

**Investment Zones Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor:

---

---

**LONG TITLE****Committee Note:**

The Government Operations Interim Committee recommended this bill.

Legislative Vote: 10 voting for 1 voting against 6 absent

**General Description:**

This bill enacts, renumbers, amends, and repeals certain provisions of certain investment zones within the Governor's Office of Economic Opportunity.

**Highlighted Provisions:**

This bill:

- defines terms;
- enacts, renumbers, and amends provisions of a convention center reinvestment zone and convention center reinvestment zone in a capital city;
- renumbers and amends provisions of:
  - a station area plan;
  - a housing and transit reinvestment zone; and
  - home ownership promotion zones in a municipality and county;
- renumbers provisions of:
  - a first home investment zone;
  - a capital city revitalization zone; and
  - a transportation reinvestment zone;
- amends provisions of a home ownership promotion zone in a municipality or county to include a certain area within a boundary of a school;
- repeals an outdated section of code; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:****AMENDS:**

**10-20-404 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

**10-21-101 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

**10-21-201 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, First Special Session, Chapter 15

**11-13-103 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 187

**11-13-206 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Chapter 424

**11-13-207 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Chapter 424

**17-79-403 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

**17-80-101 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

**17-80-201 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, First Special Session, Chapter 14

**17B-2a-802 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**17D-4-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 29, 347

**17D-4-202.1 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 29

**17D-4-203 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 498

**20A-7-601 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**32B-1-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 162

**53H-9-206 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 8

**59-1-306 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 258

**59-2-924 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**59-12-103 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 490

**59-12-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 285

**59-12-205 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 490,

495

**59-12-402.1 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 29

**59-12-402.5 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 436

**59-12-1102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 17

**59-12-2206 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 400

**59-12-2220 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**72-1-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 373

**72-1-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**72-2-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapter 16

**72-2-301 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 501

**72-5-117 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

**72-6-112.5 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapter 22

ENACTS:

**63N-23-303 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-304 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-305 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-307 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-401 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-402 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-403 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-404 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-405 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-406 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-407 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-501 (Effective 05/06/26)**, Utah Code Annotated 1953

**63N-23-601 (Effective 05/06/26)**, Utah Code Annotated 1953

## RENUMBERS AND AMENDS:

**63N-23-101 (Effective 05/06/26)**, (Renumbered from 63N-3-602, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-102 (Effective 05/06/26)**, (Renumbered from 63N-3-605, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-103 (Effective 05/06/26)**, (Renumbered from 63N-3-606, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-104 (Effective 05/06/26)**, (Renumbered from 10-21-203, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-201 (Effective 05/06/26)**, (Renumbered from 63N-3-603, as last amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-202 (Effective 05/06/26)**, (Renumbered from 63N-3-604, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-203 (Effective 05/06/26)**, (Renumbered from 63N-3-607, as last amended by Laws of Utah 2025, Chapter 404)

**63N-23-204 (Effective 05/06/26)**, (Renumbered from 63N-3-608, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-205 (Effective 05/06/26)**, (Renumbered from 63N-3-609, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-206 (Effective 05/06/26)**, (Renumbered from 63N-3-610, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-207 (Effective 05/06/26)**, (Renumbered from 63N-3-611, as last amended by Laws of Utah 2025, Chapter 29)

**63N-23-301 (Effective 05/06/26)**, (Renumbered from 63N-3-603.1, as enacted by Laws of Utah 2025, Chapter 29)

**63N-23-302 (Effective 05/06/26)**, (Renumbered from 63N-3-604.1, as enacted by Laws of Utah 2025, Chapter 29)

**63N-23-306 (Effective 05/06/26)**, (Renumbered from 63N-3-610.1, as enacted by Laws of Utah 2025, Chapter 29)

**63N-23-502 (Effective 05/06/26)**, (Renumbered from 10-21-501, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-503 (Effective 05/06/26)**, (Renumbered from 10-21-502, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-504 (Effective 05/06/26)**, (Renumbered from 10-21-503, as renumbered and

amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-505 (Effective 05/06/26)**, (Renumbered from 10-21-504, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-602 (Effective 05/06/26)**, (Renumbered from 17-80-501, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14)

**63N-23-603 (Effective 05/06/26)**, (Renumbered from 17-80-502, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14)

**63N-23-604 (Effective 05/06/26)**, (Renumbered from 17-80-503, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14)

**63N-23-605 (Effective 05/06/26)**, (Renumbered from 17-80-504, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14)

**63N-23-701 (Effective 05/06/26)**, (Renumbered from 63N-3-1601, as last amended by Laws of Utah 2025, Chapter 440)

**63N-23-702 (Effective 05/06/26)**, (Renumbered from 63N-3-1602, as last amended by Laws of Utah 2025, First Special Session, Chapter 15)

**63N-23-703 (Effective 05/06/26)**, (Renumbered from 63N-3-1603, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-704 (Effective 05/06/26)**, (Renumbered from 63N-3-1604, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-705 (Effective 05/06/26)**, (Renumbered from 63N-3-1605, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-706 (Effective 05/06/26)**, (Renumbered from 63N-3-1606, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-707 (Effective 05/06/26)**, (Renumbered from 63N-3-1607, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-708 (Effective 05/06/26)**, (Renumbered from 63N-3-1608, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-709 (Effective 05/06/26)**, (Renumbered from 63N-3-1609, as enacted by Laws of Utah 2024, Chapter 537)

**63N-23-801 (Effective 05/06/26)**, (Renumbered from 63N-3-1401, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-802 (Effective 05/06/26)**, (Renumbered from 63N-3-1402, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-803 (Effective 05/06/26)**, (Renumbered from 63N-3-1403, as last amended

by Laws of Utah 2025, Chapter 29)

**63N-23-804 (Effective 05/06/26)**, (Renumbered from 63N-3-1404, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-805 (Effective 05/06/26)**, (Renumbered from 63N-3-1405, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-806 (Effective 05/06/26)**, (Renumbered from 63N-3-1406, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-807 (Effective 05/06/26)**, (Renumbered from 63N-3-1407, as enacted by Laws of Utah 2024, Chapter 436)

**63N-23-808 (Effective 05/06/26)**, (Renumbered from 63N-3-1408, as enacted by Laws of Utah 2024, Chapter 538)

**63N-23-901 (Effective 05/06/26)**, (Renumbered from 11-13-227, as last amended by Laws of Utah 2025, First Special Session, Chapter 15)

REPEALS:

**63N-3-601 (Effective 05/06/26)**, as enacted by Laws of Utah 2021, Chapter 411

---

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

Section 1. Section **10-20-404** is amended to read:

**10-20-404 (Effective 05/06/26). General plan preparation.**

(1)(a) The planning commission shall provide notice, as provided in Section 10-20-203, of the planning commission's intent to make a recommendation to the municipal legislative body for a general plan or a comprehensive general plan amendment when the planning commission initiates the process of preparing the planning commission's recommendation.

(b) The planning commission shall make and recommend to the legislative body a proposed general plan for the area within the municipality.

(c) The plan may include areas outside the boundaries of the municipality if, in the planning commission's judgment, those areas are related to the planning of the municipality's territory.

(d) Except as otherwise provided by law or with respect to a municipality's power of eminent domain, when the plan of a municipality involves territory outside the boundaries of the municipality, the municipality may not take action affecting that territory without the concurrence of the county or other municipalities affected.

(2)(a) At a minimum, the proposed general plan, with the accompanying maps, charts,

and descriptive and explanatory matter, shall include the planning commission's recommendations for the following plan elements:

(i) a land use element that:

(A) designates the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels, business, industry, agriculture, recreation, education, public buildings and grounds, open space, and other categories of public and private uses of land as appropriate;

(B) includes a statement of the projections for and standards of population density and building intensity recommended for the various land use categories covered by the plan;

(C) except for a city of the fifth class or a town, is coordinated to integrate the land use element with the water use and preservation element; and

(D) except for a city of the fifth class or a town, accounts for the effect of land use categories and land uses on water demand;

(ii) a transportation and traffic circulation element that:

(A) provides the general location and extent of existing and proposed freeways, arterial and collector streets, public transit, active transportation facilities, and other modes of transportation that the planning commission considers appropriate;

(B) for a municipality that has access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development around major transit investment corridors to maintain and improve the connections between housing, employment, education, recreation, and commerce;

(C) for a municipality that does not have access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development in areas that will maintain and improve the connections between housing, transportation, employment, education, recreation, and commerce; and

(D) correlates with the population projections, the employment projections, and the proposed land use element of the general plan;

(iii) a moderate income housing element that meets the requirements of Section 10-21-201; and

(iv) except for a city of the fifth class or a town, a water use and preservation element

