties;

1974 (C) collections from redemptions; or

1975 (D) revenue received by a taxing entity from personal property that is
 1976 semiconductor manufacturing equipment assessed by a county assessor in
 1977 accordance with Part 3, County Assessment.

1978 (b) "Adjusted tax increment" means the same as that term is defined in Section
 1979 17C-1-102.

1980 (c)(i) "Aggregate taxable value of all property taxed" means:

1981 (A) the aggregate taxable value of all real property a county assessor assesses in
 1982 accordance with Part 3, County Assessment, for the current year;

1983 (B) the aggregate taxable value of all real and personal property the commission
 1984 assesses in accordance with Part 2, Assessment of Property, for the current
 1985 year; and

1986 (C) the aggregate year end taxable value of all personal property a county assessor
 1987 assesses in accordance with Part 3, County Assessment, contained on the prior
 1988 year's tax rolls of the taxing entity.

1989 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
 1990 year end taxable value of personal property that is:

1991 (A) semiconductor manufacturing equipment assessed by a county assessor in
 1992 accordance with Part 3, County Assessment; and

1993 (B) contained on the prior year's tax rolls of the taxing entity.

1994 (d) "Base taxable value" means:

1995 (i) for an authority created under Section 11-58-201, the same as that term is defined

- 1996 in Section 11-58-102;
- 1997 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 1998 the same as that term is defined in Section 11-59-207;
- 1999 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2000 11-70-201, the same as that term is defined in Section 11-70-101;
- 2001 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
- 2002 defined in Section 17C-1-102;
- 2003 (v) for an authority created under Section 63H-1-201, the same as that term is defined
- 2004 in Section 63H-1-102;
- 2005 (vi) for a host local government, the same as that term is defined in Section
- 2006 63N-2-502;
- 2007 (vii) for a housing and transit reinvestment zone or convention center reinvestment
- 2008 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 2009 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 2010 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
- 2011 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
- 2012 Part 5, Home Ownership Promotion Zone, a property's taxable value as shown
- 2013 upon the assessment roll last equalized during the base year, as that term is
- 2014 defined in Section 10-21-101 or Section 17-80-101;
- 2015 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 2016 First Home Investment Zone Act, a property's taxable value as shown upon the
- 2017 assessment roll last equalized during the base year, as that term is defined in
- 2018 Section 63N-3-1601;
- 2019 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
- 2020 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
- 2021 upon the assessment roll last equalized during the property tax base year, as that
- 2022 term is defined in Section 63N-3-1701;~~[-or]~~
- 2023 (xi) for an electrical energy development zone created under Section 79-6-1104, the
- 2024 value of the property within an electrical energy development zone, as shown on
- 2025 the assessment roll last equalized before the creation of the electrical development
- 2026 zone, as that term is defined in Section 79-6-1104[-] ; or
- 2027 (xii) for a regionally significant development zone created under Section 63N-3a-203,
- 2028 the taxable value of the property within a regionally significant development zone
- 2029 boundary, as shown on the assessment roll last equalized during the base year, as

2030 that term is defined in Section 63N-3a-101.

2031 (e) "Centrally assessed benchmark value" means an amount equal to the average year
2032 end taxable value of real and personal property the commission assesses in
2033 accordance with Part 2, Assessment of Property, for the previous three calendar
2034 years, adjusted for taxable value attributable to:

2035 (i) an annexation to a taxing entity;

2036 (ii) an incorrect allocation of taxable value of real or personal property the
2037 commission assesses in accordance with Part 2, Assessment of Property; or

2038 (iii) a change in value as a result of a change in the method of apportioning the value
2039 prescribed by the Legislature, a court, or the commission in an administrative rule
2040 or administrative order.

2041 (f) "Centrally assessed industry" means the following industry classes the commission
2042 assesses in accordance with Part 2, Assessment of Property:

2043 (i) air carrier;

2044 (ii) coal;

2045 (iii) coal load out property;

2046 (iv) electric generation;

2047 (v) electric rural;

2048 (vi) electric utility;

2049 (vii) gas utility;

2050 (viii) ground access property;

2051 (ix) land only property;

2052 (x) liquid pipeline;

2053 (xi) metalliferous mining;

2054 (xii) nonmetalliferous mining;

2055 (xiii) oil and gas gathering;

2056 (xiv) oil and gas production;

2057 (xv) oil and gas water disposal;

2058 (xvi) railroad;

2059 (xvii) sand and gravel; and

2060 (xviii) uranium.

2061 (g)(i) "Centrally assessed new growth" means the greater of:

2062 (A) for each centrally assessed industry, zero; or

2063 (B) the amount calculated by subtracting the centrally assessed benchmark value

2064 for each centrally assessed industry, adjusted for prior year end incremental
2065 value, from the taxable value of real and personal property the commission
2066 assesses in accordance with Part 2, Assessment of Property, for each centrally
2067 assessed industry for the current year, adjusted for current year incremental
2068 value.

2069 (ii) "Centrally assessed new growth" does not include a change in value for a
2070 centrally assessed industry as a result of a change in the method of apportioning
2071 the value prescribed by the Legislature, a court, or the commission in an
2072 administrative rule or administrative order.

2073 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property
2074 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

2075 (i) "Community reinvestment agency" means the same as that term is defined in Section
2076 17C-1-102.

2077 (j) "Eligible new growth" means the greater of:

2078 (i) zero; or

2079 (ii) the sum of:

2080 (A) locally assessed new growth;

2081 (B) centrally assessed new growth; and

2082 (C) project area new growth or hotel property new growth.

2083 (k) "Host local government" means the same as that term is defined in Section
2084 63N-2-502.

2085 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.

2086 (m) "Hotel property new growth" means an amount equal to the incremental value that is
2087 no longer provided to a host local government as incremental property tax revenue.

2088 (n) "Incremental property tax revenue" means the same as that term is defined in Section
2089 63N-2-502.

2090 (o) "Incremental value" means:

2091 (i) for an authority created under Section 11-58-201, the amount calculated by
2092 multiplying:

2093 (A) the difference between the taxable value and the base taxable value of the
2094 property that is located within a project area and on which property tax
2095 differential is collected; and

2096 (B) the number that represents the percentage of the property tax differential that
2097 is paid to the authority;

- 2098 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
2099 an amount calculated by multiplying:
- 2100 (A) the difference between the current assessed value of the property and the base
2101 taxable value; and
- 2102 (B) the number that represents the percentage of the property tax augmentation, as
2103 defined in Section 11-59-207, that is paid to the Point of the Mountain State
2104 Land Authority;
- 2105 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
2106 11-70-201, the amount calculated by multiplying:
- 2107 (A) the difference between the taxable value for the current year and the base
2108 taxable value of the property that is located within a project area; and
- 2109 (B) the number that represents the percentage of enhanced property tax revenue,
2110 as defined in Section 11-70-101;
- 2111 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
2112 multiplying:
- 2113 (A) the difference between the taxable value and the base taxable value of the
2114 property located within a project area and on which tax increment is collected;
2115 and
- 2116 (B) the number that represents the adjusted tax increment from that project area
2117 that is paid to the agency;
- 2118 (v) for an authority created under Section 63H-1-201, the amount calculated by
2119 multiplying:
- 2120 (A) the difference between the taxable value and the base taxable value of the
2121 property located within a project area and on which property tax allocation is
2122 collected; and
- 2123 (B) the number that represents the percentage of the property tax allocation from
2124 that project area that is paid to the authority;
- 2125 (vi) for a housing and transit reinvestment zone or convention center reinvestment
2126 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
2127 Reinvestment Zone Act, an amount calculated by multiplying:
- 2128 (A) the difference between the taxable value and the base taxable value of the
2129 property that is located within a housing and transit reinvestment zone or
2130 convention center reinvestment zone and on which tax increment is collected;
2131 and

- 2132 (B) the number that represents the percentage of the tax increment that is paid to
2133 the housing and transit reinvestment zone or convention center reinvestment
2134 zone;
- 2135 (vii) for a host local government, an amount calculated by multiplying:
2136 (A) the difference between the taxable value and the base taxable value of the
2137 hotel property on which incremental property tax revenue is collected; and
2138 (B) the number that represents the percentage of the incremental property tax
2139 revenue from that hotel property that is paid to the host local government;
- 2140 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
2141 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
2142 Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
2143 (A) the difference between the taxable value and the base taxable value of the
2144 property that is located within a home ownership promotion zone and on which
2145 tax increment is collected; and
2146 (B) the number that represents the percentage of the tax increment that is paid to
2147 the home ownership promotion zone;
- 2148 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
2149 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
2150 (A) the difference between the taxable value and the base taxable value of the
2151 property that is located within a first home investment zone and on which tax
2152 increment is collected; and
2153 (B) the number that represents the percentage of the tax increment that is paid to
2154 the first home investment zone;
- 2155 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with
2156 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
2157 calculated by multiplying:
2158 (A) the difference between the taxable value and the base taxable value of the
2159 property located within a qualified development zone for a major sporting
2160 event venue zone and upon which property tax increment is collected; and
2161 (B) the number that represents the percentage of tax increment that is paid to the
2162 major sporting event venue zone, as approved by a major sporting event venue
2163 zone committee described in Section 63N-1a-1706;[~~or~~]
- 2164 (xi) for an electrical energy development zone created under Section 79-6-1104, the
2165 amount calculated by multiplying:

- 2166 (A) the difference between the taxable value and the base taxable value of the
 2167 property that is located within the electrical energy developmental zone; and
 2168 (B) the number that represents the percentage of the tax increment that is paid to a
 2169 community reinvestment agency and the Electrical Energy Development
 2170 Investment Fund created in Section 79-6-1105[-] ; or
 2171 (xii) for a regionally significant development zone created under Section 63N-3a-203,
 2172 the amount calculated by multiplying:
 2173 (A) the difference between the taxable value and the base taxable value of the
 2174 property that is located within the regionally significant development zone; and
 2175 (B) the number that represents the percentage of the tax increment that is paid to a
 2176 creating entity's agency, as established by the committee in Section 63N-3a-204.
- 2177 (p)(i) "Locally assessed new growth" means the greater of:
 2178 (A) zero; or
 2179 (B) the amount calculated by subtracting the year end taxable value of real
 2180 property the county assessor assesses in accordance with Part 3, County
 2181 Assessment, for the previous year, adjusted for prior year end incremental
 2182 value from the taxable value of real property the county assessor assesses in
 2183 accordance with Part 3, County Assessment, for the current year, adjusted for
 2184 current year incremental value.
- 2185 (ii) "Locally assessed new growth" does not include a change in:
 2186 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
 2187 or another adjustment;
 2188 (B) assessed value based on whether a property is allowed a residential exemption
 2189 for a primary residence under Section 59-2-103;
 2190 (C) assessed value based on whether a property is assessed under Part 5, Farmland
 2191 Assessment Act; or
 2192 (D) assessed value based on whether a property is assessed under Part 17, Urban
 2193 Farming Assessment Act.
- 2194 (q) "Project area" means:
 2195 (i) for an authority created under Section 11-58-201, the same as that term is defined
 2196 in Section 11-58-102;
 2197 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
 2198 11-70-201, the same as that term is defined in Section 11-70-101;
 2199 (iii) for an agency created under Section 17C-1-201.5, the same as that term is

- 2200 defined in Section 17C-1-102;
- 2201 (iv) for an authority created under Section 63H-1-201, the same as that term is
- 2202 defined in Section 63H-1-102;
- 2203 (v) for a housing and transit reinvestment zone or convention center reinvestment
- 2204 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
- 2205 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 2206 (vi) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
- 2207 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
- 2208 5, Home Ownership Promotion Zone, the same as that term is defined in Section
- 2209 10-21-101 or Section 17-80-101;
- 2210 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
- 2211 First Home Investment Zone Act, the same as that term is defined in Section
- 2212 63N-3-1601;~~[-or]~~
- 2213 (viii) for a major sporting event venue zone established under Title 63N, Chapter 3,
- 2214 Part 17, Major Sporting Event Venue Zone Act, the qualified development zone,
- 2215 as defined in Section 63N-3-1701[-] ; or
- 2216 (ix) for a regionally significant development zone created under Title 63N, Chapter
- 2217 3a, Part 2, Creation of Regionally Significant Development Zones, the qualified
- 2218 development zone, as defined in Section 63N-3a-204.
- 2219 (r) "Project area new growth" means:
- 2220 (i) for an authority created under Section 11-58-201, an amount equal to the
- 2221 incremental value that is no longer provided to an authority as property tax
- 2222 differential;
- 2223 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
- 2224 an amount equal to the incremental value that is no longer provided to the Point of
- 2225 the Mountain State Land Authority as property tax augmentation, as defined in
- 2226 Section 11-59-207;
- 2227 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
- 2228 11-70-201, an amount equal to the incremental value that is no longer provided to
- 2229 the Utah Fairpark Area Investment and Restoration District;
- 2230 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
- 2231 incremental value that is no longer provided to an agency as tax increment;
- 2232 (v) for an authority created under Section 63H-1-201, an amount equal to the
- 2233 incremental value that is no longer provided to an authority as property tax

- 2234 allocation;
- 2235 (vi) for a housing and transit reinvestment zone or convention center reinvestment
2236 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
2237 Reinvestment Zone Act, an amount equal to the incremental value that is no
2238 longer provided to a housing and transit reinvestment zone or convention center
2239 reinvestment zone as tax increment;
- 2240 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
2241 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
2242 5, Home Ownership Promotion Zone, an amount equal to the incremental value
2243 that is no longer provided to a home ownership promotion zone as tax increment;
- 2244 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
2245 First Home Investment Zone Act, an amount equal to the incremental value that is
2246 no longer provided to a first home investment zone as tax increment;~~or~~
- 2247 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
2248 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
2249 value that is no longer provided to the creating entity of a major sporting event
2250 venue zone as property tax increment~~[-]~~ ;or
- 2251 (x) for a regionally significant development zone created under Title 63N, Chapter
2252 3a, Part 2, Creation of Regionally Significant Development Zones, an amount
2253 equal to the incremental value that is no longer provided to the creating entity's
2254 agency for the regionally significant development zone.
- 2255 (s) "Project area incremental revenue" means the same as that term is defined in Section
2256 17C-1-1001.
- 2257 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 2258 (u) "Property tax differential" means the same as that term is defined in Sections
2259 11-58-102 and 79-6-1104.
- 2260 (v) "Tax increment" means:
- 2261 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
2262 in Section 17C-1-102;
- 2263 (ii) for a housing and transit reinvestment zone or convention center reinvestment
2264 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
2265 Reinvestment Zone Act, the same as the term "property tax increment" is defined
2266 in Section 63N-3-602;
- 2267 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,