- 235 that addresses:
- 236 (A) the effect of permitted development or patterns of development on water
- 237 demand and water infrastructure;
- 238 (B) methods of reducing water demand and per capita consumption for future
- 239 development;
- 240 (C) methods of reducing water demand and per capita consumption for existing
- 241 development; and
- 242 (D) opportunities for the municipality to modify the municipality's operations to
- 243 eliminate practices or conditions that waste water.
- 244 (b) In drafting the land use element, the planning commission shall:
- 245 (i) identify and consider each agriculture protection area within the municipality;
- 246 (ii) avoid proposing a use of land within an agriculture protection area that is
- 247 inconsistent with or detrimental to the use of the land for agriculture; and
- 248 (iii) consider and coordinate with any station area plans adopted by the municipality
- 249 if required under Section [~~10-21-203~~] 63N-23-104.
- 250 (c) In drafting the transportation and traffic circulation element, the planning
- 251 commission shall:
- 252 (i)(A) consider and coordinate with the regional transportation plan developed by
- 253 the municipality's region's metropolitan planning organization, if the
- 254 municipality is within the boundaries of a metropolitan planning organization;
- 255 or
- 256 (B) consider and coordinate with the long-range transportation plan developed by
- 257 the Department of Transportation, if the municipality is not within the
- 258 boundaries of a metropolitan planning organization; and
- 259 (ii) consider and coordinate with any station area plans adopted by the municipality if
- 260 required under Section [~~10-21-203~~] 63N-23-104.
- 261 (d) In drafting the water use and preservation element, the planning commission:
- 262 (i) shall consider:
- 263 (A) applicable regional water conservation goals recommended by the Division of
- 264 Water Resources; and
- 265 (B) if Section 73-10-32 requires the municipality to adopt a water conservation
- 266 plan in accordance with Section 73-10-32, the municipality's water
- 267 conservation plan;
- 268 (ii) shall include a recommendation for:



- (A) water conservation policies to be determined by the municipality; and
- (B) landscaping options within a public street for current and future development that do not require the use of lawn or turf in a parkstrip;
- (iii) shall review the municipality's land use ordinances and include a recommendation for changes to an ordinance that promotes the inefficient use of water;
- (iv) shall consider principles of sustainable landscaping, including the:
- (A) reduction or limitation of the use of lawn or turf;
- (B) promotion of site-specific landscape design that decreases stormwater runoff or runoff of water used for irrigation;
- (C) preservation and use of healthy trees that have a reasonable water requirement or are resistant to dry soil conditions;
- (D) elimination or regulation of ponds, pools, and other features that promote unnecessary water evaporation;
- (E) reduction of yard waste; and
- (F) use of an irrigation system, including drip irrigation, best adapted to provide the optimal amount of water to the plants being irrigated;
- (v) shall consult with the public water system or systems serving the municipality with drinking water regarding how implementation of the land use element and water use and preservation element may affect:
- (A) water supply planning, including drinking water source and storage capacity consistent with Section 19-4-114; and
- (B) water distribution planning, including master plans, infrastructure asset management programs and plans, infrastructure replacement plans, and impact fee facilities plans;
- (vi) shall consult with the Division of Water Resources for information and technical resources regarding regional water conservation goals, including how implementation of the land use element and the water use and preservation element may affect the Great Salt Lake;
- (vii) may include recommendations for additional water demand reduction strategies, including:
- (A) creating a water budget associated with a particular type of development;
- (B) adopting new or modified lot size, configuration, and landscaping standards that will reduce water demand for new single family development;

- 303 (C) providing one or more water reduction incentives for existing development  
304 such as modification of existing landscapes and irrigation systems and  
305 installation of water fixtures or systems that minimize water demand;
- 306 (D) discouraging incentives for economic development activities that do not  
307 adequately account for water use or do not include strategies for reducing  
308 water demand; and
- 309 (E) adopting water concurrency standards requiring that adequate water supplies  
310 and facilities are or will be in place for new development; and
- 311 (viii) for a town, may include, and for another municipality, shall include, a  
312 recommendation for low water use landscaping standards for a new:
- 313 (A) commercial, industrial, or institutional development;
- 314 (B) common interest community, as defined in Section 57-25-102; or
- 315 (C) multifamily housing project.
- 316 (3) The proposed general plan may include:
- 317 (a) an environmental element that addresses:
- 318 (i) the protection, conservation, development, and use of natural resources, including  
319 the quality of:
- 320 (A) air;
- 321 (B) forests;
- 322 (C) soils;
- 323 (D) rivers;
- 324 (E) groundwater and other waters;
- 325 (F) harbors;
- 326 (G) fisheries;
- 327 (H) wildlife;
- 328 (I) minerals; and
- 329 (J) other natural resources; and
- 330 (ii)(A) the reclamation of land, flood control, prevention and control of the  
331 pollution of streams and other waters;
- 332 (B) the regulation of the use of land on hillsides, stream channels and other  
333 environmentally sensitive areas;
- 334 (C) the prevention, control, and correction of the erosion of soils;
- 335 (D) the preservation and enhancement of watersheds and wetlands; and
- 336 (E) the mapping of known geologic hazards;

- (b) a public services and facilities element showing general plans for sewage, water, waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them, police and fire protection, and other public services;
- (c) a rehabilitation, redevelopment, and conservation element consisting of plans and programs for:
  - (i) historic preservation;
  - (ii) the diminution or elimination of a development impediment as defined in Section 17C-1-102; and
  - (iii) redevelopment of land, including housing sites, business and industrial sites, and public building sites;
- (d) an economic element composed of appropriate studies and forecasts, as well as an economic development plan, which may include review of existing and projected municipal revenue and expenditures, revenue sources, identification of basic and secondary industry, primary and secondary market areas, employment, and retail sales activity;
- (e) recommendations for implementing all or any portion of the general plan, including the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;
- (f) provisions addressing any of the matters listed in Subsection 10-20-401(2) or Section 10-20-403; and
- (g) any other element the municipality considers appropriate.

Section 2. Section **10-21-101** is amended to read:

**10-21-101 (Effective 05/06/26). Definitions.**

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Applicable metropolitan planning organization" means the metropolitan planning organization that has jurisdiction over the area in which a fixed guideway public transit station is located.
- (4) "Applicable public transit district" means the public transit district, as defined in Section 17B-2a-802, of which a fixed guideway public transit station is included.
- (5) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.

- (6) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (7) "Division" means the Housing and Community Development Division within the Department of Workforce Services.
- (8) "Existing fixed guideway public transit station" means a fixed guideway public transit station for which construction begins before June 1, 2022.
- (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- (10) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with ~~[this part]~~ Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities.
- (11) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified municipality's general plan as provided in Subsection 10-21-201(4).
- (12) "Initial report" or "initial moderate income housing report" means the one-time report described in Subsection 10-21-202(1).
- (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
- (a) within a primary dwelling;
  - (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the time the internal accessory dwelling unit is created; and
  - (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- (14) "Moderate income housing strategy" means a strategy described in Subsection 10-21-201(3)(a)(iii).
- (15) "New fixed guideway public transit station" means a fixed guideway public transit station for which construction begins on or after June 1, 2022.
- (16) "Participant" means the same as that term is defined in Section 17C-1-102.
- (17) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- (18)(a) "Primary dwelling" means a single-family dwelling that:
- (i) is detached; and
  - (ii) is occupied as the primary residence of the owner of record.
- (b) "Primary dwelling" includes a garage if the garage:
- (i) is a habitable space; and
  - (ii) is connected to the primary dwelling by a common wall.
- (19) "Project improvements" means the same as that term is defined in Section 11-36a-102.

(20) "Qualifying land use petition" means a petition:

- (a) that involves land located within a station area for an existing public transit station that provides rail services;
- (b) that involves land located within a station area for which the municipality has not yet satisfied the requirements of Subsection [~~10-21-203(1)(a)~~] 63N-23-104(1)(a);
- (c) that proposes the development of an area greater than five contiguous acres, with no less than 51% of the acreage within the station area;
- (d) that would require the municipality to amend the municipality's general plan or change a zoning designation for the land use application to be approved;
- (e) that would require a higher density than the density currently allowed by the municipality;
- (f) that proposes the construction of new residential units, at least 10% of which are dedicated to moderate income housing; and
- (g) for which the land use applicant requests the municipality to initiate the process of satisfying the requirements of Subsection [~~10-21-203(1)(a)~~] 63N-23-104(1)(a) for the station area in which the development is proposed, subject to Subsection [~~10-21-203(2)(d)~~] 63N-23-104(2)(d).

(21) "Report" means an initial report or a subsequent progress report.

(22) "Specified municipality" means:

- (a) a city of the first, second, third, or fourth class; or
- (b) a city of the fifth class with a population of 5,000 or more, if the city is located within a county of the first, second, or third class.

(23)(a) "Station area" means:

- (i) for a fixed guideway public transit station that provides rail services, the area within a one-half mile radius of the center of the fixed guideway public transit station platform; or
- (ii) for a fixed guideway public transit station that provides bus services only, the area within a one-fourth mile radius of the center of the fixed guideway public transit station platform.

- (b) "Station area" includes any parcel bisected by the radius limitation described in Subsection (a)(i) or (ii).

(24) "Station area plan" means a plan that:

- (a) establishes a vision, and the actions needed to implement that vision, for the development of land within a station area; and

(b) is developed and adopted in accordance with this section.

(25) "Subsequent progress report" means the annual report described in Subsection 10-21-202(2).

(26) "System improvements" means the same as that term is defined in Section 11-36a-102.

(27) "Tax commission" means the State Tax Commission created in Section 59-1-201.

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

(i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a home ownership promotion zone, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and

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

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

(i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2); or

(ii) a county additional property tax described in Subsection 59-2-1602(4).

(29) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

Section 3. Section **10-21-201** is amended to read:

**10-21-201 (Effective 05/06/26). Moderate income housing plan required.**

(1) A moderate income housing element of a general plan shall include a moderate income housing plan that meets the requirements of this section.

(2) A moderate income housing plan:

(a) shall provide a realistic opportunity to meet the need for additional moderate income housing within the municipality during the next five years;

(b) for a municipality that is not a specified municipality, may include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii);

(c) for a specified municipality that does not have a fixed guideway public transit station, shall include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii) or at least one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC);

(d) for a specified municipality that has a fixed guideway public transit station, shall

include:

- (i) a recommendation to implement five or more of the moderate income housing strategies described in Subsection (3)(a)(iii), of which one shall be the moderate income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or
- (ii) a recommendation to implement the moderate income housing strategy described in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income housing strategy described in Subsection (3)(a)(iii); and
- (e) for a specified municipality shall include an implementation plan as provided in Subsection (4).

(3)(a) In drafting the moderate income housing element, the planning commission:

- (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
  - (A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and
  - (B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life;
- (ii) for a municipality that is not a specified municipality, may include, and for a specified municipality shall include, an analysis of how the municipality will provide a realistic opportunity for the development of moderate income housing within the next five years; and
- (iii) for a municipality that is not a specified municipality, may include, and for a specified municipality shall include, a recommendation to implement the required number of any of the following moderate income housing strategies as specified in Subsection (2):
  - (A) rezone for densities necessary to facilitate the production of moderate income housing;
  - (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
  - (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
  - (D) identify and utilize general fund subsidies or other sources of revenue to

- 507 waive construction related fees that are otherwise generally imposed by the  
508 municipality for the construction or rehabilitation of moderate income housing;
- 509 (E) create or allow for, and reduce regulations related to, internal or detached  
510 accessory dwelling units in residential zones;
- 511 (F) zone or rezone for higher density or moderate income residential development  
512 in commercial or mixed-use zones near major transit investment corridors,  
513 commercial centers, or employment centers;
- 514 (G) amend land use regulations to allow for higher density or new moderate  
515 income residential development in commercial or mixed-use zones near major  
516 transit investment corridors;
- 517 (H) amend land use regulations to eliminate or reduce parking requirements for  
518 residential development where a resident is less likely to rely on the resident's  
519 own vehicle, such as residential development near major transit investment  
520 corridors or senior living facilities;
- 521 (I) amend land use regulations to allow for single room occupancy developments;
- 522 (J) implement zoning incentives for moderate income units in new developments;
- 523 (K) preserve existing and new moderate income housing and subsidized units by  
524 utilizing a landlord incentive program, providing for deed restricted units  
525 through a grant program, or~~[, notwithstanding Section 10-21-301,]~~ establishing  
526 a housing loss mitigation fund;
- 527 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 528 (M) demonstrate creation of, or participation in, a community land trust program  
529 for moderate income housing;
- 530 (N) implement a mortgage assistance program for employees of the municipality,  
531 an employer that provides contracted services to the municipality, or any other  
532 public employer that operates within the municipality;
- 533 (O) apply for or partner with an entity that applies for state or federal funds or tax  
534 incentives to promote the construction of moderate income housing, an entity  
535 that applies for programs offered by the Utah Housing Corporation within the  
536 Utah Housing Corporation's funding capacity, an entity that applies for  
537 affordable housing programs administered by the Department of Workforce  
538 Services, an entity that applies for affordable housing programs administered  
539 by an association of governments established by an interlocal agreement under  
540 Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for



541 services provided by a public housing authority to preserve and create  
542 moderate income housing, or any other entity that applies for programs or  
543 services that promote the construction or preservation of moderate income  
544 housing;

545 (P) demonstrate utilization of a moderate income housing set aside from a  
546 community reinvestment agency, redevelopment agency, or community  
547 development and renewal agency to create or subsidize moderate income  
548 housing;

549 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal  
550 accessory dwelling unit as defined in Section 10-21-101;

551 (R) create a program to transfer development rights for moderate income housing;

552 (S) ratify a joint acquisition agreement with another local political subdivision for  
553 the purpose of combining resources to acquire property for moderate income  
554 housing;

555 (T) develop a moderate income housing project for residents who are disabled or  
556 55 years old or older;

557 (U) develop and adopt a station area plan in accordance with Section [10-21-203]  
558 63N-23-104;

559 (V) create or allow for, and reduce regulations related to, multifamily residential  
560 dwellings compatible in scale and form with detached single-family residential  
561 dwellings and located in walkable communities within residential or mixed-use  
562 zones;

563 (W) demonstrate implementation of any other program or strategy to address the  
564 housing needs of residents of the municipality who earn less than 80% of the  
565 area median income, including the dedication of a local funding source to  
566 moderate income housing or the adoption of a land use ordinance that requires  
567 10% or more of new residential development in a residential zone be dedicated  
568 to moderate income housing;

569 (X) create a housing and transit reinvestment zone in accordance with [Title 63N,  
570 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act] Title 63N,  
571 Chapter 23, Part 2, Housing and Transit Reinvestment Zone;

572 (Y) create a home ownership promotion zone in accordance with [Part 5, Home  
573 Ownership Promotion Zone for Municipalities] Title 63N, Chapter 23, Part 5,  
574 Home Ownership Promotion Zone for Municipalities;

(Z) create a first home investment zone in accordance with [~~Title 63N, Chapter 3, Part 16, First Home Investment Zone Act~~] Title 63N, Chapter 23, Part 7, First Home Investment Zone;

(AA) approve a project that receives funding from, or qualifies to receive funding from, the Utah Homes Investment Program created in Title 51, Chapter 12, Utah Homes Investment Program;

(BB) adopt or approve a qualifying affordable home ownership density bonus for single-family residential units, as described in Section 10-21-401; and

(CC) adopt or approve a qualifying affordable home ownership density bonus for multi-family residential units, as described in Section 10-21-402; and

(b) the planning commission shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (3)(a)(iii).

(4)(a) In drafting the implementation plan portion of the moderate income housing element as described in Subsection (2)(c), the planning commission shall recommend to the legislative body the establishment of a five-year timeline for implementing each of the moderate income housing strategies selected by the municipality for implementation.

(b) The timeline described in Subsection (4)(a) shall:

(i) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the municipality, whether one-time or ongoing; and

(ii) provide flexibility for the municipality to make adjustments as needed.

Section 4. Section **11-13-103** is amended to read:

**11-13-103 (Effective 05/06/26). Definitions.**

As used in this chapter:

(1)(a) "Additional project capacity" means electric generating capacity provided by a generating unit that first produces electricity on or after May 6, 2002, and that is constructed or installed at or adjacent to the site of a project that first produced electricity before May 6, 2002, regardless of whether:

(i) the owners of the new generating unit are the same as or different from the owner of the project; and

(ii) the purchasers of electricity from the new generating unit are the same as or different from the purchasers of electricity from the project.

(b) "Additional project capacity" does not mean or include replacement project capacity.

(2) "Board" means the Permanent Community Impact Fund Board created by Section 35A-8-304, and [its] the board's successors.

(3) "Candidate" means one or more of:

(a) the state;

(b) a county, municipality, school district, special district, special service district, or other political subdivision of the state; and

(c) a prosecution district.

(4) "Commercial project entity" means a project entity, defined in Subsection (18), that:

(a) has no taxing authority; and

(b) is not supported in whole or in part by and does not expend or disburse tax revenues.

(5) "Direct impacts" means an increase in the need for public facilities or services that is attributable to the project or facilities providing additional project capacity, except impacts resulting from the construction or operation of a facility that is:

(a) owned by an owner other than the owner of the project or of the facilities providing additional project capacity; and

(b) used to furnish fuel, construction, or operation materials for use in the project.

(6) "Electric interlocal entity" means an interlocal entity described in Subsection 11-13-203(3).

(7) "Energy services interlocal entity" means an interlocal entity that is described in Subsection 11-13-203(4).

(8)(a) "Estimated electric requirements," when used with respect to a qualified energy services interlocal entity, includes any of the following that meets the requirements of Subsection (8)(b):

(i) generation capacity;

(ii) generation output; or

(iii) an electric energy production facility.

(b) An item listed in Subsection (8)(a) is included in "estimated electric requirements" if [it is] the item is needed by the qualified energy services interlocal entity to perform the qualified energy services interlocal entity's contractual or legal obligations to any of [its] qualified energy services interlocal entity's members.