- 2268 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
 2269 5, Home Ownership Promotion Zone, the same as that term is defined in Section
 2270 10-21-101 or Section 17-80-101;
- 2271 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
 2272 First Home Investment Zone Act, the same as that term is defined in Section
 2273 63N-3-1601;~~[-or]~~
- 2274 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
 2275 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
 2276 defined in Section 63N-3-1701[-] ; or
- 2277 (vi) for a regionally significant development zone created under Title 63N, Chapter
 2278 3a, Part 2, Creation of Regionally Significant Development Zones, the same as the
 2279 term "property tax increment" is defined in Section 63N-3a-101.
- 2280 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
 2281 the commission the following statements:
- 2282 (a) a statement containing the aggregate valuation of all taxable real property a county
 2283 assessor assesses in accordance with Part 3, County Assessment, for each taxing
 2284 entity; and
- 2285 (b) a statement containing the taxable value of all personal property a county assessor
 2286 assesses in accordance with Part 3, County Assessment, from the prior year end
 2287 values.
- 2288 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
 2289 taxing entity:
- 2290 (a) the statements described in Subsections (2)(a) and (b);
- 2291 (b) an estimate of the revenue from personal property;
- 2292 (c) the certified tax rate; and
- 2293 (d) all forms necessary to submit a tax levy request.
- 2294 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
 2295 calculated by dividing the ad valorem property tax revenue that a taxing entity
 2296 budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 2297 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
 2298 calculate an amount as follows:
- 2299 (i) calculate for the taxing entity the difference between:
- 2300 (A) the aggregate taxable value of all property taxed; and
- 2301 (B) any adjustments for current year incremental value;

- 2302 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
2303 determined by increasing or decreasing the amount calculated under Subsection
2304 (4)(b)(i) by the average of the percentage net change in the value of taxable
2305 property for the equalization period for the three calendar years immediately
2306 preceding the current calendar year;
- 2307 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
2308 product of:
2309 (A) the amount calculated under Subsection (4)(b)(ii); and
2310 (B) the percentage of property taxes collected for the five calendar years
2311 immediately preceding the current calendar year; and
- 2312 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
2313 amount determined by:
2314 (A) multiplying the percentage of property taxes collected for the five calendar
2315 years immediately preceding the current calendar year by eligible new growth;
2316 and
2317 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
2318 amount calculated under Subsection (4)(b)(iii).
- 2319 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
2320 as follows:
- 2321 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
2322 tax rate is zero;
- 2323 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
2324 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
2325 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
2326 to Unincorporated Areas; and
2327 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
2328 purposes and such other levies imposed solely for the municipal-type services
2329 identified in Section 17-78-501 and Subsection 17-63-101(23);
- 2330 (c) for a community reinvestment agency that received all or a portion of a taxing
2331 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
2332 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
2333 Subsection (4) except that the commission shall treat the total revenue transferred to
2334 the community reinvestment agency as ad valorem property tax revenue that the
2335 taxing entity budgeted for the prior year; and

- 2336 (d) for debt service voted on by the public, the certified tax rate is the actual levy
2337 imposed by that section, except that a certified tax rate for the following levies shall
2338 be calculated in accordance with Section 59-2-913 and this section:
- 2339 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
 - 2340 (ii) a levy to pay for the costs of state legislative mandates or judicial or
2341 administrative orders under Section 59-2-1602.
- 2342 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
2343 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
2344 one or more eligible judgments.
- 2345 (b) The ad valorem property tax revenue generated by a judgment levy described in
2346 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
2347 certified tax rate.
- 2348 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 2349 (i) the taxable value of real property:
 - 2350 (A) the county assessor assesses in accordance with Part 3, County Assessment;
 - 2351 and
 - 2352 (B) contained on the assessment roll;
 - 2353 (ii) the year end taxable value of personal property:
 - 2354 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
 - 2355 (B) contained on the prior year's assessment roll; and
 - 2356 (iii) the taxable value of real and personal property the commission assesses in
2357 accordance with Part 2, Assessment of Property.
- 2358 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
2359 growth.
- 2360 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 2361 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
2362 the county auditor of:
- 2363 (i) the taxing entity's intent to exceed the certified tax rate; and
 - 2364 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 2365 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
2366 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 2367 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
2368 electronic means on or before July 31, to a taxing entity and the Revenue and
2369 Taxation Interim Committee if:

- 2370 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
 2371 taxable value of the real and personal property the commission assesses in
 2372 accordance with Part 2, Assessment of Property, for the previous year, adjusted
 2373 for prior year end incremental value; and
- 2374 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
 2375 end taxable value of the real and personal property of a taxpayer the commission
 2376 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 2377 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
 2378 subtracting the taxable value of real and personal property the commission assesses
 2379 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
 2380 current year incremental value, from the year end taxable value of the real and
 2381 personal property the commission assesses in accordance with Part 2, Assessment of
 2382 Property, for the previous year, adjusted for prior year end incremental value.
- 2383 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
 2384 subtracting the total taxable value of real and personal property of a taxpayer the
 2385 commission assesses in accordance with Part 2, Assessment of Property, for the
 2386 current year, from the total year end taxable value of the real and personal property of
 2387 a taxpayer the commission assesses in accordance with Part 2, Assessment of
 2388 Property, for the previous year.
- 2389 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
 2390 requirement under Subsection (9)(a)(ii).

2391 Section 35. Section **59-35-101** is enacted to read:

2392 **CHAPTER 35. County Energy Excise Tax Act**

2393 **59-35-101 . Definitions.**

2394 As used in this chapter:

- 2395 (1) "Delivered value" means the fair market value of energy delivered for use and includes:
 2396 (a) the value of the energy itself; and
 2397 (b) any transportation, freight, customer demand charges, services charges, or other
 2398 costs typically incurred in providing energy in usable form.
- 2399 (2) "Energy" means gas and electricity.
- 2400 (3) "Energy supplier" means a person supplying energy.
- 2401 (4) "High-impact consumer" means:
 2402 (a) a large load customer; or
 2403 (b) a qualifying data center.

- 2404 (5) "Large load customer" means the same as that term is defined in Section 54-26-101.
- 2405 (6) "Qualifying data center" means the same as that term is defined in Section 59-12-102.
- 2406 (7) "Regional economic development authority" means:
- 2407 (a) the Military Installation Development Authority created in Section 63H-1-201;
- 2408 (b) the Point of the Mountain State Land Authority created in Section 11-59-201; and
- 2409 (c) the Utah Fairpark Area Investment and Restoration District created in Section
- 2410 11-70-201.
- 2411 Section 36. Section **59-35-201** is enacted to read:
- 2412 **59-35-201 . County energy excise tax -- Rate -- Effective date -- Notice**
- 2413 **requirements.**
- 2414 (1) A county may levy an excise tax for the delivered value of energy upon a high-impact
- 2415 consumer located:
- 2416 (a) within the county; and
- 2417 (b) on unincorporated land.
- 2418 (2)(a) Subject to Section 59-35-202, a county may impose the tax levied under
- 2419 Subsection (1) at a maximum rate of 6% of the delivered value of the energy to the
- 2420 high-impact consumer.
- 2421 (b) A high-impact consumer that qualifies as both a large load customer and a qualifying
- 2422 data center is only subject to one excise tax described in this section.
- 2423 (3)(a) An energy supplier that delivers energy to a high-impact consumer is responsible
- 2424 for collecting and remitting a tax described in this section to the commission on a
- 2425 quarterly basis in the same manner that the energy supplier collects and remits sales
- 2426 and use tax.
- 2427 (b) For purposes of determining the point of sale for the delivered value of energy, the
- 2428 energy supplier shall use the location of the high-impact consumer's meter.
- 2429 (c) If an energy supplier passes along the cost of a tax imposed under this chapter to the
- 2430 high-impact consumer, the energy supplier shall indicate to the high-impact
- 2431 consumer that the tax is passed through by the energy supplier as a separately
- 2432 itemized charge.
- 2433 (4) A county that imposes or repeals the tax under this chapter, or modifies the rate of a tax
- 2434 imposed under this chapter, shall ensure county's action takes effect:
- 2435 (a) on the first day of a calendar quarter; and
- 2436 (b) after a 90-day period beginning on the date the county sends notice to the tax
- 2437 commission as described in Subsection (5).

- 2438 (5) A notice described in Subsection (4)(b) shall include:
- 2439 (a) that the county is imposing or repealing a tax under this chapter, or modifying the
- 2440 rate of a tax imposed under this chapter;
- 2441 (b) the tax rate, if applicable; and
- 2442 (c) the effective date of the tax.
- 2443 (6) A county excise tax imposed under this chapter is in addition to any sales and use tax
- 2444 imposed by the county under Title 59, Chapter 12, Sales and Use Tax Act.
- 2445 Section 37. Section **59-35-202** is enacted to read:
- 2446 **59-35-202 . High-impact consumers in certain project areas.**
- 2447 If a high-impact consumer is subject to a municipal energy sales and use tax, as
- 2448 described in Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act, that is
- 2449 levied by a regional land use economic development authority, the county may levy a tax
- 2450 described in Section 59-35-201 on the high-impact consumer only:
- 2451 (1) to the extent that the regional economic development authority does not levy the
- 2452 maximum rate described in Section 10-1-304; and
- 2453 (2) at a rate that ensures the combined rate of the tax described in this section and the
- 2454 municipal energy sales and use tax levied on the high-impact consumer does not exceed
- 2455 6%.
- 2456 Section 38. Section **59-35-301** is enacted to read:
- 2457 **59-35-301 . Administration, collection, and enforcement -- Rulemaking.**
- 2458 (1) The commission shall administer, collect, and enforce a tax under this chapter in
- 2459 accordance with Chapter 1, General Taxation Policies.
- 2460 (2) Subject to Section 59-1-306, the commission shall:
- 2461 (a) deposit 10% of the revenue the commission collects from a tax under this chapter
- 2462 into the State Reinvestment Restricted Account created in Section 51-9-1002; and
- 2463 (b) distribute 90% of the revenue to the county that levied the tax.
- 2464 (3) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah
- 2465 Administrative Rulemaking Act, about the delivered value of taxable energy.
- 2466 (4) The rules made under Subsection (3) shall:
- 2467 (a) provide that an arm's length sales price for taxable energy sold or used by a
- 2468 high-impact consumer is the delivered value to the high-impact consumer, unless the
- 2469 sales price does not include some portion of the taxable energy or component of
- 2470 delivered value; and
- 2471 (b) establish one or more default methods for determining the delivered value one time

2472 per calendar year on or before January 31 for taxable energy when the commission
 2473 determines that the sales price does not accurately reflect delivered value.

2474 (5) In establishing a default method under Subsection (4)(b), the commission:

2475 (a) shall take into account quantity discounts and other reductions or increases in value
 2476 that are generally available in the marketplace for various grades or types of property
 2477 and classes of services; and

2478 (b) may consider:

2479 (i) generally applicable tariffs for various classes of utility services approved by the
 2480 Public Service Commission or other governmental entity;

2481 (ii) posted prices;

2482 (iii) spot-market prices;

2483 (iv) trade publications;

2484 (v) market data; and

2485 (vi) other information and data prescribed by the commission.

2486 Section 39. Section **63N-3-604** is amended to read:

2487 **63N-3-604 . Process for a proposal of a housing and transit reinvestment zone --**

2488 **Analysis.**

2489 (1) [Subject-] On or before December 31, 2027, and subject to approval of the housing and
 2490 transit reinvestment zone committee as described in Section 63N-3-605, in order to
 2491 create a housing and transit reinvestment zone, a municipality or public transit county
 2492 that has general land use authority over the housing and transit reinvestment zone area,
 2493 shall:

2494 (a) prepare a proposal for the housing and transit reinvestment zone that:

2495 (i) demonstrates that the proposed housing and transit reinvestment zone will meet
 2496 the objectives described in Subsection 63N-3-603(1);

2497 (ii) explains how the municipality or public transit county will achieve the
 2498 requirements of Subsection 63N-3-603(2)(a)(i);

2499 (iii) defines the specific transportation infrastructure needs, if any, and proposed
 2500 improvements and estimated budgets;

2501 (iv) defines the boundaries of:

2502 (A) the housing and transit reinvestment zone; and

2503 (B) the sales and use tax boundary corresponding to the housing and transit
 2504 reinvestment zone boundary, as described in Section 63N-3-610;

2505 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:

- 2506 (A) the proposed boundary and radius from a public transit hub;
2507 (B) proposed housing density within the housing and transit reinvestment zone;
2508 and
2509 (C) existing zoning and proposed zoning changes related to the housing and transit
2510 reinvestment zone;
- 2511 (vi) identifies any development impediments that prevent the development from
2512 being a market-rate investment, including proposed strategies and estimated
2513 budgets for addressing each one;
- 2514 (vii) describes the proposed development plan and estimated budgets, including the
2515 requirements described in Subsections 63N-3-603(2) and (4);
- 2516 (viii) establishes a base year and collection period to calculate the property tax
2517 increment within the housing and transit reinvestment zone;
- 2518 (ix) establishes a sales and use tax base year to calculate the sales and use tax
2519 increment within the housing and transit reinvestment zone in accordance with
2520 Section 63N-3-610;
- 2521 (x) describes projected maximum revenues generated and the amount of property tax
2522 increment capture from each taxing entity and proposed expenditures of revenue
2523 derived from the housing and transit reinvestment zone;
- 2524 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
2525 of revenue that can be used to reduce the finance gap;
- 2526 (xii) estimates budgets and evaluates possible benefits to active and public
2527 transportation availability and impacts on air quality;
- 2528 (xiii) proposes a finance schedule to align expected revenue with required financing
2529 costs and payments;
- 2530 (xiv) provides a pro-forma for the planned development that:
- 2531 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
2532 (B) includes data showing the cost difference between what type of development
2533 could feasibly be developed absent the housing and transit reinvestment zone
2534 property tax increment and the type of development that is proposed to be
2535 developed with the housing and transit reinvestment zone property tax
2536 increment; and
- 2537 (C) provides estimated budgets and construction costs, anticipated revenue,
2538 financing, expenses, and other sources and uses of funds for the project area;
2539 and