(9)(a) "Facilities providing replacement project capacity" means facilities that have been, are being, or are proposed to be constructed, reconstructed, converted, repowered, acquired, leased, used, or installed to provide replacement project

643 capacity.

644 (b) "Facilities providing replacement project capacity" includes facilities that have been,  
645 are being, or are proposed to be constructed, reconstructed, converted, repowered,  
646 acquired, leased, used, or installed:

647 (i) to support and facilitate the construction, reconstruction, conversion, repowering,  
648 installation, financing, operation, management, or use of replacement project  
649 capacity; or

650 (ii) for the distribution of power generated from existing capacity or replacement  
651 project capacity to facilities located on real property in which the project entity  
652 that owns the project has an ownership, leasehold, right-of-way, or permitted  
653 interest.

654 (10) "Governing authority" means a governing board or joint administrator.

655 (11)(a) "Governing board" means the body established in reliance on the authority  
656 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

657 (b) "Governing board" includes a board of directors described in an agreement, as  
658 amended, that creates a project entity.

659 (c) "Governing board" does not include a board as defined in Subsection (2).

660 (12) "Interlocal entity" means:

661 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal  
662 entity; or

663 (b) a separate legal or administrative entity created under Section 11-13-205.

664 (13) "Joint administrator" means an administrator or joint board described in Section  
665 11-13-207 to administer a joint or cooperative undertaking.

666 (14) "Joint or cooperative undertaking" means an undertaking described in Section  
667 11-13-207 that is not conducted by an interlocal entity.

668 (15) "Member" means a public agency that, with another public agency, creates an  
669 interlocal entity under Section 11-13-203.

670 (16) "Out-of-state public agency" means a public agency as defined in Subsection (19)(c),  
671 (d), or (e).

672 (17)(a) "Project":

673 (i) means an electric generation and transmission facility owned by a Utah interlocal  
674 entity or an electric interlocal entity; and

675 (ii) includes fuel facilities, fuel production facilities, fuel transportation facilities,  
676 energy storage facilities, or water facilities that are:

- 677 (A) owned by that Utah interlocal entity or electric interlocal entity; and  
678 (B) required for the generation and transmission facility.
- 679 (b) "Project" includes a project entity's ownership interest in:  
680 (i) facilities that provide additional project capacity;  
681 (ii) facilities providing replacement project capacity;  
682 (iii) additional generating, transmission, fuel, fuel transportation, water, or other  
683 facilities added to a project; and  
684 (iv) a Utah interlocal energy hub, as defined in Section 11-13-602.
- 685 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that owns  
686 a project as defined in this section.
- 687 (19) "Public agency" means:  
688 (a) a city, town, county, school district, special district, special service district, an  
689 interlocal entity, or other political subdivision of the state;  
690 (b) the state or any department, division, or agency of the state;  
691 (c) any agency of the United States;  
692 (d) any political subdivision or agency of another state or the District of Columbia  
693 including any interlocal cooperation or joint powers agency formed under the  
694 authority of the law of the other state or the District of Columbia; or  
695 (e) any Indian tribe, band, nation, or other organized group or community which is  
696 recognized as eligible for the special programs and services provided by the United  
697 States to Indians because of their status as Indians.
- 698 (20) "Public agency insurance mutual" means the same as that term is defined in Subsection  
699 31A-1-103(7).
- 700 (21) "Qualified energy services interlocal entity" means an energy services interlocal entity  
701 that at the time that the energy services interlocal entity acquires [its] the energy services  
702 interlocal entity interest in facilities providing additional project capacity has at least  
703 five members that are Utah public agencies.
- 704 (22) "Replacement project capacity" means electric generating capacity or transmission  
705 capacity that:  
706 (a) replaces all or a portion of the existing electric generating or transmission capacity of  
707 a project; and  
708 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected  
709 with the site of a project, regardless of whether:  
710 (i) the capacity replacing existing capacity is less than or exceeds the generating or

- 711 transmission capacity of the project existing before installation of the capacity  
712 replacing existing capacity;
- 713 (ii) the capacity replacing existing capacity is owned by the project entity that is the  
714 owner of the project, a segment established by the project entity, or a person with  
715 whom the project entity or a segment established by the project entity has  
716 contracted; or
- 717 (iii) the facility that provides the capacity replacing existing capacity is constructed,  
718 reconstructed, converted, repowered, acquired, leased, used, or installed before or  
719 after any actual or anticipated reduction or modification to existing capacity of the  
720 project.
- 721 (23) "Reserve fund" means the same as that term is defined in Subsection 31A-1-103(7).
- 722 (24) "Transportation reinvestment zone" means an area created by two or more public  
723 agencies by interlocal agreement to capture increased property or sales tax revenue  
724 generated by a transportation infrastructure project as described in Section [~~11-13-227~~]  
725 63N-23-901.
- 726 (25) "Utah interlocal entity":  
727 (a) means an interlocal entity described in Subsection 11-13-203(2); and  
728 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,  
729 Chapter 47, Section 3, as amended.
- 730 (26) "Utah public agency" means a public agency under Subsection (19)(a) or (b).
- 731 Section 5. Section **11-13-206** is amended to read:
- 732 **11-13-206 (Effective 05/06/26). Requirements for agreements for joint or**  
733 **cooperative action.**
- 734 (1) Each agreement under Section 11-13-202, 11-13-203, 11-13-205, or [~~11-13-227~~]  
735 63N-23-901 shall specify:
- 736 (a) [~~its~~] the agreement's duration;
- 737 (b) if the agreement creates an interlocal entity:
- 738 (i) the precise organization, composition, and nature of the interlocal entity;
- 739 (ii) the powers delegated to the interlocal entity;
- 740 (iii) the manner in which the interlocal entity is to be governed; and
- 741 (iv) subject to Subsection (2), the manner in which the members of [~~its~~] the governing  
742 board are to be appointed or selected;
- 743 (c) [~~its~~] the agreement's purpose or purposes;
- 744 (d) the manner of financing the joint or cooperative action and of establishing and

- 745 maintaining a budget for it;
- 746 (e) the permissible method or methods to be employed in accomplishing the partial or
- 747 complete termination of the agreement and for disposing of property upon such
- 748 partial or complete termination;
- 749 (f) the process, conditions, and terms for withdrawal of a participating public agency
- 750 from the interlocal entity or the joint or cooperative undertaking;
- 751 (g)(i) whether voting is based upon one vote per member or weighted; and
- 752 (ii) if weighted voting is allowed, the basis upon which the vote weight will be
- 753 determined; and
- 754 (h) any other necessary and proper matters.
- 755 (2) Each agreement under Section 11-13-203 or 11-13-205 that creates an interlocal entity
- 756 shall require that Utah public agencies that are parties to the agreement have the right to
- 757 appoint or select members of the interlocal entity's governing board with a majority of
- 758 the voting power.

759 Section 6. Section **11-13-207** is amended to read:

760 **11-13-207 (Effective 05/06/26). Additional requirements for agreement not**

761 **establishing interlocal entity.**

- 762 (1) If an agreement under Section 11-13-202 or [~~11-13-227~~] 63N-23-901 does not establish
- 763 an interlocal entity to conduct the joint or cooperative undertaking, the agreement shall,
- 764 in addition to the items specified in Section 11-13-206, provide for:
- 765 (a) the joint or cooperative undertaking to be administered by:
- 766 (i) an administrator; or
- 767 (ii) a joint board with representation from the public agencies that are parties to the
- 768 agreement;
- 769 (b) the manner of acquiring, holding, and disposing of real and personal property used in
- 770 the joint or cooperative undertaking;
- 771 (c) the functions to be performed by the joint or cooperative undertaking; and
- 772 (d) the powers of the joint administrator.
- 773 (2) The creation, operation, governance, and fiscal procedures of a joint or cooperative
- 774 undertaking are governed by this chapter.

775 Section 7. Section **17-79-403** is amended to read:

776 **17-79-403 (Effective 05/06/26). General plan preparation.**

- 777 (1)(a) The planning commission shall provide notice, as provided in Section 17-79-203,
- 778 of the planning commission's intent to make a recommendation to the county

779 legislative body for a general plan or a comprehensive general plan amendment when  
780 the planning commission initiates the process of preparing the planning commission's  
781 recommendation.

782 (b) The planning commission shall make and recommend to the legislative body a  
783 proposed general plan for:

784 (i) the unincorporated area within the county; or

785 (ii) if the planning commission is a planning commission for a mountainous planning  
786 district, the mountainous planning district.

787 (c)(i) The plan may include planning for incorporated areas if, in the planning  
788 commission's judgment, ~~[they]~~ the plans are related to the planning of the  
789 unincorporated territory or of the county as a whole.

790 (ii) Elements of the county plan that address incorporated areas are not an official  
791 plan or part of a municipal plan for any municipality, unless the county plan is  
792 recommended by the municipal planning commission and adopted by the  
793 governing body of the municipality.

794 (2)(a) At a minimum, the proposed general plan, with the accompanying maps, charts,  
795 and descriptive and explanatory matter, shall include the planning commission's  
796 recommendations for the following plan elements:

797 (i) a land use element that:

798 (A) designates the long-term goals and the proposed extent, general distribution,  
799 and location of land for housing for residents of various income levels,  
800 business, industry, agriculture, recreation, education, public buildings and  
801 grounds, open space, and other categories of public and private uses of land as  
802 appropriate;

803 (B) includes a statement of the projections for and standards of population density  
804 and building intensity recommended for the various land use categories  
805 covered by the plan;

806 (C) is coordinated to integrate the land use element with the water use and  
807 preservation element; and

808 (D) accounts for the effect of land use categories and land uses on water demand;

809 (ii) a transportation and traffic circulation element that:

810 (A) provides the general location and extent of existing and proposed freeways,  
811 arterial and collector streets, public transit, active transportation facilities, and  
812 other modes of transportation that the planning commission considers



- 813 appropriate;
- 814 (B) addresses the county's plan for residential and commercial development
- 815 around major transit investment corridors to maintain and improve the
- 816 connections between housing, employment, education, recreation, and
- 817 commerce; and
- 818 (C) correlates with the population projections, the employment projections, and
- 819 the proposed land use element of the general plan;
- 820 (iii) for a specified county as defined in Section 17-80-101, a moderate income
- 821 housing element that meets the requirements of Section ~~[17-80-202]~~ 17-80-201;
- 822 (iv) a resource management plan detailing the findings, objectives, and policies
- 823 required by Section 17-79-402; and
- 824 (v) a water use and preservation element that addresses:
- 825 (A) the effect of permitted development or patterns of development on water
- 826 demand and water infrastructure;
- 827 (B) methods of reducing water demand and per capita consumption for future
- 828 development;
- 829 (C) methods of reducing water demand and per capita consumption for existing
- 830 development; and
- 831 (D) opportunities for the county to modify the county's operations to eliminate
- 832 practices or conditions that waste water.
- 833 (b) In drafting the land use element, the planning commission shall:
- 834 (i) identify and consider each agriculture protection area within the unincorporated
- 835 area of the county or mountainous planning district;
- 836 (ii) avoid proposing a use of land within an agriculture protection area that is
- 837 inconsistent with or detrimental to the use of the land for agriculture; and
- 838 (iii) consider and coordinate with any station area plans adopted by municipalities
- 839 located within the county under ~~[10-21-203]~~ Section 63N-23-104.
- 840 (c) In drafting the transportation and traffic circulation element, the planning
- 841 commission shall:
- 842 (i)(A) consider and coordinate with the regional transportation plan developed by
- 843 the county's region's metropolitan planning organization, if the relevant areas
- 844 of the county are within the boundaries of a metropolitan planning
- 845 organization; or
- 846 (B) consider and coordinate with the long-range transportation plan developed by

- 847 the Department of Transportation, if the relevant areas of the county are not  
848 within the boundaries of a metropolitan planning organization; and
- 849 (ii) consider and coordinate with any station area plans adopted by municipalities  
850 located within the county under Section ~~[10-21-203]~~ 63N-23-104.
- 851 (d) In drafting the water use and preservation element, the planning commission:
- 852 (i) shall consider applicable regional water conservation goals recommended by the  
853 Division of Water Resources;
- 854 (ii) shall consult with the Division of Water Resources for information and technical  
855 resources regarding regional water conservation goals, including how  
856 implementation of the land use element and water use and preservation element  
857 may affect the Great Salt Lake;
- 858 (iii) shall notify the community water systems serving drinking water within the  
859 unincorporated portion of the county and request feedback from the community  
860 water systems about how implementation of the land use element and water use  
861 and preservation element may affect:
- 862 (A) water supply planning, including drinking water source and storage capacity  
863 consistent with Section 19-4-114; and
- 864 (B) water distribution planning, including master plans, infrastructure asset  
865 management programs and plans, infrastructure replacement plans, and impact  
866 fee facilities plans;
- 867 (iv) shall consider the potential opportunities and benefits of planning for  
868 regionalization of public water systems;
- 869 (v) shall consult with the Department of Agriculture and Food for information and  
870 technical resources regarding the potential benefits of agriculture conservation  
871 easements and potential implementation of agriculture water optimization projects  
872 that would support regional water conservation goals;
- 873 (vi) shall notify an irrigation or canal company located in the county so that the  
874 irrigation or canal company can be involved in the protection and integrity of the  
875 irrigation or canal company's delivery systems;
- 876 (vii) shall include a recommendation for:
- 877 (A) water conservation policies to be determined by the county; and
- 878 (B) landscaping options within a public street for current and future development  
879 that do not require the use of lawn or turf in a parkstrip;
- 880 (viii) shall review the county's land use ordinances and include a recommendation for

- 881 changes to an ordinance that promotes the inefficient use of water;
- 882 (ix) shall consider principles of sustainable landscaping, including the:
- 883 (A) reduction or limitation of the use of lawn or turf;
- 884 (B) promotion of site-specific landscape design that decreases stormwater runoff
- 885 or runoff of water used for irrigation;
- 886 (C) preservation and use of healthy trees that have a reasonable water requirement
- 887 or are resistant to dry soil conditions;
- 888 (D) elimination or regulation of ponds, pools, and other features that promote
- 889 unnecessary water evaporation;
- 890 (E) reduction of yard waste; and
- 891 (F) use of an irrigation system, including drip irrigation, best adapted to provide
- 892 the optimal amount of water to the plants being irrigated;
- 893 (x) may include recommendations for additional water demand reduction strategies,
- 894 including:
- 895 (A) creating a water budget associated with a particular type of development;
- 896 (B) adopting new or modified lot size, configuration, and landscaping standards
- 897 that will reduce water demand for new single family development;
- 898 (C) providing one or more water reduction incentives for existing landscapes and
- 899 irrigation systems and installation of water fixtures or systems that minimize
- 900 water demand;
- 901 (D) discouraging incentives for economic development activities that do not
- 902 adequately account for water use or do not include strategies for reducing
- 903 water demand; and
- 904 (E) adopting water concurrency standards requiring that adequate water supplies
- 905 and facilities are or will be in place for new development; and
- 906 (xi) shall include a recommendation for low water use landscaping standards for a
- 907 new:
- 908 (A) commercial, industrial, or institutional development;
- 909 (B) common interest community, as defined in Section 57-25-102; or
- 910 (C) multifamily housing project.
- 911 (3) The proposed general plan may include:
- 912 (a) an environmental element that addresses:
- 913 (i) to the extent not covered by the county's resource management plan, the
- 914 protection, conservation, development, and use of natural resources, including the

- 915 quality of:
- 916 (A) air;
- 917 (B) forests;
- 918 (C) soils;
- 919 (D) rivers;
- 920 (E) groundwater and other waters;
- 921 (F) harbors;
- 922 (G) fisheries;
- 923 (H) wildlife;
- 924 (I) minerals; and
- 925 (J) other natural resources; and
- 926 (ii)(A) the reclamation of land, flood control, prevention and control of the
- 927 pollution of streams and other waters;
- 928 (B) the regulation of the use of land on hillsides, stream channels and other
- 929 environmentally sensitive areas;
- 930 (C) the prevention, control, and correction of the erosion of soils;
- 931 (D) the preservation and enhancement of watersheds and wetlands; and
- 932 (E) the mapping of known geologic hazards;
- 933 (b) a public services and facilities element showing general plans for sewage, water,
- 934 waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for
- 935 them, police and fire protection, and other public services;
- 936 (c) a rehabilitation, redevelopment, and conservation element consisting of plans and
- 937 programs for:
- 938 (i) historic preservation;
- 939 (ii) the diminution or elimination of a development impediment as defined in Section
- 940 17C-1-102; and
- 941 (iii) redevelopment of land, including housing sites, business and industrial sites, and
- 942 public building sites;
- 943 (d) an economic element composed of appropriate studies and forecasts, as well as an
- 944 economic development plan, which may include review of existing and projected
- 945 county revenue and expenditures, revenue sources, identification of basic and
- 946 secondary industry, primary and secondary market areas, employment, and retail
- 947 sales activity;
- 948 (e) recommendations for implementing all or any portion of the general plan, including

- the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;
- (f) provisions addressing any of the matters listed in Subsection 17-79-401(2) or 17-79-402(1); and
- (g) any other element the county considers appropriate.