- 2540 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
2541 station, or bus rapid transit station that is proposed and not in public transit service
2542 operation as of the date of submission of the proposal, demonstrates that the
2543 proposed station is:
- 2544 (A) included as needed in phase one of a metropolitan planning organization's
2545 adopted long-range transportation plan and in phase one of the relevant public
2546 transit district's adopted long-range plan; and
 - 2547 (B) reasonably anticipated to be constructed in the near future; and
- 2548 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
2549 of Economic Opportunity.
- 2550 (2) As part of the proposal described in Subsection (1), a municipality or public transit
2551 county shall study and evaluate possible impacts of a proposed housing and transit
2552 reinvestment zone on parking within the city and housing and transit reinvestment zone.
- 2553 (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's
2554 Office of Economic Opportunity shall:
- 2555 (i) within 14 days after the date on which the Governor's Office of Economic
2556 Opportunity receives the proposal described in Subsection (1)(b), provide notice
2557 of the proposal to all affected taxing entities, including the Tax Commission,
2558 cities, counties, school districts, metropolitan planning organizations, and the
2559 county assessor and county auditor of the county in which the housing and transit
2560 reinvestment zone is located; and
 - 2561 (ii) at the expense of the proposing municipality or public transit county as described
2562 in Subsection (5), contract with an independent entity to perform the financial gap
2563 analysis described in Subsection (3)(b).
- 2564 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:
- 2565 (i) a description of the planned development;
 - 2566 (ii) a market analysis relative to other comparable project developments included in
2567 or adjacent to the municipality or public transit county absent the proposed
2568 housing and transit reinvestment zone;
 - 2569 (iii) an evaluation of the proposal to and a determination of the adequacy and
2570 efficiency of the proposal;
 - 2571 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
2572 development costs associated with the housing and transit reinvestment zone
2573 proposal and enable the proposed development to occur; and

- 2574 (v) based on the market analysis and other findings, an opinion relative to the
2575 appropriate amount of potential public financing reasonably determined to be
2576 necessary to achieve the objectives described in Subsection 63N-3-603(1).
- 2577 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
2578 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),
2579 the State Tax Commission shall:
- 2580 (i) evaluate the feasibility of administering the tax implications of the proposal; and
2581 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
2582 challenges in the administration of the proposal, or indicating that the Tax
2583 Commission can feasibly administer the proposal.
- 2584 (4) After receiving the results from the analysis described in Subsection (3)(b), the
2585 municipality or public transit county proposing the housing and transit reinvestment
2586 zone may:
- 2587 (a) amend the housing and transit reinvestment zone proposal based on the findings of
2588 the analysis described in Subsection (3)(b) and request that the Governor's Office of
2589 Economic Opportunity submit the amended housing and transit reinvestment zone
2590 proposal to the housing and transit reinvestment zone committee; or
- 2591 (b) request that the Governor's Office of Economic Opportunity submit the original
2592 housing and transit reinvestment zone proposal to the housing and transit
2593 reinvestment zone committee.
- 2594 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
2595 credit, up to \$20,000 from a municipality or public transit county for the costs of the
2596 gap analysis described in Subsection (3)(b).
- 2597 (b) The Governor's Office of Economic Opportunity may expend funds received from a
2598 municipality or public transit county as dedicated credits to pay for the costs
2599 associated with the gap analysis described in Subsection (3)(b).
- 2600 (6)(a) Beginning January 1, 2028:
- 2601 (i) a municipality or public transit county may not propose a housing and transit
2602 reinvestment zone;
- 2603 (ii) a municipality or public transit county may amend a housing and transit
2604 reinvestment zone proposal, as described in Subsection (4), if the proposal is
2605 pending review or approval on December 31, 2027; and
- 2606 (iii) the Governor's Office of Economic Opportunity may not fulfill the duties
2607 described in Subsection (3) or (5) in regard to a proposal for a housing and transit

2608 reinvestment zone unless the proposal is pending review or approval on December
2609 31, 2027.

2610 (b) Subsection (6)(a) does not impact housing and transit reinvestment zones that are in
2611 existence on January 1, 2028.

2612 Section 40. Section **63N-3-604.1** is amended to read:

2613 **63N-3-604.1 . Process for proposing a convention center reinvestment zone.**

2614 (1) ~~[Fø]~~ On or before December 31, 2027, to create a convention center reinvestment zone
2615 under this part, the Governor's Office of Economic Opportunity shall, after consulting
2616 with and giving notice to the related eligible municipality and county, provide a proposal
2617 for a convention center reinvestment zone to the housing and transit reinvestment zone
2618 committee.

2619 (2)(a) The Governor's Office of Economic Opportunity shall ensure that a proposal for
2620 the creation of a convention center reinvestment zone includes the following
2621 information and data that:

2622 (i) defines the boundary of the proposed convention center reinvestment zone;

2623 (ii) describes generally the proposed development plan;

2624 (iii) identifies a base year and collection period to calculate the property tax
2625 increment within the convention center reinvestment zone;

2626 (iv) specifies a sales and use tax base year to calculate the sales and use tax increment
2627 within the convention center reinvestment zone in accordance with Section
2628 63N-3-610.1;

2629 (v) provides estimated project and investment objectives for the convention center
2630 reinvestment zone; and

2631 (vi) outlines generally the impacts on transportation in and around the proposed
2632 convention center reinvestment zone.

2633 (b) For a convention center reinvestment zone in a capital city, the proposal described in
2634 Subsection (2)(a) shall also provide estimated budgets and construction costs,
2635 anticipated revenue, financing, expenses, and other sources and uses of funds for the
2636 project area.

2637 (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:

2638 (i) a convention center;

2639 (ii) a publicly owned entertainment venue;

2640 (iii) parking; and

2641 (iv) infrastructure related to the project.

- 2642 (3) A proposal by the Governor's Office of Economic Opportunity for a convention center
 2643 reinvestment zone shall demonstrate how the information and data provided in the
 2644 proposal pursuant to Subsection (2) furthers the objectives described in Section
 2645 63N-3-603.1 and is in the public interest.
- 2646 (4) After submitting the proposal as described in Subsection (2), the Governor's Office of
 2647 Economic Opportunity shall provide notice of the proposal to all affected taxing entities,
 2648 including the State Tax Commission, cities, counties, school districts, metropolitan
 2649 planning organizations, and the county assessor and county auditor of the county in
 2650 which the convention center reinvestment zone is located.
- 2651 (5) After receiving notice from the Governor's Office of Economic Opportunity of a
 2652 proposed convention center reinvestment zone as described in Subsection (4), the Tax
 2653 Commission shall, within 14 days:
- 2654 (a) evaluate the feasibility of administering the tax implications of the proposal; and
 2655 (b) provide a letter to the Governor's Office of Economic Opportunity describing any
 2656 challenges in the administration of the proposal, or indicating that the State Tax
 2657 Commission can feasibly administer the proposal.
- 2658 (6) Beginning January 1, 2028, the Governor's Office of Economic Opportunity may not
 2659 propose, and the committee may not consider, the creation of a convention center
 2660 reinvestment zone.
- 2661 Section 41. Section **63N-3-605** is amended to read:
- 2662 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**
- 2663 (1) [~~För~~] On or before December 31, 2027, for any housing and transit reinvestment zone
 2664 proposed under this part, or for a first home investment zone proposed in accordance
 2665 with Part 16, First Home Investment Zone Act, there is created a housing and transit
 2666 reinvestment zone committee with membership described in Subsection (2).
- 2667 (2) Each housing and transit reinvestment zone committee shall consist of the following
 2668 members:
- 2669 (a) one representative from the Governor's Office of Economic Opportunity, designated
 2670 by the executive director of the Governor's Office of Economic Opportunity;
- 2671 (b) one representative from each municipality that is a party to the proposed housing and
 2672 transit reinvestment zone or first home investment zone, designated by the chief
 2673 executive officer of each respective municipality;
- 2674 (c) a member of the Transportation Commission created in Section 72-1-301;
- 2675 (d) a member of the board of trustees of a large public transit district;

- 2676 (e) one individual from the Office of the State Treasurer, designated by the state
2677 treasurer;
- 2678 (f) two members designated by the president of the Senate;
- 2679 (g) two members designated by the speaker of the House of Representatives;
- 2680 (h) one member designated by the chief executive officer of each county affected by the
2681 housing and transit reinvestment zone or first home investment zone;
- 2682 (i) two representatives designated by the school superintendent from the school district
2683 affected by the housing and transit reinvestment zone or first home investment zone;
2684 and
- 2685 (j) one representative, representing the largest participating local taxing entity, after the
2686 municipality, county, and school district.
- 2687 (3) The individual designated by the Governor's Office of Economic Opportunity as
2688 described in Subsection (2)(a) shall serve as chair of the housing and transit
2689 reinvestment zone committee.
- 2690 (4)(a) A majority of the members of the housing and transit reinvestment zone
2691 committee constitutes a quorum of the housing and transit reinvestment zone
2692 committee.
- 2693 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
2694 committee is an action of the housing and transit reinvestment zone committee.
- 2695 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
2696 analysis described in Section 63N-3-604, and after the Governor's Office of
2697 Economic Opportunity has received a request from the submitting municipality or
2698 public transit county to submit the housing and transit reinvestment zone proposal to
2699 the housing and transit reinvestment zone committee, the Governor's Office of
2700 Economic Opportunity shall notify each of the entities described in Subsection (2) of
2701 the formation of the housing and transit reinvestment zone committee.
- 2702 (b) For a first home investment zone, the housing and transit reinvestment zone
2703 committee shall follow the procedures described in Section 63N-3-1604.
- 2704 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a
2705 public meeting to consider the proposed housing and transit reinvestment zone.
- 2706 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
2707 52, Chapter 4, Open and Public Meetings Act.
- 2708 (7)(a) The proposing municipality or public transit county shall present the housing and
2709 transit reinvestment zone proposal to the housing and transit reinvestment zone

- 2710 committee in a public meeting.
- 2711 (b) The housing and transit reinvestment zone committee shall, for a housing and transit
2712 reinvestment zone proposal:
- 2713 (i) evaluate and verify whether the elements of a housing and transit reinvestment
2714 zone described in Subsections 63N-3-603(2) and (4) have been met; and
- 2715 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
2716 analysis described in Subsection 63N-3-604(2).
- 2717 (c) The housing and transit reinvestment zone committee shall, for a convention center
2718 reinvestment zone proposal, evaluate and verify whether the objectives of a
2719 convention center reinvestment zone described in Section 63N-3-603.1 have been
2720 met.
- 2721 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee
2722 may:
- 2723 (i)(A) for a housing and transit reinvestment zone, request changes to the housing
2724 and transit reinvestment zone proposal based on the analysis, characteristics,
2725 and criteria described in Section 63N-3-604; or
- 2726 (B) for a convention center reinvestment zone, request changes to the convention
2727 center reinvestment zone proposal based on the characteristics and criteria
2728 described in Sections 63N-3-603.1 and 63N-3-604.1; or
- 2729 (ii) subject to Subsection (12), vote to approve or deny the proposal.
- 2730 (b) Before the housing and transit reinvestment zone committee may approve the
2731 housing and transit reinvestment zone proposal, the municipality or public transit
2732 county proposing the housing and transit reinvestment zone shall ensure that the area
2733 of the proposed housing and transit reinvestment zone is zoned in such a manner to
2734 accommodate the requirements of a housing and transit reinvestment zone described
2735 in this section and the proposed development.
- 2736 (9) If a housing and transit reinvestment zone is approved by the committee:
- 2737 (a) the proposed housing and transit reinvestment zone is established according to the
2738 terms of the housing and transit reinvestment zone proposal;
- 2739 (b) affected local taxing entities are required to participate according to the terms of the
2740 housing and transit reinvestment zone proposal; and
- 2741 (c) each affected taxing entity is required to participate at the same rate.
- 2742 (10) A housing and transit reinvestment zone proposal may be amended by following the
2743 same procedure as approving a housing and transit reinvestment zone proposal.

2744 (11)(a) The approval for a convention center reinvestment zone in a capital city may be
 2745 completed with a condition that the relevant municipality also create a public
 2746 infrastructure district as provided in Subsection 63N-3-607(8)(b).

2747 (b) The approval described in Subsection (11)(a) shall verify that the requirements and
 2748 limitations on use of funds is limited to the conditions described under Subsections
 2749 63N-3-604.1(2)(b) and (c).

2750 (12)(a) Beginning January 1, 2028, the committee may not approve a proposal for a
 2751 housing and transit reinvestment zone, a first home investment zone, or a convention
 2752 center reinvestment zone unless the proposal was pending on December 31, 2027.

2753 (b) Housing and transit reinvestment zones that are in existence on January 1, 2028,
 2754 continue to exist and shall comply with the relevant requirements of this part until the
 2755 housing and transit reinvestment zone is dissolved.

2756 (c) First home investment zones that are in existence on January 1, 2028, continue to
 2757 exist and shall comply with the relevant requirements of this part until the first home
 2758 investment zone is dissolved.

2759 (d) Convention center reinvestment zones that are in existence on January 1, 2028,
 2760 continue to exist and shall comply with the relevant requirements of this part until the
 2761 convention center reinvestment zone is dissolved.

2762 Section 42. Section **63N-3-1603** is amended to read:

2763 **63N-3-1603 . Process for a proposal of a first home investment zone.**

2764 (1) ~~[Subject-]~~ On or before December 31, 2027, and subject to approval of the housing and
 2765 transit reinvestment zone committee as described in Section 63N-3-1604, in order to
 2766 create a first home investment zone, a municipality that has general land use authority
 2767 over the first home investment zone area, shall:

2768 (a) prepare a proposal for the first home investment zone that:

2769 (i) demonstrates that the proposed first home investment zone will meet the
 2770 objectives described in Subsection 63N-3-1602(1);

2771 (ii) explains how the municipality will achieve the requirements of Subsection
 2772 63N-3-1602(2);

2773 (iii) defines the specific infrastructure needs, if any, and proposed improvements;

2774 (iv) demonstrates how the first home investment zone will ensure:

2775 (A) sufficient pedestrian access to schools and other areas of community; and

2776 (B) inclusion of child care facilities and access;

2777 (v) defines the boundaries of the first home investment zone;

- 2778 (vi) includes maps of the proposed first home investment zone to illustrate:
2779 (A) proposed housing density within the first home investment zone;
2780 (B) extraterritorial homes relevant to the first home investment zone, including
2781 density of the development of extraterritorial homes; and
2782 (C) existing zoning and proposed zoning changes related to the first home
2783 investment zone;
- 2784 (vii) identifies any development impediments that prevent the development from
2785 being a market-rate investment and proposed strategies for addressing each one;
- 2786 (viii) describes the proposed development plan, including the requirements described
2787 in Subsections 63N-3-1602(2) and (4);
- 2788 (ix) establishes the collection period or periods to calculate the tax increment;
- 2789 (x) describes projected maximum revenues generated and the amount of tax
2790 increment capture from each taxing entity and proposed expenditures of revenue
2791 derived from the first home investment zone;
- 2792 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
2793 of revenue that can be used to reduce the finance gap;
- 2794 (xii) proposes a finance schedule to align expected revenue with required financing
2795 costs and payments;
- 2796 (xiii) evaluates possible benefits to active transportation, public transportation
2797 availability and utilization, street connectivity, and air quality; and
- 2798 (xiv) provides a pro forma for the planned development that:
2799 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and
2800 (B) includes data showing the cost difference between what type of development
2801 could feasibly be developed absent the first home investment zone tax
2802 increment and the type of development that is proposed to be developed with
2803 the first home investment zone tax increment;
- 2804 (b) submit the proposal to the relevant school district to discuss the requirements of the
2805 proposal and whether the proposal provides the benefits and achieves the objectives
2806 described in this part; and
- 2807 (c) submit the first home investment zone proposal to the Governor's Office of
2808 Economic Opportunity.
- 2809 (2) As part of the proposal described in Subsection (1), a municipality shall:
2810 (a) study and evaluate possible impacts of a proposed first home investment zone on
2811 parking and efficient use of land within the municipality and first home investment

- 2812 zone; and
- 2813 (b) include in the first home investment zone proposal the findings of the study
- 2814 described in Subsection (2)(a) and proposed strategies to efficiently address parking
- 2815 impacts.
- 2816 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's
- 2817 Office of Economic Opportunity shall:
- 2818 (i) within 14 days after the date on which the Governor's Office of Economic
- 2819 Opportunity receives the proposal described in Subsection (1)(c), provide notice
- 2820 of the proposal to all affected taxing entities, including the State Tax Commission,
- 2821 cities, counties, school districts, metropolitan planning organizations, and the
- 2822 county assessor and county auditor of the county in which the first home
- 2823 investment zone is located; and
- 2824 (ii) at the expense of the proposing municipality as described in Subsection (5),
- 2825 contract with an independent entity to:
- 2826 (A) perform the gap analysis described in Subsection (3)(b); and
- 2827 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
- 2828 and the feasibility of the proposed development absent the tax increment.
- 2829 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
- 2830 (i) a description of the planned development;
- 2831 (ii) a market analysis relative to other comparable project developments included in
- 2832 or adjacent to the municipality absent the proposed first home investment zone;
- 2833 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency
- 2834 of the proposal;
- 2835 (iv) an evaluation of the proposed tax increment capture needed to cover the system
- 2836 improvements and project improvements associated with the first home
- 2837 investment zone proposal and enable the proposed development to occur, and for
- 2838 the benefit of affordable housing projects; and
- 2839 (v) based on the market analysis and other findings, an opinion relative to the
- 2840 appropriate amount of potential public financing reasonably determined to be
- 2841 necessary to achieve the objectives described in Subsection 63N-3-1602(1).
- 2842 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
- 2843 proposed first home investment zone as described in Subsection (3)(a)(i), the
- 2844 municipality, in consultation with the county assessor and the State Tax Commission,
- 2845 shall:

- 2846 (i) evaluate the feasibility of administering the tax implications of the proposal; and
 2847 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
 2848 challenges in the administration of the proposal, or indicating that the county
 2849 assessor can feasibly administer the proposal.

2850 (4) After receiving the results from the analysis described in Subsection (3)(b), the
 2851 municipality proposing the first home investment zone may:

- 2852 (a) amend the first home investment zone proposal based on the findings of the analysis
 2853 described in Subsection (3)(b) and request that the Governor's Office of Economic
 2854 Opportunity submit the amended first home investment zone proposal to the housing
 2855 and transit reinvestment zone committee; or
 2856 (b) request that the Governor's Office of Economic Opportunity submit the original first
 2857 home investment zone proposal to the housing and transit reinvestment zone
 2858 committee.

2859 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
 2860 credit, up to \$20,000 from a municipality for the costs of the gap analysis described
 2861 in Subsection (3)(b).

2862 (b) The Governor's Office of Economic Opportunity may expend funds received from a
 2863 municipality as dedicated credits to pay for the costs associated with the gap analysis
 2864 described in Subsection (3)(b).

2865 (6) Beginning January 1, 2028:

- 2866 (a) a municipality may not propose a first home investment zone;
 2867 (b) a municipality may amend a first home investment zone proposal, as described in
 2868 Subsection (4), if the proposal was pending on December 31, 2027; and
 2869 (c) the Governor's Office of Economic Opportunity may not fulfill the duties described
 2870 in Subsection (3) or (5) in regard to a proposal for a first home investment zone
 2871 unless the proposal was pending on December 31, 2027.

2872 Section 43. Section **63N-3a-101** is enacted to read:

2873 **CHAPTER 3a. Coordination of Regional Economic Development Activity**

2874 **Part 1. General Provisions**

2875 **63N-3a-101 . Definitions.**

2876 As used in this chapter:

2877 (1) "Affordable housing" means:

- 2878 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy

- 2879 by households with a gross household income equal to or less than 80% of the county
2880 median gross income for households of the same size; or
- 2881 (b)(i) for homes that are owner occupied, housing that is priced at 80% of the county
2882 median home price; or
- 2883 (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code
2884 median home price if:
- 2885 (A) the proposal demonstrates that a deviation from the county median home price
2886 will achieve the objectives described in Section 63N-3a-103; and
- 2887 (B) the zip code median home price is based upon county property tax assessment
2888 data.
- 2889 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 2890 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
2891 roll last equalized during the base year.
- 2892 (4) "Base year" means the calendar year:
- 2893 (a) in which the committee approves a regionally significant development zone; or
2894 (b) established by the committee in approving the regionally significant development
2895 zone, which shall be the year before property tax increment collection is triggered.
- 2896 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and
2897 efficient service that may include dedicated lanes, busways, traffic signal priority,
2898 off-board fare collection, elevated platforms, and enhanced stations.
- 2899 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed
2900 station, stop, or terminal that is specifically identified as needed in phase one of a
2901 metropolitan planning organization's adopted long-range transportation plan:
- 2902 (a) along an existing bus rapid transit line; or
2903 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- 2904 (7) "Committee" means the increment financing committee created in Section 63N-3a-102.
- 2905 (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a
2906 large public transit district.
- 2907 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
2908 transit district.
- 2909 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed
2910 station, stop, or terminal, which has been specifically identified as needed in phase one
2911 of a metropolitan planning organization's adopted long-range transportation plan and in
2912 phase one of the relevant public transit district's adopted long-range transit plan:

- 2913 (a) along an existing commuter rail line;
2914 (b) along an extension to an existing commuter rail line or new commuter rail line;
2915 (c) along a fixed guideway extension from an existing commuter rail line; or
2916 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an
2917 existing commuter rail station.
- 2918 (10) "Creating entity" means:
2919 (a) a municipality; or
2920 (b) a county.
- 2921 (11)(a) "Developable area" means the portion of land within a zone available for
2922 development and construction of uses that met the relevant objectives described in
2923 Part 3, Specific Provisions for Certain Zones.
- 2924 (b) "Developable area" does not include portions of land within a zone intended for
2925 development that are allocated to:
2926 (i) parks;
2927 (ii) open spaces;
2928 (iii) trails;
2929 (iv) parking;
2930 (v) roadway facilities; or
2931 (vi) other public facilities.
- 2932 (12) "Dwelling unit" means one or more rooms arranged for the use of one or more
2933 individuals living together, as a single housekeeping unit, with cooking, living, sanitary,
2934 and sleeping facilities.
- 2935 (13) "Enhanced development" means the construction of mixed uses including housing,
2936 commercial, recreational, and related facilities.
- 2937 (14) "Enhanced development costs" means extra costs associated with structured parking
2938 costs, vertical construction costs, horizontal construction costs, life safety costs,
2939 structural costs, conveyor or elevator costs, and other costs incurred due to the increased
2940 height of buildings or enhanced development.
- 2941 (15) "Extraterritorial home" means a dwelling that is included as part of a proposal that:
2942 (a) is located within the municipality making the proposal but outside the boundary of
2943 the proposed project area;
2944 (b) is part of a development with a density of at least six units per acre;
2945 (c) is not located within an existing project area, a housing and transit reinvestment
2946 zone, a first home investment zone, or an area that could be included in a housing and

- 2947 transit reinvestment zone or a first home investment zone;
- 2948 (d) has not been issued a building permit by the municipality as of the date of the
- 2949 approval of the project area; and
- 2950 (e) is required to be owner occupied for no less than 25 years.
- 2951 (16) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 2952 (17) "High-density residential" means a minimum of 30 residential units per acre.
- 2953 (18) "Home" means a dwelling unit.
- 2954 (19) "Horizontal construction costs" means the additional costs associated with earthwork,
- 2955 over excavation, utility work, transportation infrastructure, and landscaping to achieve
- 2956 enhanced development in a regionally significant development zone.
- 2957 (20) "Impacted primary area" means land described in a proposal:
- 2958 (a) outside of a proposed zone boundary; and
- 2959 (b) that is crucial to one or more aspects of the development of the zone.
- 2960 (21) "Increment financing" means a public entity's utilization of:
- 2961 (a) property tax increment; or
- 2962 (b) any other portion of public revenue that is calculated using a base year and revenue
- 2963 growth following the base year, if the public revenue is authorized for use by a
- 2964 committee.
- 2965 (22) "Large public transit district" means the same as that term is defined in Section
- 2966 17B-2a-802.
- 2967 (23) "Light rail" means a passenger rail public transit system with right-of-way and fixed
- 2968 rails:
- 2969 (a) dedicated to exclusive use by light-rail public transit vehicles;
- 2970 (b) that may cross streets at grade; and
- 2971 (c) that may share parts of surface streets.
- 2972 (24) "Light rail station" means an existing station, stop, or terminal or a proposed station,
- 2973 stop, or terminal, which has been specifically identified as needed in phase one of a
- 2974 metropolitan planning organization's adopted long-range transportation plan:
- 2975 (a) along an existing light rail line; or
- 2976 (b) along an extension to an existing light rail line or new light rail line.
- 2977 (25) "Metropolitan planning organization" means the same as that term is defined in
- 2978 Section 72-1-208.5.
- 2979 (26) "Mixed use development" means development with a mix of:
- 2980 (a) multi-family residential use; and

- 2981 (b) at least one additional land use, which shall be a significant portion of the overall
2982 development.
- 2983 (27) "Moderate income housing" means residential units where a household whose income
2984 is no more than 80% of the area median income is able to occupy the housing unit
2985 paying no more than 30% of the household's income for gross housing costs, including
2986 utilities.
- 2987 (28) "Municipality" means the same as that term is defined in Section 10-1-104.
- 2988 (29) "Notification of increment financing" means a document, physical or electronic,
2989 provided by a regional economic development authority to the office describing the
2990 regional economic development authority's intent to trigger and utilize one or more
2991 forms of increment financing.
- 2992 (30)(a) "Owner occupied" means private real property that is:
2993 (i) used for a single-family residential purpose; and
2994 (ii) occupied by the owner of the real property.
- 2995 (b) "Owner occupied" includes real property that is used for a multi-family residential
2996 purpose if each dwelling unit on the real property is occupied by the owner of the
2997 dwelling unit.
- 2998 (31) "Participant" means the same as that term is defined in Section 17C-1-102.
- 2999 (32) "Participation agreement" means the same as that term is defined in Section 17C-1-102,
3000 except that the agency may not provide and the person may not receive a direct subsidy.
- 3001 (33) "Project" means the enterprise to be pursued through the proposal of a regionally
3002 significant development zone.
- 3003 (34)(a) "Project improvements" means site improvements and facilities that are:
3004 (i) planned and designed to provide service for development resulting from a
3005 development activity;
3006 (ii) necessary for the use and convenience of the occupants or users of development
3007 resulting from a development activity; and
3008 (iii) not identified or reimbursed as a system improvement.
- 3009 (b) "Project improvements" does not mean system improvements.
- 3010 (35)(a) "Property tax increment" means the difference between:
3011 (i) the amount of property tax revenue generated each tax year by all taxing entities,
3012 except as provided in Subsection (36)(b), from within a regionally significant
3013 development zone, using the current assessed value and each taxing entity's
3014 current certified tax rate as defined in Section 59-2-924; and