Section 8. Section **17-80-101** is amended to read:

**17-80-101 (Effective 05/06/26). Definitions.**

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (5) "Division" means the Housing and Community Development Division within the Department of Workforce Services.
- (6) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with ~~[this part]~~ Title 63N, Chapter 23, Part 6, Home Ownership Promotion Zone for Counties.
- (7) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified county's general plan.
- (8) "Initial report" means the one-time moderate income housing report described in Subsection 17-80-202(1).
- (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:
  - (a) within a primary dwelling;
  - (b) within the footprint of the detached primary dwelling at the time the internal accessory dwelling unit is created; and
  - (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.
- (11) "Participant" means the same as that term is defined in Section 17C-1-102.
- (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- (13)(a) "Primary dwelling" means a single-family dwelling that:

- 983 (i) is detached; and  
984 (ii) is occupied as the primary residence of the owner of record.
- 985 (b) "Primary dwelling" includes a garage if the garage:  
986 (i) is a habitable space; and  
987 (ii) is connected to the primary dwelling by a common wall.
- 988 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- 989 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.
- 990 (16) "Specified county" means a county of the first, second, or third class, which has a  
991 population of more than 5,000 in the county's unincorporated areas.
- 992 (17) "Subsequent progress report" means the annual moderate income housing report  
993 described in Section 17-80-202.
- 994 (18) "System improvements" means the same as that term is defined in Section 11-36a-102.
- 995 (19) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 996 (20)(a) "Tax increment" means the difference between:  
997 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
998 the area within a home ownership promotion zone, using the current assessed  
999 value and each taxing entity's current certified tax rate as defined in Section  
1000 59-2-924; and  
1001 (ii) the amount of property tax revenue that would be generated from that same area  
1002 using the base taxable value and each taxing entity's current certified tax rate as  
1003 defined in Section 59-2-924.
- 1004 (b) "Tax increment" does not include property revenue from:  
1005 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);  
1006 or  
1007 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 1008 (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 1009 Section 9. Section **17-80-201** is amended to read:  
1010 **17-80-201 (Effective 05/06/26). Moderate income housing plan required.**
- 1011 (1) A moderate income housing element of a general plan shall include a moderate income  
1012 housing element that meets the requirements of this section.
- 1013 (2) For a specified county, as defined in Section 17-80-101, a moderate income housing  
1014 element shall:  
1015 (a) provide a realistic opportunity to meet the need for additional moderate income  
1016 housing within the next five years;

(b) select three or more moderate income housing strategies described in Subsections (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described in Subsections (3)(a)(ii)(W) through (BB), for implementation; and

(c) include an implementation plan as provided in Subsection (4).

(3)(a) In drafting the moderate income housing element, the county planning commission shall:

(i) consider the Legislature's determination that counties should facilitate a reasonable opportunity for a variety of housing, including moderate income housing:

(A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and

(B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life; and

(ii) include an analysis of how the county will provide a realistic opportunity for the development of moderate income housing within the planning horizon, including a recommendation to implement three or more of the following moderate income housing strategies:

(A) rezone for densities necessary to facilitate the production of moderate income housing;

(B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;

(C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;

(D) identify and utilize county general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the county for the construction or rehabilitation of moderate income housing;

(E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;

(F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones, commercial centers, or employment centers;

(G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;

(H) amend land use regulations to eliminate or reduce parking requirements for

residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;

(I) amend land use regulations to allow for single room occupancy developments;

(J) implement zoning incentives for moderate income units in new developments;

(K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or establishing a housing loss mitigation fund;

(L) reduce, waive, or eliminate impact fees related to moderate income housing;

(M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;

(N) implement a mortgage assistance program for employees of the county, an employer that provides contracted services for the county, or any other public employer that operates within the county;

(O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;

(P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;

(Q) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 17-79-611;

(R) create a program to transfer development rights for moderate income housing;

(S) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;

(T) develop a moderate income housing project for residents who are disabled or



- 1085 55 years old or older;
- 1086 (U) create or allow for, and reduce regulations related to, multifamily residential
- 1087 dwellings compatible in scale and form with detached single-family residential
- 1088 dwellings and located in walkable communities within residential or mixed-use
- 1089 zones;
- 1090 (V) demonstrate implementation of any other program or strategy to address the
- 1091 housing needs of residents of the county who earn less than 80% of the area
- 1092 median income, including the dedication of a local funding source to moderate
- 1093 income housing or the adoption of a land use ordinance that requires 10% or
- 1094 more of new residential development in a residential zone be dedicated to
- 1095 moderate income housing;
- 1096 (W) create a housing and transit reinvestment zone in accordance with [~~Title 63N,~~
- 1097 ~~Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N,
- 1098 Chapter 23, Part 2, Housing and Transit Reinvestment Zone;
- 1099 (X) create a home ownership investment zone in accordance with [~~Part 5, Home~~
- 1100 ~~Ownership Promotion Zone~~] Title 63N, Chapter 23, Part 6, Home Ownership
- 1101 Investment Zone for Counties;
- 1102 (Y) create a first home investment zone in accordance with [~~Title 63N, Chapter 3,~~
- 1103 ~~Part 16, First Home Investment Zone Act~~] Title 63N, Chapter 23, Part 7, First
- 1104 Home Investment Zone;
- 1105 (Z) approve a project that receives funding from, or qualifies to receive funding
- 1106 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
- 1107 Utah Homes Investment Program;
- 1108 (AA) adopt or approve a qualifying affordable home ownership density bonus for
- 1109 single-family residential units, as described in Section 17-80-401; and
- 1110 (BB) adopt or approve an affordable home ownership density bonus for
- 1111 multi-family residential units, as described in Section 17-80-402.
- 1112 (b) The planning commission shall identify each moderate income housing strategy
- 1113 recommended to the legislative body for implementation by restating the exact
- 1114 language used to describe the strategy in Subsection (3)(a)(ii).
- 1115 (4)(a) In drafting the implementation plan portion of the moderate income housing
- 1116 element as described in Subsection (2)(c), the planning commission shall recommend
- 1117 to the legislative body the establishment of a five-year timeline for implementing
- 1118 each of the moderate income housing strategies selected by the county for

implementation.

(b) The timeline described in Subsection (4)(a) shall:

(i) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the county; and

(ii) provide flexibility for the county to make adjustments as needed.

Section 10. Section **17B-2a-802** is amended to read:

**17B-2a-802 (Effective 05/06/26). Definitions.**

As used in this part:

(1) "Affordable housing" means housing occupied or reserved for occupancy by households that meet certain gross household income requirements based on the area median income for households of the same size.

(a) "Affordable housing" may include housing occupied or reserved for occupancy by households that meet specific area median income targets or ranges of area median income targets.

(b) "Affordable housing" does not include housing occupied or reserved for occupancy by households with gross household incomes that are more than 60% of the area median income for households of the same size.

(2) "Appointing entity" means the person, county, unincorporated area of a county, or municipality appointing a member to a public transit district board of trustees.

(3)(a) "Chief executive officer" means a person appointed by the board of trustees of a small public transit district to serve as chief executive officer.

(b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and responsibilities assigned to the general manager but prescribed by the board of trustees to be fulfilled by the chief executive officer.

(4) "Confidential employee" means a person who, in the regular course of the person's duties:

(a) assists in and acts in a confidential capacity in relation to other persons who formulate, determine, and effectuate management policies regarding labor relations; or

(b) has authorized access to information relating to effectuating or reviewing the employer's collective bargaining policies.

(5) "Council of governments" means a decision-making body in each county composed of membership including the county governing body and the mayors of each municipality

1153 in the county.

1154 (6) "Department" means the Department of Transportation created in Section 72-1-201.

1155 (7) "Executive director" means a person appointed by the board of trustees of a large public  
1156 transit district to serve as executive director.

1157 (8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

1158 (9) "Fixed guideway capital development" means the same as that term is defined in  
1159 Section 72-1-102.

1160 (10)(a) "General manager" means a person appointed by the board of trustees of a small  
1161 public transit district to serve as general manager.

1162 (b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in  
1163 Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees of a small  
1164 public transit district.

1165 (11) "Large public transit district" means a public transit district that provides public transit  
1166 to an area that includes:

1167 (a) more than 65% of the population of the state based on:

1168 (i) the estimate of the Utah Population Committee created in Section 63C-20-103; or

1169 (ii) if the Utah Population Committee estimate is not available for each county,  
1170 municipality, and unincorporated area that comprise the district, the most recent  
1171 official census or census estimate of the United States Bureau of the Census; and

1172 (b) two or more counties.

1173 (12) "Local advisory council" means the local advisory council created in accordance with  
1174 Section 17B-2a-808.2.

1175 (13)(a) "Locally elected public official" means a person who holds an elected position  
1176 with a county or municipality.

1177 (b) "Locally elected public official" does not include a person who holds an elected  
1178 position if the elected position is not with a county or municipality.

1179 (14) "Managerial employee" means a person who is:

1180 (a) engaged in executive and management functions; and

1181 (b) charged with the responsibility of directing, overseeing, or implementing the  
1182 effectuation of management policies and practices.

1183 (15) "Metropolitan planning organization" means the same as that term is defined in  
1184 Section 72-1-208.5.

1185 (16) "Multicounty district" means a public transit district located in more than one county.

1186 (17) "Operator" means a public entity or other person engaged in the transportation of

passengers for hire.

(18)(a) "Public transit" means regular, continuing, shared-ride, surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income.