- 3015 (ii) the amount of property tax revenue that would be generated from that same area
3016 using the base taxable value and each taxing entity's current certified tax rate as
3017 defined in Section 59-2-924.
- 3018 (b) "Property tax increment" does not include property tax revenue from:
- 3019 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
3020 (ii) a county additional property tax described in Subsection 59-2-1602(4);
3021 (iii) a levy imposed by a public infrastructure district as described in Section
3022 17D-4-303; or
- 3023 (iv) a public library fund levy described in Subsection 9-7-501(2).
- 3024 (36) "Proposal" means a document, physical or electronic, developed by a creating entity:
- 3025 (a) outlining the need for the creation of a regionally significant development zone;
3026 (b) explaining whether the zone is proposed to create:
- 3027 (i) a regionally significant transit-oriented development, as described in Section
3028 63N-3a-301;
- 3029 (ii) a regionally significant first home village, as described in Section 63N-3a-302;
3030 (iii) a regionally significant economic development opportunity, as described in
3031 Section 63N-3a-303;
- 3032 (c) describing how the relevant objectives would be achieved by the creation of the
3033 regionally significant development zone;
- 3034 (d) describing the boundaries of the proposed regionally significant development zone;
3035 (e) describing the impacted primary area, if any, of a proposed regionally significant
3036 development zone; and
- 3037 (f) that is submitted to a committee.
- 3038 (37) "Public transit county" means a county that has created a small public transit district.
- 3039 (38) "Public transit hub" means a public transit depot or station where four or more routes
3040 serving separate parts of the county-created transit district stop to transfer riders between
3041 routes.
- 3042 (39) "Qualified development zone" means the property within a project area, and, if
3043 applicable, the impacted primary area, as approved by the committee.
- 3044 (40) "Regional economic development authority" means:
- 3045 (a) the Utah Inland Port Authority created in Section 11-58-201;
3046 (b) the Point of the Mountain Land Use Authority created in Section 11-59-201;
3047 (c) the Utah Fairpark Area Investment and Restoration District created in Section
3048 11-70-201; or

- 3049 (d) the Military Installation Development Authority created in Section 63H-1-201.
- 3050 (41)(a) "Regionally significant development zone" means an area:
- 3051 (i) created as described in Part 2, Creation of Regionally Significant Development
- 3052 Zones;
- 3053 (ii) governed as described in Title 17C, Chapter 6, Regionally Significant
- 3054 Development Zone Act; and
- 3055 (iii) in which a creating entity is able to promote efficient use of transit, housing
- 3056 affordability, or regional economic growth.
- 3057 (42) "Small public transit district" means the same as that term is defined in Section
- 3058 17B-2a-802.
- 3059 (43)(a) "System improvements" means existing and future public facilities that are
- 3060 designed to provide services to service areas within the community at large.
- 3061 (b) "System improvements" does not mean project improvements.
- 3062 (44) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 3063 (45) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 3064 (46)(a) "Tax increment" means the difference between:
- 3065 (i) the amount of tax revenue generated each tax year from a particular revenue
- 3066 source by all taxing entities within a particular area after an established base year;
- 3067 and
- 3068 (ii) the amount of revenue that would be generated from the same particular revenue
- 3069 source and from the same particular area during the established base year.
- 3070 (b) "Tax increment" includes tax differential, property tax allocation, enhanced property
- 3071 tax revenue, property tax augmentation, or any other term that meets the definition
- 3072 described in Subsection (47)(a).
- 3073 (47) "Transportation system" means:
- 3074 (a) a street, alley, road, highway, pathway, or thoroughfares of any kind, including
- 3075 connected structures;
- 3076 (b) an airport or aerial transit infrastructure;
- 3077 (c) a light rail and light rail station;
- 3078 (d) a public transit facility; or
- 3079 (e) any other modes or forms of conveyance used by the public.
- 3080 (48) "Vertical construction costs" means the additional costs associated with construction
- 3081 above four stories and structured parking to achieve enhanced development in a project
- 3082 area.

3083 Section 44. Section **63N-3a-102** is enacted to read:

3084 **63N-3a-102 . Increment authorization committee -- Creation.**

3085 (1) For any project proposed under this chapter that requires the use of tax increment, there
3086 is created an increment authorization committee with membership described in
3087 Subsection (2).

3088 (2) Each increment authorization committee shall consist of the following members:

3089 (a) the executive director or the executive director's designee;

3090 (b) the executive director of the Department of Transportation created in Section
3091 72-1-201 or the executive director's designee;

3092 (c) one individual from the Office of the State Treasurer, designated by the state
3093 treasurer;

3094 (d) two members designated by the president of the Senate;

3095 (e) two members designated by the speaker of the House of Representatives;

3096 (f) one representative representing the largest participating local taxing entity by
3097 population, after the creating entity, in the proposed zone;

3098 (g) one representative from the creating entity; and

3099 (h)(i) if a proposal addresses affordable housing, moderate income housing, or
3100 addresses a regionally significant first home village:

3101 (A) one representative from the office, designated by the executive director, who
3102 works on housing policy; and

3103 (B) two representatives designated by the school superintendent from the largest
3104 school district by student population affected by the proposal;

3105 (ii) if a proposal addresses a regionally significant transit-oriented zone, one member
3106 appointed by the governor:

3107 (A) from the Transportation Committee created in Section 72-1-301; or

3108 (B) a member of the board of trustees of a large public transit district;

3109 (iii) if a proposal addresses a regionally significant economic development
3110 opportunity that is not described in Subsections (2)(h)(i) and (ii):

3111 (A) the director of the Office of Energy Development created in Section 79-6-401;
3112 and

3113 (B) any individual with relevant expertise appointed by the governor.

3114 (3) A majority of committee members constitutes a quorum.

3115 (4) A majority vote of a quorum constitutes action by the committee.

3116 Section 45. Section **63N-3a-103** is enacted to read:

3117 **63N-3a-103 . Executive director duties -- Contracting.**

- 3118 (1) In addition to the duties described in Section 63N-1a-303, the executive director shall
3119 coordinate the use of increment financing to achieve the state's long-term housing and
3120 economic development goals while balancing the need of local communities to protect
3121 tax base and continue to provide essential services to a growing population.
- 3122 (2) Following the office's evaluation of a proposal, as described in Section 63N-3a-202, the
3123 executive director shall:
- 3124 (a) determine whether the proposal demonstrates broad regional benefits to the state and
3125 the state's residents, including the provision of affordable housing, enhancing
3126 statewide infrastructure, or contributing to economic resilience;
- 3127 (b) evaluate the proposal by considering:
- 3128 (i) the impact of proposed increment financing on residents; and
3129 (ii) existing uses of increment in the proposed area; and
- 3130 (c) provide the proposal, with the executive director's determination and
3131 recommendation, to the committee for consideration.
- 3132 (3) The executive director shall:
- 3133 (a) coordinate a committee's evaluation of a proposal; and
3134 (b) maintain active communication with regional economic development authorities
3135 regarding increment financing.
- 3136 (4)(a) Subject to Subsections (4)(b) and (c), the office may enter into a contract with an
3137 independent consultant or a regional economic development authority with expertise
3138 in analyzing economic development opportunities and managing increment financing
3139 to assist the office in the performance of the duties described in this chapter.
- 3140 (b) A regional economic development authority may not perform the duties described in
3141 Subsection (4)(a) in regard to a proposal if the regional economic development
3142 authority is directly financially impacted by the proposal.
- 3143 (c) An independent consultant contracted to assist the office under Subsection (4)(a)
3144 may not advise the creating entity or any party with a financial stake in the proposed
3145 regionally significant development zone.

3146 Section 46. Section **63N-3a-104** is enacted to read:

3147 **63N-3a-104 . Maximum number of zones per county.**

- 3148 (1) As used in this section, "increment zone" means:
- 3149 (a) a housing and transit reinvestment zone;
3150 (b) a convention center reinvestment zone;

- 3151 (c) a first homes investment zone;
 3152 (d) a home ownership promotion zone;
 3153 (e) a major sporting event venue zone; and
 3154 (f) an electrical energy development zone.
- 3155 (2) In any given county:
- 3156 (a) the maximum number of increment zones at light rail stations, not including a
 3157 convention center reinvestment zone, is eight; and
- 3158 (b) the maximum number of regionally significant development zones created as
 3159 described in Part 2, Creation of Regionally Significant Development Zones, is eight.
- 3160 (3) In addition to the caps described in Subsection (2), within a county of the first class, as
 3161 classified under Section 17-60-104:
- 3162 (a) the maximum number of housing and transit reinvestment zones at bus rapid transit
 3163 stations is three;
- 3164 (b) the maximum total combined number of housing and transit reinvestment zones and
 3165 first home investment zones is 11; and
- 3166 (c) the maximum total combined number of increment zones, not including a convention
 3167 center reinvestment zone, is 14.

3168 Section 47. Section **63N-3a-105** is enacted to read:

3169 **63N-3a-105 . Rulemaking.**

3170 In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3171 office may make rules as necessary to fulfill the duties described in this chapter.

3172 Section 48. Section **63N-3a-106** is enacted to read:

3173 **63N-3a-106 . Economic Development and Workforce Services Interim**
 3174 **Committee working group.**

3175 (1) The Economic Development and Workforce Services Interim Committee shall convene
 3176 a working group as described in this section by no later than May 30, 2026, to:

- 3177 (a) study tax increment financing; and
- 3178 (b) make a recommendation to the Economic Development and Workforce Services
 3179 Interim Committee by no later than November 1, 2026, regarding caps on the
 3180 maximum percentage of tax increment or the maximum amount of revenue to be
 3181 generated and utilized through tax increment financing.

3182 (2) The chairs of the interim committee shall jointly designate members of the working
 3183 group described in Subsection (1) as follows:

- 3184 (a) three legislators from the membership of the interim committee, one of whom shall

- 3185 be a member of the Senate;
 3186 (b) one individual who represents the interests of municipalities or counties;
 3187 (c) one individual who represents the interests of school districts; and
 3188 (d) one individual who represents the tax commission.
 3189 (3) The office and the Office of Legislative Research and General Counsel shall provide
 3190 staff support to the working group.

3191 Section 49. Section **63N-3a-201** is enacted to read:

3192 **Part 2. Creation of Regionally Significant Development Zones**

3193 **63N-3a-201 . Process to propose -- Advance consultation -- Proposal**
 3194 **requirements -- Consultation and public comment required -- Office review.**

3195 (1)(a) A creating entity may propose the creation of a regionally significant development
 3196 zone:

- 3197 (i) within the jurisdictional boundaries of the creating entity; and
 3198 (ii) as provided in this section.

3199 (b) One or more creating entities may jointly propose a regionally significant
 3200 development zone, and be treated as a single creating entity for the purposes of this
 3201 part, if:

- 3202 (i) the creating entities first enter an interlocal agreement governing how the creating
 3203 entities shall manage the zone, if approved; or
 3204 (ii) the creating entities include a proposed interlocal agreement the creating entities
 3205 will enter upon approval of the zone.

3206 (c) An interlocal agreement described in Subsection (1)(b) shall meet the requirements
 3207 of Section 17C-6-102.

3208 (2) Before a creating entity may submit a proposal to the office as described in this section:

3209 (a) the legislative body of the creating entity shall:

- 3210 (i) submit a draft of the proposal to every school district that would be impacted by
 3211 the creation of a regionally significant development zone, as described in the
 3212 proposal, to discuss the requirements of the proposal;
 3213 (ii) provide a school district described in Subsection (2)(a)(i) no less than 30 calendar
 3214 days to offer the creating entity feedback on the draft proposal; and
 3215 (iii)(A) hold a public meeting on the proposal to create a regionally significant
 3216 development zone; and

3217 (B) provide notice of the public meeting as a class A notice as described in
 3218 Section 63G-30-102 for at least 10 days;

- 3219 (b) if the creating entity is a municipality, the municipal legislative body shall:
- 3220 (i) submit a draft of the proposal to the county legislative body where the proposed
- 3221 regionally significant development zone is located; and
- 3222 (ii) provide the county no less than 30 days to offer the creating entity feedback on
- 3223 the draft proposal, including a finding of whether the county legislative body
- 3224 considers the proposed project regionally significant; and
- 3225 (c) submit a draft of the proposal to every affected local taxing entity that will be
- 3226 required to participate in the regionally significant development zone at least 30 days
- 3227 before the creating entity submits a proposal to the office.
- 3228 (3)(a) A creating entity shall include any feedback or public comment received under
- 3229 Subsection (2) in a proposal submitted to the office.
- 3230 (b) A creating entity may provide the public entity's response to any feedback or public
- 3231 comment described in Subsection (3)(a) along with the proposal.
- 3232 (c) If a county legislative body makes a finding under Subsection (2)(b)(ii) that a
- 3233 proposed project is not regionally significant:
- 3234 (i) the municipal creating entity may submit a proposal to the office as described in
- 3235 this section; and
- 3236 (ii) the committee may approve the proposal, but notwithstanding the requirement in
- 3237 Section 63N-3a-203 that all affected taxing entities participate at the same rate,
- 3238 the county's participation in property tax increment is limited to a maximum of
- 3239 40%.
- 3240 (4) A creating entity shall submit a proposal to the office in a form and manner determined
- 3241 by the office.
- 3242 (5) A proposal made under this chapter shall:
- 3243 (a) demonstrate how the proposed zone addresses:
- 3244 (i) for a regionally significant transit-oriented development, the objectives and
- 3245 requirements described in Section 63N-3a-301;
- 3246 (ii) for a regionally significant first home village, the objectives and requirements
- 3247 described in Section 63N-3a-302; or
- 3248 (iii) for a regionally significant economic development opportunity, the objectives
- 3249 and requirements described in Section 63N-3a-303;
- 3250 (b) describe the development impediments and market conditions that render a
- 3251 development cost prohibitive absent the financial incentives described in this chapter
- 3252 and for which the creating entity requests approval to utilize in the proposal;

- 3253 (c) include a pro forma analysis that includes data showing the cost difference between:
- 3254 (i) what type of redevelopment or development could feasibly occur without the
- 3255 creation of a regionally significant development zone; and
- 3256 (ii) the type of redevelopment or development that is proposed to occur with the
- 3257 creation of a regionally significant development zone and the accompanying
- 3258 regionally significant development zone revenue; and
- 3259 (d) include any other information the office requires by rule.
- 3260 (6) A proposal may include a request to capture property tax increment, the entirety of
- 3261 personal property tax revenue, or both.
- 3262 (7) A regionally significant development zone may not be smaller than 10 acres.
- 3263 (8)(a) After receiving a proposal, the office shall:
- 3264 (i) provide notice of the proposal to all affected taxing entities, including the tax
- 3265 commission, municipalities, counties, school districts, and special districts;
- 3266 (ii) provide notice of the proposal to any impacted metropolitan planning
- 3267 organizations;
- 3268 (iii) provide notice of the proposal to the county assessor and county auditor of every
- 3269 county in which a proposed regionally significant development zone would be
- 3270 wholly or partially located;
- 3271 (iv) evaluate the feasibility of administering the tax implications of the proposal;
- 3272 (v) evaluate the pro forma analysis included in the proposal; and
- 3273 (vi) following the evaluations described in Subsections (8)(a)(iv) and (v), provide any
- 3274 findings the office makes to the creating entity.
- 3275 (b) In conducting the evaluations described in Subsections (8)(a)(iv) and (v), the office:
- 3276 (i) shall consult with the tax commission and the relevant county assessor and county
- 3277 auditor; and
- 3278 (ii) may consult with an independent consultant, regional land use authority, or
- 3279 political subdivision as described in Section 63N-3a-103.
- 3280 (c)(i) The office shall provide any findings following the evaluations described in
- 3281 Subsections (8)(a)(iv) and (v) to the creating entity.
- 3282 (ii) After receiving the findings described in Subsection (8)(b)(vi), the creating entity
- 3283 may:
- 3284 (A) amend the proposal and request the office submit the amended proposal to the
- 3285 committee; or
- 3286 (B) request the office submit the original proposal to the committee.

- 3287 (9) If the office determines a proposal meets the requirements of this section, the office
 3288 shall:
 3289 (a) notify the creating entity;
 3290 (b) provide the proposal to the executive director for the executive director's evaluation
 3291 and recommendation, as described in Section 63N-3a-103; and
 3292 (c) notify the relevant individuals described in Section 63N-3a-102 that an increment
 3293 financing committee is convened to consider a proposal.

3294 Section 50. Section **63N-3a-202** is enacted to read:

3295 **63N-3a-202 . Committee consideration of a proposal.**

- 3296 (1) The proposing creating entity shall present the proposal to the committee in a public
 3297 meeting.
 3298 (2) Before voting to approve or deny a proposal, the committee shall evaluate and verify
 3299 whether the proposal adequately addresses relevant objectives and requirements
 3300 described in Part 3, Specific Provisions.
 3301 (3) In considering a proposal, a committee may request any information from a creating
 3302 entity needed to make a determination about whether to approve or deny a proposal, or
 3303 approve a proposal with modifications, including a description of the proposed uses of
 3304 funds and how funds will be used to support public projects related to the regionally
 3305 significant development zone.
 3306 (4) The committee may:
 3307 (a) request changes to the proposal;
 3308 (b) vote to approve the proposal, with or without modifications to the proposal; or
 3309 (c) vote to deny the proposal.

- 3310 (5) If the committee votes to approve the proposal, with or without modifications, the
 3311 committee shall:

- 3312 (a) fulfill the requirements of Section 63N-3a-203; and
 3313 (b) establish any parameters described in Section 63N-3a-204.

3314 Section 51. Section **63N-3a-203** is enacted to read:

3315 **63N-3a-203 . Approval process -- Creation of a regionally significant**
 3316 **development zone -- Boundaries.**

- 3317 (1) If the committee votes to approve a proposal, as described in Section 63N-3a-202:
 3318 (a) a regionally significant development zone is created as of the effective date and
 3319 subject to the governance requirements described in Section 63N-3a-206;
 3320 (b) affected local taxing entities are required to participate according to the terms

- 3321 approved by the committee; and
- 3322 (c) subject to Subsection 63N-3a-201(3)(c), each affected taxing entity is required to
- 3323 participate at the same rate.
- 3324 (2)(a) The effective date of a regionally significant development zone is the later of:
- 3325 (i) January 1 following the approval of the proposal, if the committee approves the
- 3326 proposal on or before September 30; or
- 3327 (ii) January 1 following the year after the year in which the committee approves the
- 3328 proposal.
- 3329 (b) A creating entity may not trigger the collection of tax increment within a regionally
- 3330 significant development zone before the effective date.
- 3331 (3) In approving a proposal, the committee shall establish:
- 3332 (a) the qualified development zone boundary for the purpose of calculating property tax
- 3333 increment;
- 3334 (b) for each proposed source of tax increment other than property tax, the maximum
- 3335 number of consecutive years a creating entity's agency may collect and use
- 3336 increment, not to exceed 25 years; and
- 3337 (c) the maximum amount of tax increment revenue, in total and from each proposed
- 3338 source, that may be captured in the regionally significant development zone.
- 3339 (4)(a) In accordance with Section 63N-3a-204, for any proposal requesting approval of
- 3340 the use of property tax increment, the committee shall also establish:
- 3341 (i) the property tax base year;
- 3342 (ii) the percentage of property tax increment allowed to be captured within and used
- 3343 on behalf of a regionally significant development zone, not to exceed the limits
- 3344 described in Section 63N-3a-204; and
- 3345 (iii) the maximum amount of property tax increment revenue that an agency may
- 3346 collect for a regionally significant development zone.
- 3347 (b) The base taxable value of land within a regionally significant development zone is
- 3348 determined as of January 1 of the base year established by the committee under
- 3349 Subsection (4)(a).
- 3350 (c)(i) Except as provided in Subsection (4)(c)(ii), a creating entity may propose, and a
- 3351 committee may approve, the diversion of all the revenue attributed to personal
- 3352 property tax generated within a regionally significant development zone to the
- 3353 regionally significant development zone for a period not to exceed 25 years.
- 3354 (ii) A creating entity proposing a zone described in Part 4, Regionally Significant

3355 Zones with Energy Implications, shall propose the diversion of all the revenue
3356 attributed to personal property tax generated within a regionally significant
3357 development zone to the regionally significant development zone for a period not
3358 to exceed 25 years.

3359 (d) In accordance with Section 63N-3a-204 and except as provided in Section
3360 63N-3a-403, for a proposal requesting approval of the use of property tax increment
3361 or personal property tax diversion, the committee shall establish a percentage of
3362 revenue that the creating entity's agency shall transfer to the state treasurer for deposit
3363 into the State Reinvestment Restricted Account created in Section 51-9-1002, which
3364 shall be at least 5% but no more than 25% of the total annual revenue an agency
3365 receives from property tax sources described in this Subsection (4).

3366 (5) Within 30 days after the committee approves a proposal, the creating entity shall:

3367 (a) record with the recorder of the county in which the regionally significant
3368 development zone is located a document containing:

3369 (i) a description of the land within the regionally significant development zone and, if
3370 applicable, primary project area;

3371 (ii) the approval date; and

3372 (iii) the effective date;

3373 (b) transmit a copy of the description of the land within the regionally significant
3374 development zone and an accurate map or plat indicating the boundaries of the
3375 regionally significant development zone, and if applicable, primary project area to the
3376 Utah Geospatial Resource Center created under Section 63A-16-505; and

3377 (c) transmit a copy of the approved regionally significant development zone proposal,
3378 map, and legal description of the regionally significant development zone, and if
3379 applicable, primary project area, to:

3380 (i) the auditor, recorder, attorney, surveyor, treasurer, and assessor of the county in
3381 which any part of the regionally significant development zone is located;

3382 (ii) the officer or officers performing the function of auditor or assessor for each
3383 taxing entity that does not use the county assessment roll or collect the taxing
3384 entity's taxes through the county;

3385 (iii) the legislative body or governing board of each taxing entity affected by the
3386 regionally significant development zone;

3387 (iv) the tax commission; and

3388 (v) the State Board of Education.

- 3389 (6) Within 90 days after the committee approves a proposal, the committee shall provide to
 3390 the tax commission:
 3391 (a) a statement that the regionally significant development zone is established under this
 3392 part;
 3393 (b) the approval date of the proposal and the effective date of the regionally significant
 3394 development zone;
 3395 (c) the qualified development zone boundary, if applicable; and
 3396 (d) any information about the regionally significant development zone requested by the
 3397 commission.

3398 Section 52. Section **63N-3a-204** is enacted to read:

3399 **63N-3a-204 . Property tax increment -- Personal property tax revenue diversion**
 3400 **-- Remittance to the State Reinvestment Restricted Account.**

- 3401 (1) As used in this section, "designated remitting percentage" means the percentage of
 3402 property tax increment revenue established by the committee as described in Subsection
 3403 63N-3a-203(4).
 3404 (2)(a) A creating entity may propose a qualified development zone boundary that
 3405 includes a project area and an impacted primary area.
 3406 (b) The committee may establish a qualified development zone boundary that includes:
 3407 (i) a project area only; or
 3408 (ii) a project area and a proposed impacted primary area.
 3409 (3) A creating entity's agency may receive, remit, and use property tax increment in
 3410 accordance with this section and as described in Title 17C, Chapter 6, Regionally
 3411 Significant Development Zones Act.
 3412 (4) The creating entity or creating entity's agency:
 3413 (a) may trigger the collection of property tax increment by parcel; and
 3414 (b) shall send notice of commencement of collection of property tax increment to the
 3415 following entities by no later than October 1 of the year before the year in which
 3416 property tax increment collection is proposed to commence:
 3417 (i) the tax commission;
 3418 (ii) the State Board of Education;
 3419 (iii) the state auditor;
 3420 (iv) the county auditor and county assessor of each county within the qualified
 3421 development zone boundary;
 3422 (v) each taxing entity to be affected by collection of property tax within the qualified

3423 development zone boundary; and

3424 (vi) the office.

3425 (5)(a) A county that collects property tax on property located within a qualified

3426 development zone boundary shall, in accordance with Section 59-2-1365, distribute

3427 to the creating entity's agency:

3428 (i) the percentage of property tax increment established by the committee as

3429 described in Subsection 63N-3a-203(4), not to exceed:

3430 (A) 70% for a regionally significant transit-oriented zone;

3431 (B) 70% for a regionally significant first home village; and

3432 (C) 60% for a regionally significant economic development opportunity; and

3433 (ii) if applicable, the percentage of personal property tax revenue generated within

3434 the boundary, as established by the committee under Subsection 63N-3a-203(4).

3435 (b) Property tax revenue distributed to a creating entity's agency in accordance with this

3436 Subsection (5):

3437 (i) is not revenue of the taxing entity, the creating entity, or the creating entity's

3438 agency; and

3439 (ii) constitutes regionally significant development zone funds and shall be

3440 administered as described in Section 17C-6-203.

3441 (6) The creating entity's agency may receive property tax increment within a qualified

3442 development zone boundary for:

3443 (a) up to 25 total years, subject to any limit established by the committee under

3444 Subsection 63N-3a-203(4); and

3445 (b) no longer than 40 years after the effective date of the regionally significant

3446 development zone.

3447 (7) No later than March 1, the agency for a regionally significant development zone shall

3448 transfer the established remitting percentage of revenue collected in the previous

3449 calendar year to the state treasurer for deposit into the State Reinvestment Restricted

3450 Account created in Section 51-9-1002.

3451 (8) Once the maximum amount of property tax increment has been distributed to the

3452 creating entity's agency, as established by the committee in Subsection 63N-3a-203(4),

3453 the county that collects property tax on property located within a qualified development

3454 zone boundary is no longer obligated to distribute property tax increment generated

3455 within the qualified development zone boundary or personal property tax revenue to the

3456 creating entity's agency.

3457 Section 53. Section **63N-3a-205** is enacted to read:

3458 **63N-3a-205 . Compliance with terms of approved proposal required --**

3459 **Modifications to a regionally significant development zone -- Boundary adjustments.**

3460 (1) If a regionally significant development zone is approved by the committee and created
3461 as described in Section 63N-3a-203:

3462 (a) the regionally significant development zone is created according to the terms:

3463 (i) of the approved proposal, or modified approved proposal; and

3464 (ii) established by the committee as described in this part; and

3465 (b) the creating entity or the creating entity's agency shall enter into an interlocal
3466 agreement, development agreement, or participation agreement as necessary or
3467 required to implement the approved proposal and any established terms.

3468 (2) Any aspect of a regionally significant development zone, including the approved use of
3469 zone revenue or the boundary of the qualified development zone, may be amended by
3470 following the same procedure as making a proposal under Section 63N-3a-201, except
3471 the creating entity is not required to submit an additional pro forma analysis unless
3472 requested by the office or the committee.

3473 (3) If the relevant county assessor or county auditor adjusts parcel or lot boundaries
3474 relevant to a regionally significant development zone, the creating entity may make
3475 corresponding adjustments to the qualified development zone.

3476 Section 54. Section **63N-3a-206** is enacted to read:

3477 **63N-3a-206 . Triggering increment collection.**

3478 In addition to any other notification requirements in this part, a creating entity of a
3479 regionally significant development zone shall notify each affected taxing entity within the zone
3480 at least 90 days before the creating entity triggers a collection period for property tax
3481 increment for a parcel.

3482 Section 55. Section **63N-3a-207** is enacted to read:

3483 **63N-3a-207 . Payment, use, and administration of regionally significant**
3484 **development zone revenue.**

3485 (1) A creating entity shall designate an agency to:

3486 (a) administer the regionally significant development zone;

3487 (b) promote the objectives for the regionally significant development zone; and

3488 (c) be the custodian of regionally significant development zone revenue, as described in
3489 Title 17C, Chapter 6, Regionally Significant Development Zones Act.