(b) "Public transit" does not include transportation services provided by:

(i) chartered bus;

(ii) sightseeing bus;

(iii) taxi;

(iv) school bus service;

(v) courtesy shuttle service for patrons of one or more specific establishments; or

(vi) intra-terminal or intra-facility shuttle services.

(19) "Public transit district" means a special district that provides public transit services.

(20) "Public transit innovation grant" means the same as that term is defined in Section 72-2-401.

(21) "Small public transit district" means any public transit district that is not a large public transit district.

(22) "Station area plan" means a plan developed and adopted by a municipality in accordance with Section ~~[10-21-203]~~ 63N-23-104.

(23)(a) "Supervisor" means a person who has authority, in the interest of the employer, to:

(i) hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees; or

(ii) adjust another employee's grievance or recommend action to adjust another employee's grievance.

(b) "Supervisor" does not include a person whose exercise of the authority described in Subsection (23)(a):

(i) is of a merely routine or clerical nature; and

(ii) does not require the person to use independent judgment.

(24) "Transit facility" means a transit vehicle, transit station, depot, passenger loading or unloading zone, parking lot, or other facility:

(a) leased by or operated by or on behalf of a public transit district; and

(b) related to the public transit services provided by the district, including:

(i) railway or other right-of-way;

(ii) railway line; and

(iii) a reasonable area immediately adjacent to a designated stop on a route traveled by a transit vehicle.

(25) "Transit vehicle" means a passenger bus, coach, railcar, van, or other vehicle operated as public transportation by a public transit district.

(26) "Transit-oriented development" means a mixed use residential or commercial area that is designed to maximize access to public transit and includes the development of land owned by a large public transit district.

(27) "Transit-supportive development" means a mixed use residential or commercial area that is designed to maximize access to public transit and does not include the development of land owned by a large public transit district.

Section 11. Section **17D-4-102** is amended to read:

**17D-4-102 (Effective 05/06/26). Definitions.**

As used in this chapter:

(1) "Board" means the board of trustees of a public infrastructure district.

(2) "Capital city" means a city of the first class that is the capital of the state that has a convention center within the boundary of the city.

(3) "Convention center" means a government facility:

(a) owned by the county in which the convention center is located;

(b) primarily used for hosting conventions, exhibitions, trade shows, or similar events; and

(c) is located within the boundaries of a city of the first class in a county of the first class.

(4) "Convention center public infrastructure district" means a public infrastructure district created to finance public infrastructure and improvements associated with and benefiting a convention center area and surrounding area, including the costs to finance any public or privately owned improvements, including:

(a) convention center-related improvements;

(b) arena improvements; and

(c) a convention center revitalization project, as that term is defined in Section [ ~~63N-3-602~~ ] 63N-23-101.

(5) "Convention center public infrastructure district in a capital city" means a convention center public infrastructure district created to finance public infrastructure and improvements for a convention center in a capital city, including:

(a) the costs to finance any public improvements that serve the convention center;

(b) privately owned improvements if the improvements are an allowed use of funds

- 1255 under Section [~~63N-3-1403~~] 63N-23-803; and
- 1256 (c) a convention center revitalization project, as that term is defined in Section [~~63N-3-602~~] 63N-23-101.
- 1257
- 1258 (6) "Creating entity" means the county, municipality, basic special district, or development
- 1259 authority that approves the creation of a public infrastructure district.
- 1260 (7) "Development authority" means:
- 1261 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 1262 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 1263 (c) the Utah Fairpark Area Investment and Restoration District created in Section
- 1264 11-70-201; or
- 1265 (d) the military installation development authority created in Section 63H-1-201.
- 1266 (8) "District applicant" means the person proposing the creation of a public infrastructure
- 1267 district.
- 1268 (9) "Division" means a division of a public infrastructure district:
- 1269 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
- 1270 other divisions within the public infrastructure district, taking into account existing or
- 1271 potential developments which, when completed, would increase or decrease the
- 1272 population within the public infrastructure district; and
- 1273 (b) which a member of the board represents.
- 1274 (10) "Governing document" means the document governing a public infrastructure district
- 1275 to which the creating entity agrees before the creation of the public infrastructure
- 1276 district, as amended from time to time, and subject to the limitations of Title 17B,
- 1277 Chapter 1, Provisions Applicable to All Special Districts, and this chapter.
- 1278 (11)(a) "Limited tax bond" means a bond:
- 1279 (i) that is directly payable from and secured by ad valorem property taxes that are
- 1280 levied:
- 1281 (A) by a public infrastructure district that issues the bond; and
- 1282 (B) on taxable property within the district;
- 1283 (ii) that is a general obligation of the public infrastructure district; and
- 1284 (iii) for which the ad valorem property tax levy for repayment of the bond does not
- 1285 exceed the property tax levy rate limit established under Section 17D-4-303 for
- 1286 any fiscal year, except as provided in Subsection 17D-4-301(13).
- 1287 (b) "Limited tax bond" does not include:
- 1288 (i) a short-term bond;

- 1289 (ii) a tax and revenue anticipation bond; or  
 1290 (iii) a special assessment bond.
- 1291 (12)(a) "Municipal advisor" means a person that:
- 1292 (i) advises a political subdivision on matters related to the issuance of bonds by  
 1293 governmental entities, including the pricing, sales, and marketing of bonds and the  
 1294 procuring of bond ratings, credit enhancement, and insurance with respect to  
 1295 bonds;
- 1296 (ii) is qualified to provide the advice described in Subsection (12)(a)(i);
- 1297 (iii) is not an officer or employee of the political subdivision receiving advice;
- 1298 (iv) has not been engaged to provide underwriting services in connection with a  
 1299 transaction in which the person will provide advice to the political subdivision; and
- 1300 (v) has experience doing business related to the issuance of bonds in the state.
- 1301 (b) "Municipal advisor" may include:
- 1302 (i) an individual who meets the description in Subsection (12)(a); or
- 1303 (ii) a firm of individuals who collectively meet the description in Subsection (12)(a).
- 1304 (13)(a) "Participation agreement" means an executed agreement between a local  
 1305 government [entity] and project participant, as those terms are defined in Section [  
 1306 ~~63N-3-1401~~] 63N-23-801.
- 1307 (b) "Participation agreement" includes an agreement under [~~Title 63N, Chapter 3, Part~~  
 1308 ~~14, Capital City Revitalization Zone~~] Title 63N, Chapter 23, Part 8, Capital City  
 1309 Revitalization Zone.
- 1310 (14)(a) "Public infrastructure and improvements" means:
- 1311 (i) infrastructure, utilities, improvements, facilities, buildings, or remediation that:
- 1312 (A) benefit the public and are owned by a public entity or a public or private  
 1313 utility;
- 1314 (B) benefit the public and are publicly maintained or operated by a public entity; or
- 1315 (C) are privately owned and are expressly permitted to be acquired or financed by  
 1316 the public infrastructure district's governing document or an agreement  
 1317 between the public infrastructure district and the public infrastructure district's  
 1318 creating entity;
- 1319 (ii) publicly or privately owned roads, rights-of-way, trails, parking, or parking  
 1320 structures; and
- 1321 (iii)(A) for a convention center public infrastructure district, infrastructure,  
 1322 utilities, improvements, facilities, buildings, or remediation that:

- 1323 (I) benefit the public and are owned by a public entity or a utility;  
1324 (II) benefit the public and are publicly maintained or operated by a public  
1325 entity; or  
1326 (III) are privately owned and provide a substantial benefit, as determined by  
1327 the board of a convention center public infrastructure district, to:  
1328 (Aa) the development and operation of a convention center public  
1329 infrastructure district; or  
1330 (Bb) the residents or property owners within the boundaries of a convention  
1331 center public infrastructure district or within the boundaries of a  
1332 convention center reinvestment zone to which the convention center  
1333 public infrastructure district is either within or adjacent; or  
1334 (B) if the infrastructure and improvements are outside of the boundaries of a  
1335 convention center public infrastructure district, benefit a convention center  
1336 public infrastructure district to which the convention center public  
1337 infrastructure district project area is either within or adjacent.
- 1338 (b) "Public infrastructure and improvements" also means:
- 1339 (i) the same as that term is defined in Section 11-58-102, for a public infrastructure  
1340 district created by the Utah Inland Port Authority created in Section 11-58-201;  
1341 (ii) the same as that term is defined in Section 11-70-101, for a public infrastructure  
1342 district created by the Utah Fairpark Area Investment and Restoration District  
1343 created in Section 11-70-201;  
1344 (iii) the same as that term is defined in Section 63H-1-102, for a public infrastructure  
1345 district created by the military installation development authority created in  
1346 Section 63H-1-201;  
1347 (iv) for any public infrastructure district created by a development authority, any  
1348 infrastructure, utilities, improvements, facilities, buildings, or remediation that are  
1349 privately owned and benefit the public; and  
1350 (v) for a public infrastructure district to which tax increment revenue is pledged or  
1351 distributed, any publicly or privately owned infrastructure, utilities,  
1352 improvements, facilities, buildings, or remediation that is a permitted use of the  
1353 tax increment revenue.
- 1354 (15)(a) "Tax increment revenue" means the difference between the tax revenue  
1355 generated from or within a specific area and the revenue that would be generated if a  
1356 base taxable value were used.