3490 (2) An agency may share regionally significant development zone revenue with another

- 3491 governmental entity or a private party as described in this section.
- 3492 (3) Before a governmental entity that is not an agency may receive regionally significant
3493 development zone revenue from the creating entity, the creating entity or creating
3494 entity's agency and the governmental entity shall enter into an agreement governing the
3495 use of the revenue, consistent with this chapter and Title 17C, Chapter 6, Regionally
3496 Significant Development Zones Act.
- 3497 (4) Before a private party may receive regionally significant development zone revenue, the
3498 creating entity or creating entity's agency and the private party shall enter into an
3499 agreement governing the use of the revenue, consistent with this chapter and Title 17C,
3500 Chapter 6, Regionally Significant Development Zones Act.
- 3501 (5) A creating entity's agency shall use and be responsible for regionally significant
3502 development zone revenue as described in Section 17C-6-203.
- 3503 (6) The creating entity of a regionally significant development zone shall be responsible for:
3504 (a) tracking revenue received by the creating entity on behalf of the regionally
3505 significant development zone; and
3506 (b) reporting to the county auditor and tax commission if the creating entity receives the
3507 maximum amount of tax increment revenue from any source, as established by the
3508 committee under Section 63N-3a-203.
- 3509 Section 56. Section **63N-3a-208** is enacted to read:
- 3510 **63N-3a-208 . Applicability to an existing project area.**
- 3511 (1) As used in this section, "maximum allowable increment" means the percent of property
3512 tax increment a regionally significant development zone is authorized to capture and
3513 utilize, as established by the committee under this chapter.
- 3514 (2) If a regionally significant development zone overlaps an area that is part of a project
3515 area, as that term is defined in Section 17C-1-102, that parcel may not be triggered for
3516 tax increment collection unless the project area funds collection period, as that term is
3517 defined in Section 17C-1-102, has expired.
- 3518 (3) If a regionally significant development zone overlaps any portion of an existing inactive
3519 industrial site community reinvestment project area plan created in accordance with
3520 Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
3521 Agency Act:
- 3522 (a) except as provided in Subsection (5), if the community reinvestment project area
3523 plan captures less than the maximum allowable increment of the property tax
3524 increment from a taxing entity, or if a taxing entity is not participating in the

- 3525 community reinvestment project area plan, the regionally significant development
3526 zone may capture the difference between:
- 3527 (i) the maximum allowable increment; and
3528 (ii) the percentage of property tax increment captured pursuant to the community
3529 reinvestment project area plan; and
- 3530 (b) if a community reinvestment project area plan expires before the regionally
3531 significant development zone is created, the regionally significant development zone
3532 may capture the property tax increment allocated to the community reinvestment
3533 project area plan for any remaining portion of the term of the regionally significant
3534 development zone.
- 3535 (4)(a) Except as provided in Subsection (4)(b), a regionally significant development
3536 zone may not overlap a housing and transit reinvestment zone or a first home
3537 investment zone.
- 3538 (b) Subject to Subsection (5), a regionally significant development zone may overlap a
3539 housing and transit reinvestment zone or a first home investment zone if:
- 3540 (i) the regionally significant development zone does not collect property tax
3541 increment for the area overlapping with the housing and transit reinvestment zone
3542 or the first home investment zone; or
- 3543 (ii) the regionally significant development zone does not collect property tax
3544 increment for the area overlapping with the housing and transit reinvestment zone
3545 or the first home investment zone until the collection period for the housing and
3546 transit reinvestment zone's collection of property tax increment or the first home
3547 investment zone's collection of property tax increment has ended.
- 3548 (5)(a) If a community reinvestment project area plan captures less than maximum
3549 allowable increment of the property tax increment from a taxing entity, or if a taxing
3550 entity is not participating in the community reinvestment project area plan, because
3551 the agency and relevant taxing entities agreed to capture a lower percentage or agreed
3552 to exclude a taxing entity from the community reinvestment project area plan,
3553 Subsection (3)(a) does not apply.
- 3554 (b) If, at the creation of a housing and transit reinvestment zone or a first home
3555 investment zone, the taxing entities agreed that tax increment collection would end
3556 on a certain date or after a certain number of years, Subsection (4)(b) does not apply
3557 unless the taxing entities that were involved in the agreement affirmatively agree to
3558 participate in the regionally significant development zone tax increment collection.

- 3559 (6) A regionally significant development zone that overlaps any portion of an existing
 3560 community reinvestment project that includes a retail facility with a gross sales floor
 3561 area of more than 140,000 square feet may capture up to the maximum allowable
 3562 increment of the increment generated above the regionally significant development zone
 3563 base year if the development includes at least one housing unit for every 1,250 square
 3564 feet of retail space within the development.
- 3565 (7)(a) Except as provided in Subsection (7)(b), a regionally significant development
 3566 zone may not overlap project areas created by the:
- 3567 (i) Military Installation Development Authority described in Subsection
 3568 63H-1-102(17);
- 3569 (ii) Utah Fairpark Area Investment and Restoration District described in Subsection
 3570 11-70-101(24); or
- 3571 (iii) Utah Inland Port Authority project area described in Subsection 11-58-102(16).
- 3572 (b) A creating entity may propose, and the committee may approve, a regionally
 3573 significant development zone that overlaps with a project area if:
- 3574 (i) the regional economic development authority that created the project area consents
 3575 to the creation of the regionally significant development zone; and
- 3576 (ii) no more than 60% of tax increment is captured and used by the creating entity's
 3577 agency and the regional economic development authority in combination in any
 3578 given year.

3579 Section 57. Section **63N-3a-301** is enacted to read:

3580 **Part 3. Specific Provisions for Certain Zones**

3581 **63N-3a-301 . Provisions specific to a regionally significant transit-oriented**
 3582 **development.**

- 3583 (1) A proposal to create a regionally significant development zone that qualifies as a
 3584 regionally significant transit-oriented development, as described in this section, shall
 3585 demonstrate how the proposal addresses the following objectives:
- 3586 (a) higher utilization of public transit;
- 3587 (b) increasing availability of housing, including affordable housing;
- 3588 (c) promoting and encouraging development of owner-occupied housing;
- 3589 (d) improving efficiencies in parking and transportation, including walkability of
 3590 communities near public transit facilities;
- 3591 (e) overcoming development impediments and market conditions that render a
 3592 development cost prohibitive absent the proposal and incentives;

- 3593 (f) conserving water resources through efficient land use;
3594 (g) improving air quality by reducing fuel consumption and motor vehicle trips;
3595 (h) encouraging mixed-use development and investment in transportation and public
3596 transit infrastructure in strategic areas;
3597 (i) strategic land use and municipal planning in major transit investment corridors as
3598 described in Subsection 10-20-404(2);
3599 (j) increasing access to employment and educational opportunities; and
3600 (k) increasing access to child care.
- 3601 (2) To accomplish the objectives described in Subsection (1), a creating entity that proposes
3602 a regionally significant transit-oriented development as described in this section shall
3603 ensure that the proposal includes:
- 3604 (a) except as provided in Subsection (3), at least 12% of the proposed dwelling units
3605 within the zone are affordable housing units, with:
- 3606 (i) up to 9% of the proposed dwelling units occupied or reserved for occupancy by
3607 households with a gross household income equal to or less than 80% of the county
3608 median gross income for households of the same size; and
3609 (ii) at least 3% of the proposed dwelling units occupied or reserved for occupancy by
3610 households with a gross household income equal to or less than 60% of the county
3611 median gross income for households of the same size; and
- 3612 (b) except as provided in Subsection (4), at least 51% of the developable area within a
3613 zone be dedicated to residential uses and:
- 3614 (i) an average of at least 50 dwelling units per acre within the acreage of the zone
3615 dedicated to residential uses;
3616 (ii) mixed-use development within the zone; and
3617 (iii) a mix of dwelling units to ensure that at least 25% of the dwelling units have
3618 more than one bedroom.
- 3619 (3)(a) If the projects within a regionally significant transit-oriented development are
3620 developed in phases, a creating entity and agency shall ensure that each phase is
3621 developed to provide the required 12% of affordable housing units.
- 3622 (b) A creating entity may allow a regionally significant transit development to be phased
3623 and developed in a manner to provide more of the required affordable housing units
3624 in early phases of development.
- 3625 (c) A creating entity shall include in a proposal an affordable housing plan, which may
3626 include deed restrictions, to ensure the affordable housing required in the proposal

3627 will continue to meet the definition of affordable housing at least throughout the
3628 entire term of the zone.

3629 (d) If the creating entity meets the affordable housing guidelines of the United States
3630 Department of Housing and Urban Development at 60% area median income at the
3631 time the regionally significant transit-oriented development proposal is approved by
3632 the committee, the creating entity is exempt from the percentage requirements
3633 described in Subsection (2)(a).

3634 (4) For a regionally significant transit-oriented development proposed to be located at a
3635 public transit hub or a bus rapid transit station, the regionally significant transit-oriented
3636 development shall include:

3637 (a) at least 51% of the developable area within a zone as residential uses; and

3638 (b) an average of at least 50 dwelling units per acre within the acreage of the zone
3639 dedicated to residential uses.

3640 Section 58. Section **63N-3a-302** is enacted to read:

3641 **63N-3a-302 . Provisions specific to a regionally significant first home village.**

3642 (1) A proposal to create a regionally significant development zone that qualifies as a
3643 regionally significant first home village, as described in this section, shall demonstrate
3644 how the proposal addresses the following objectives:

3645 (a) improving efficiencies in parking and transportation, including walkability of
3646 communities near public transit facilities, street and path interconnectivity within the
3647 proposed development and connections to surrounding communities, and access to
3648 roadways, public transportation, and active transportation;

3649 (b) improving availability of housing options;

3650 (c) overcoming development impediments and market conditions that render a
3651 development cost prohibitive absent the proposal and incentives;

3652 (d) conserving water resources through efficient land use;

3653 (e) improving air quality by reducing fuel consumption and motor vehicle trips;

3654 (f) encouraging mixed-use development;

3655 (g) strategic land use and municipal planning in major transit investment corridors;

3656 (h) increasing access to employment and educational opportunities;

3657 (i) increasing access to child care; and

3658 (j) improving efficiencies in parking and transportation, including walkability of
3659 communities, street and path interconnectivity within the proposed development and
3660 connections to surrounding communities, and access to roadways, public

- 3661 transportation, and active transportation.
- 3662 (2)(a) To promote the creation of walkable communities, a regionally significant first
3663 home village development shall be anchored by a core of high-density residential and
3664 mixed residential-commercial uses, including opportunities for shopping, child care,
3665 and employment.
- 3666 (b) To accomplish the objectives described in Subsection (1), a creating entity shall
3667 ensure that the proposal for a regionally significant first home village includes:
- 3668 (i) subject to Subsection (3), a minimum of 30 housing units per acre:
- 3669 (A) in at least 51% of the developable area within the first home investment zone;
3670 and
- 3671 (B) of which 50% must be owner occupied;
- 3672 (ii) a mixed use development;
- 3673 (iii) a requirement that at least 25% of homes within the zone remain owner occupied
3674 for at least 25 years from the date of original purchase;
- 3675 (iv) for homes inside the zone, a requirement that at least 12% of the owner occupied
3676 homes and 12% of the homes that are not owner occupied qualify as affordable
3677 housing; and
- 3678 (v) a requirement that at least 20% of the extraterritorial homes are affordable
3679 housing.
- 3680 (3)(a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection
3681 (2), a regionally significant first home village may include an extraterritorial home to
3682 count toward density and owner-occupancy requirements by:
- 3683 (i) adding the total number of extraterritorial homes related to the regionally
3684 significant first home village to the total number of homes within the regionally
3685 significant first home village; and
- 3686 (ii) dividing the sum described in Subsection (3)(a)(i) by a number equal to 51% of
3687 the total number of developable acres within the regionally significant first home
3688 village.
- 3689 (b) Extraterritorial homes may account for no more than half of the total homes to
3690 calculate density within a first home village.
- 3691 (4) For a condominium building that is part of a regionally significant first home village
3692 development for purposes of meeting the requirement to have a minimum of 30 housing
3693 units per acre, the requirement that 50% of housing units be owner occupied applies
3694 beginning one year after the day on which the condominium building is complete and

3695 receives a certificate of occupancy from the relevant local land use authority.

3696 Section 59. Section **63N-3a-303** is enacted to read:

3697 **63N-3a-303 . Provisions specific to a regionally significant economic development**
 3698 **opportunity.**

3699 (1) A creating entity with general land use authority over an area may submit a proposal
 3700 that does not qualify under Section 63N-3a-301 or 63N-3a-302 as a regionally
 3701 significant development opportunity.

3702 (2) A proposal for a regionally significant economic development opportunity shall
 3703 demonstrate the likelihood that the project will constitute a significant capital
 3704 investment, as that term is defined in Section 63N-2-103.

3705 (3) If a proposal for a regionally significant economic development opportunity involves a
 3706 large load customer, as that term is defined in Section 54-26-101, or a qualifying data
 3707 center, as that term is defined in Section 59-12-102, the proposal shall comply with Part
 3708 4, Regionally Significant Zones with Energy Implications.

3709 (4) The executive director and office shall establish additional criteria by rule, in
 3710 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for a
 3711 regionally significant development opportunity.

3712 Section 60. Section **63N-3a-401** is enacted to read:

3713 **Part 4. Regionally Significant Zones with Energy Implications**

3714 **63N-3a-401 . Definitions.**

3715 As used in this part:

3716 (1) "Incentive" means the same as that term is defined in Section 11-41-201.

3717 (2) "Large load data center" means the same as that term is defined in Section 11-41-201.

3718 (3) "Maximum allowable increment" means the percent of property tax increment a
 3719 regionally significant development zone is authorized to capture and utilize, as
 3720 established by the committee under this chapter.

3721 (4) "Reinvestment account" means the State Reinvestment Restricted Account created in
 3722 Section 51-9-1002.

3723 (5) "Zone" means a regionally significant development zone that includes, or is proposed to
 3724 include, a large load data center.

3725 Section 61. Section **63N-3a-402** is enacted to read:

3726 **63N-3a-402 . Incentives prohibited -- Exception.**

3727 (1)(a) Except as provided in Subsection (1)(b), a county or municipality may not offer
 3728 an incentive for a large load data center that is not located within a zone.

- 3729 (b) Subsection (1)(a) does not apply to:
- 3730 (i) a project area established before May 6, 2027; or
- 3731 (ii) an agreement between a county or municipality and a private entity that was
- 3732 executed before May 6, 2027.
- 3733 (2) In addition to the requirements described in Part 2, Creation of Regionally Significant
- 3734 Development Zones, a creating entity that proposes a zone shall include in the proposal:
- 3735 (a) a description of the proposed boundaries of the zone;
- 3736 (b) an assessment of existing electrical energy infrastructure within and proximate to the
- 3737 proposed zone;
- 3738 (c) a development plan that includes:
- 3739 (i) anticipated infrastructure improvements;
- 3740 (ii) projected economic benefits to the county; and
- 3741 (iii) evidence of local support, as applicable; and
- 3742 (d) any other information required by the committee.
- 3743 (3) A proposal for a zone described in this part:
- 3744 (a) shall include the diversion of all personal property tax revenue generated within the
- 3745 zone, as described in Subsection 63N-3a-203(4)(c)(ii); and
- 3746 (b) may include a request to:
- 3747 (i) capture up to 60% of the property tax increment generated within the zone; and
- 3748 (ii) divert up to 80% of personal property tax revenue generated within the zone.
- 3749 (4) A proposed zone may not overlap with:
- 3750 (a) a project area designated by a community reinvestment agency; or
- 3751 (b) a project area created by the Utah Inland Port Authority or the Military Installation
- 3752 Development Authority.
- 3753 Section 62. Section **63N-3a-403** is enacted to read:
- 3754 **63N-3a-403 . Committee consideration of a zone with energy implications.**
- 3755 (1) The committee shall approve an application for a zone designation if the application
- 3756 demonstrates that:
- 3757 (a) the proposed zone includes land suitable for a large load data center based on:
- 3758 (i) access to electrical energy resources; and
- 3759 (ii) adequate water supply; and
- 3760 (b) the proposed development plan:
- 3761 (i) aligns with the state's regional and statewide economic development objectives;
- 3762 (ii) includes realistic timelines and milestones;

- 3763 (iii) identifies specific infrastructure improvements; and
- 3764 (iv) quantifies projected economic benefits to the residents who live near the zone.
- 3765 (2)(a) The committee shall establish the percentage of property tax increment and the
3766 percentage of personal property tax revenue a regionally significant development
3767 zone is authorized to capture and utilize as described in Subsection 63N-3a-203(4).
- 3768 (b) If the committee approves a proposal to capture personal property tax revenue,
3769 subject to the maximum limit described in Subsection 63N-3a-402(3)(b)(ii), the
3770 committee shall establish:
- 3771 (i) the percentage of personal property tax revenue that shall be transferred to the
3772 county or municipality that creates the zone; and
- 3773 (ii) the remitting percentage that the county treasurer shall deposit into the
3774 reinvestment account.
- 3775 (c) The remitting percentage of property tax increment revenue for a zone described in
3776 this part is established in Subsection (3).
- 3777 (3) Beginning January 1 following the designation of a zone as described in this section, the
3778 county treasurer shall:
- 3779 (a) transfer the percentage, established by the committee under Subsection (2)(b)(i), of
3780 revenue attributed to personal property tax within the zone to the agency managing
3781 the zone;
- 3782 (b) transfer the remitting percentage, established by the committee under Subsection
3783 (2)(b)(ii), of revenue attributed to personal property tax within the zone into the
3784 reinvestment account;
- 3785 (c) transfer 90% of the maximum allowable increment generated within the zone to the
3786 zone's creating entity;
- 3787 (d) deposit 10% of the maximum allowable increment generated within the zone into the
3788 reinvestment account; and
- 3789 (e) make the distributions required under this Subsection (3):
- 3790 (i) at the same time as regular annual property tax distributions; and
- 3791 (ii) using the same method as other property tax distributions.
- 3792 (4) A county or municipality that receives revenue under Subsection (3) may:
- 3793 (a) transfer revenue to the agency managing the zone, to be used as regionally
3794 significant development zone revenue as described in Title 17C, Chapter 6,
3795 Regionally Significant Development Zones Act;
- 3796 (b) transfer revenue to a regional economic development authority with a project area

3797 that overlaps the zone, as described in Subsection 63N-3a-208(7)(b), in accordance
 3798 with an agreement between the county or municipality and the regional economic
 3799 development authority;

3800 (c) subject to Subsection (5), use the revenue to provide an incentive;

3801 (d) use the revenue to facilitate infrastructure development, including electrical energy
 3802 infrastructure development and water infrastructure development; and

3803 (e) use the revenue to support workforce development programs within the county or
 3804 municipality.

3805 (5)(a) Beginning May 6, 2027, a county or municipality, or a regional economic
 3806 development authority that shares zone revenue with a county or municipality, may
 3807 only provide an incentive to a large load data center from the revenue the county or
 3808 municipality receives, or that is shared with the regional economic development
 3809 authority, from a personal property tax revenue source as described under Subsection
 3810 (3).

3811 (b) Notwithstanding Subsection (5)(a), a county that levies the county energy excise tax
 3812 authorized in Section 59-35-201 may offer up to 80% of the revenue the county
 3813 collects annually from the county energy excise tax as an incentive for a large load
 3814 data center, as described in Section 11-41-202.

3815 (6) Nothing in this section authorizes a political subdivision other than one described in
 3816 Subsection (4) or (5) to offer an incentive to a large load data center, as described in
 3817 Title 11, Chapter 41, Part 2, Prohibition on Tax Increment Incentives for Large Load
 3818 Data Centers Act.

3819 Section 63. Section **63N-3a-501** is enacted to read:

3820 **Part 5. Reporting**

3821 **63N-3a-501 . Reporting.**

3822 (1) After the effective date of a regionally significant development zone, as described in
 3823 Section 63N-3a-203, the creating entity shall provide a written report, no later than
 3824 August 1, on the creating entity's and creating entity's agency's activities to implement
 3825 the objectives of the regionally significant development zone to the executive director.

3826 (2) The executive director shall annually provide a written report, no later than October 1,
 3827 summarizing all reports received under Subsection (1) and including any
 3828 recommendations to the Legislature for statutory changes to this chapter, to the
 3829 Economic Development and Workforce Services Interim Committee.

3830 Section 64. Section **79-6-1104** is amended to read:

3831 **79-6-1104 . Electrical energy development zones -- Property tax differential.**

3832 (1) As used in this section:

3833 (a) "Base taxable value" means the value of property within an electrical energy
3834 development zone, as shown on the assessment roll last equalized before the creation
3835 of the electrical energy development zone.3836 (b) "Community reinvestment agency" means the same as that term is defined in Section
3837 17C-1-102.3838 (c) "Community reinvestment project area" means the same as that term is defined in
3839 Section 17C-1-102.

3840 (d) "Municipal power project" means an electrical energy project that:

3841 (i) is operated by or on behalf of a municipality; and

3842 (ii) exclusively serves customers within that municipality's jurisdictional boundaries.

3843 (e) "Property tax differential" means the difference between:

3844 (i) the amount of property tax revenues generated each tax year by all taxing entities
3845 from an electrical energy development zone, using the current assessed value of
3846 the property; and3847 (ii) the amount of property tax revenues that would be generated from that same area
3848 using the base taxable value of the property.3849 (f) "~~[State land use]~~ Regional economic development authority" means:

3850 (i) the Utah Inland Port Authority created in Section 11-58-201;

3851 (ii) the Military Installation Development Authority created in Section 63H-1-201;

3852 (iii) the School and Institutional Trust Lands Administration created in Section
3853 53C-1-201; or3854 (iv) any other land use authority created by the state that has jurisdiction over state
3855 lands.3856 (2)(a) Except as provided in Subsection (2)(b), a county or municipality may not offer
3857 financial incentives for a baseload electrical energy project that is not located within
3858 a designated electrical energy development zone.

3859 (b) Subsection (2)(a) does not apply to:

3860 (i) financial incentives offered for:

3861 (A) a municipal power project;~~[-or]~~

3862 (B) an electrical energy project that exclusively utilizes intermittent resources; or

3863 (C) an electrical energy project that is not a nuclear energy project; or

3864 (ii) an electrical energy project for which a project area plan has been approved

3865 before July 1, 2026.

3866 (3) A county or municipality may:

3867 (a) pass a resolution declaring an intent to establish within the county or municipality
3868 boundaries an energy development zone;

3869 (b) enter into an interlocal agreement with the council outlining each parties'
3870 responsibilities relating to an energy development zone; and

3871 (c) apply to the council for the designation of an electrical energy development zone by
3872 submitting:

3873 (i) a description of the proposed boundaries of the electrical energy development
3874 zone;

3875 (ii) an assessment of existing electrical energy infrastructure within and proximate to
3876 the proposed electrical energy development zone;

3877 (iii) a development plan that includes:

3878 (A) proposed electrical energy development projects;

3879 (B) anticipated infrastructure improvements;

3880 (C) projected economic benefits to the county; and

3881 (D) evidence of local support including any interlocal agreement entered into
3882 between the county or municipality and the council, as applicable;

3883 (iv) if the applicant is a municipality, evidence of coordination with the county in
3884 which the proposed electrical energy development zone is located, including any
3885 interlocal agreement entered into between the county or municipality and the
3886 council, as applicable;

3887 (v) if the applicant is a county and any portion of the proposed electrical energy
3888 development zone is within the boundaries of a municipality, evidence of an
3889 agreement with the municipality regarding the establishment of the electrical
3890 energy development zone; and

3891 (vi) any other information required by the council.

3892 (4) A ~~[state land use]~~ regional economic development authority may:

3893 (a) propose an electrical energy development zone within lands under [its] the regional
3894 economic development authority's jurisdiction; and

3895 (b) apply to the council for the designation of an electrical energy development zone by
3896 submitting:

3897 (i) a description of the proposed boundaries of the electrical energy development
3898 zone;

- 3899 (ii) an assessment of existing electrical energy infrastructure within and proximate to
3900 the proposed electrical energy development zone;
- 3901 (iii) a development plan that includes:
3902 (A) proposed electrical energy development projects;
3903 (B) anticipated infrastructure improvements; and
3904 (C) projected economic benefits;
- 3905 (iv) evidence that the proposed zone is consistent with applicable land use plans and
3906 regulations; and
3907 (v) any other information required by the council.
- 3908 (5) The council shall:
- 3909 (a) approve an application for electrical energy development zone designation if the
3910 application demonstrates:
- 3911 (i) the proposed electrical energy development zone includes land suitable for
3912 electrical energy development based on:
3913 (A) access to electrical energy resources;
3914 (B) proximity to existing or planned transmission infrastructure;
3915 (C) adequate transportation access; and
3916 (D) sufficient land area for proposed development; and
3917 (ii) the development plan:
3918 (A) aligns with state energy policy under Section 79-6-301;
3919 (B) includes realistic timelines and milestones;
3920 (C) identifies specific infrastructure improvements; and
3921 (D) quantifies projected economic benefits;
- 3922 (b) make a determination on an application within 60 days of submission;
- 3923 (c) provide written notice to the county or municipality explaining the basis for approval
3924 or denial;
- 3925 (d) if an electrical energy development zone overlaps with an area designated by a
3926 community reinvestment agency as a community reinvestment project area as of May
3927 7, 2025, enter into an agreement with the community reinvestment agency to
3928 determine the percentage division of the property tax differential between:
3929 (i) the Electrical Energy Development Investment Fund; and
3930 (ii) the community reinvestment agency; and
- 3931 (e) if an electrical energy development zone overlaps with an inland port project, enter
3932 into an agreement with the Utah Inland Port Authority to determine the percentage

- 3933 division of the property tax differential between:
- 3934 (i) the Electrical Energy Development Investment Fund; and
- 3935 (ii) the Utah Inland Port Authority created in Section 11-58-201.
- 3936 (6) Within 30 days after the council designates an electrical energy development zone:
- 3937 (a) the county auditor shall certify to the council the base taxable value of property
- 3938 within the electrical energy development zone; and
- 3939 (b) the county shall transmit to the council copies of the property tax assessment rolls for
- 3940 all property within the electrical energy development zone.
- 3941 (7)(a) Each year, the county auditor shall:
- 3942 (i) determine the amount of the property tax differential for the electrical energy
- 3943 development zone by comparing:
- 3944 (A) the current assessed value of property within the electrical energy
- 3945 development zone; and
- 3946 (B) the base taxable value of property within the electrical energy development
- 3947 zone;
- 3948 (ii) inform the county treasurer of the property tax differential amount; and
- 3949 (iii) provide notice to the council of the amount calculated under this Subsection
- 3950 (7)(a).
- 3951 (b) The county treasurer shall transfer the property tax differential to the council for
- 3952 deposit into the Electrical Energy Development Investment Fund created in Section
- 3953 79-6-1105, subject to any agreements entered into under Subsections (5)(d) and (5)(e).
- 3954 (c) The county treasurer shall make distributions required under this section:
- 3955 (i) at the same time as regular annual property tax distributions; and
- 3956 (ii) using the same method as other property tax distributions.
- 3957 (8) For property tax differential not subject to Subsection (5)(d) the council may enter into
- 3958 agreements with taxing entities regarding the allocation of the property tax differential.
- 3959 **Section 65. Repealer.**
- 3960 This bill repeals:
- 3961 **Section 11-41-101, Title.**
- 3962 **Section 66. Effective Date.**
- 3963 This bill takes effect on May 6, 2026.