(b) "Tax increment revenue" includes any concept substantially the same as the definition in Subsection (15)(a), regardless of the name of the concept.

Section 12. Section **17D-4-202.1** is amended to read:

**17D-4-202.1 (Effective 05/06/26). Convention center public infrastructure -- District board -- Petition and process requirements -- Governing document.**

(1) As used in this section:

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

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

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

(d)(i) "Petitioner" means:

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

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

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

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

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

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

(a) include the governing document; and

(b) for a petition to a city which has previously authorized revitalization taxes described in Section [~~63N-3-1403~~] 63N-23-803, include as part of the governing document approval and authorization of an interlocal agreement pledging and securing the revitalization taxes for debt of the proposed convention center public infrastructure district.

(5)(a) The process for creating a convention center public infrastructure district or a convention center public infrastructure district in a capital city shall be initiated by

the submission of a petition and a governing document to the city, except that:

- (i) the city recorder shall certify the petition within 14 days from the day the petitioner submits the petition to the city recorder;
- (ii) if the city recorder fails to certify the petition within the time described in Subsection (5)(a)(i), the petition shall be considered certified; and
- (iii) within 30 days from the day that the petitioner submits the petition to the city recorder, or if the city and the petitioner have come to an agreement as described in Subsection (5)(b), the city shall adopt a resolution to approve:
  - (A) the governing document the petitioner submitted with the petition; and
  - (B) the creation of a convention center public infrastructure district or a convention center public infrastructure district in a capital city.

(b) Notwithstanding Subsection (5)(a), the city and petitioner may negotiate the finalized terms of the petition, including the terms of an interlocal agreement, within a time period agreed upon by the city and petitioner.

(6)(a) The boundaries of a convention center public infrastructure district shall be limited to an area within a one-half-mile radius of a convention center.

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

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

- (a) a convention center public infrastructure district may levy an administrative tax of up to 0.0005 per dollar of taxable value on taxable property within the district; and
- (b) the administrative tax shall be used exclusively for administrative expenses and may not be used for capital costs or debt payment.

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

(9) The convention center public infrastructure board shall consist of five members as follows:

- (a) three members shall be representatives of the petitioner and selected by the petitioner;
- (b) one member may be a representative of the city and selected by the mayor of the city; and
- (c) one member may be a representative of the county and selected by the mayor of the county.

(10) If a city or county mayor chooses not to select a member of the board as described in

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

(11)(a) A convention center public infrastructure district shall enter into an interlocal agreement with the relevant county that provides that, for any revenue that is transferred to the convention center public infrastructure district from a convention center reinvestment zone created [~~pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone or Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City, the mayor of the county shall have approval authority for the expenditure of any revenue related to a convention center revitalization project, as that term is defined in Section [~~63N-3-602~~] 63N-23-101.

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

- (i) any bonds or debt or related terms issued by the convention center public infrastructure district; or
- (ii) revenue subject to a participation agreement entered into [~~pursuant to Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone~~] in accordance with Title 63N, Chapter 23, Part 8, Capital City Revitalization Zone.

Section 13. Section **17D-4-203** is amended to read:

**17D-4-203 (Effective 05/06/26). Public infrastructure district powers.**

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

(2) A public infrastructure district may:

- (a) issue negotiable bonds to pay:
  - (i) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or property allowed under Section 11-14-103;
  - (ii) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and other related costs, against the funds that the public infrastructure district will receive because of an assessment in an energy assessment area;
  - (iii) public improvements related to the provision of housing;
  - (iv) capital costs related to public transportation;

- (v) for a public infrastructure district that is within or adjacent to a housing and transit reinvestment zone described in [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone, any and all costs to finance any public or privately owned improvements, which, in the discretion of the board of the public infrastructure district, promote the objectives described in [~~Section 63N-3-603.1~~] Section 63N-23-301 or 63N-23-401;
- (vi) the cost of acquiring or financing public infrastructure and improvements;
- (vii) for a public infrastructure district that is a subsidiary of or created by the Utah Inland Port Authority, the costs associated with a remediation project, as defined in Section 11-58-102;
- (viii) for a convention center public infrastructure district that is within or adjacent to a convention center reinvestment zone as defined in Section [~~63N-3-602~~] 63N-23-101, any or all of the costs to finance any public or privately owned improvements, including convention center-related improvements and arena improvements, which, in the discretion of the board of a convention center public infrastructure district, promote the objectives of the convention center reinvestment zone, as described in Section [~~63N-3-603.1~~] 63N-23-301;
- (ix) for a convention center public infrastructure district, the costs of financing a convention center revitalization project, as the term is defined in Section [~~63N-3-602~~] 63N-23-101;
- (x) for a convention center public infrastructure district in a capital city that is within or adjacent to a convention center reinvestment zone in a capital city, as defined in Section [~~63N-3-602~~] 63N-23-101, any or all of the costs to financing any publicly owned improvements, including the cost of financing a convention center revitalization project in a capital city, as defined in Section [~~63N-3-602~~] 63N-23-101, convention center-related improvements, and publicly or privately owned improvements that directly serve the convention center, which, in the discretion of the board of the convention center public infrastructure district in a capital city, promote the objectives of the convention center reinvestment zone in a capital city, as described in Section [~~63N-3-603.1~~] 63N-23-401; and
- (xi) for a convention center public infrastructure district in a capital city that is within a capital city revitalization zone project area, as defined in Section [~~63N-3-1401~~] 63N-23-801, any allowed uses of funds or revenue provided for under Section

- 1493 59-12-402.5, including eligible expenses consistent with the terms of the  
1494 participation agreement, except that a convention center public infrastructure  
1495 district in a capital city may not issue negotiable bonds serviced by the  
1496 revitalization tax under Section 59-12-402.5 for privately owned improvements  
1497 for more than the maximum dollar amount described in the participation  
1498 agreement.
- 1499 (b) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal  
1500 Cooperation Act, provided that the interlocal agreement may not expand the powers  
1501 of the public infrastructure district, within the limitations of Title 11, Chapter 13,  
1502 Interlocal Cooperation Act, without the consent of the creating entity;
- 1503 (c) notwithstanding any other provision in code, acquire completed or partially  
1504 completed improvements, including related design and consulting services and  
1505 related work product, for fair market value as reasonably determined by:
- 1506 (i) the board;
- 1507 (ii) the creating entity, if required in the governing document; or
- 1508 (iii) a surveyor or engineer that a public infrastructure district employs or engages to  
1509 perform the necessary engineering services for and to supervise the construction  
1510 or installation of the improvements;
- 1511 (d) contract with the creating entity for the creating entity to provide administrative  
1512 services on behalf of the public infrastructure district, when agreed to by both parties,  
1513 in order to achieve cost savings and economic efficiencies, at the discretion of the  
1514 creating entity;
- 1515 (e) for a public infrastructure district created by a development authority, or for a public  
1516 infrastructure district created by a municipality and located in an urban renewal  
1517 project area that includes some or all of an inactive industrial site:
- 1518 (i)(A) operate and maintain public infrastructure and improvements the district  
1519 acquires or finances; and
- 1520 (B) use fees, assessments, or taxes to pay for the operation and maintenance of  
1521 those public infrastructure and improvements; and
- 1522 (ii) issue bonds under Title 11, Chapter 42, Assessment Area Act; and
- 1523 (f) for a public infrastructure district that is a subsidiary of or created by the Utah Inland  
1524 Port Authority, pay for costs associated with a remediation project, as defined in  
1525 Section 11-58-102, of the Utah Inland Port Authority.
- 1526 (3) A public infrastructure district created by the Utah Fairpark Area Investment and

Restoration District, created in Section 11-70-201, may:

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

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

Section 14. Section **20A-7-601** is amended to read:

**20A-7-601 (Effective 05/06/26). Referenda -- General signature requirements -- Signature requirements for land use laws, subjurisdictional laws, and transit area land use laws -- Time requirements.**

(1) As used in this section:

(a) "Number of active voters" means the number of active voters in the county, city, or town on the immediately preceding January 1.

(b) "Qualifying county" means a county that has created a small public transit district, as defined in Section 17B-2a-802, on or before January 1, 2022.

(c) "Qualifying transit area" means:

(i) a station area, as defined in Section ~~[10-21-101]~~ 63N-23-101, for which the municipality with jurisdiction over the station area has satisfied the requirements of Subsection ~~[10-21-203(1)(a)(i)]~~ 63N-23-104(1)(a)(i), as demonstrated by the adoption of a station area plan or resolution under Subsection ~~[10-21-203(1)]~~ 63N-23-104(1); or

(ii) a housing and transit reinvestment zone, as defined in Section ~~[63N-3-602]~~ 63N-23-101, created within a qualifying county.

(d) "Subjurisdiction" means an area comprised of all precincts and subprecincts in the jurisdiction of a county, city, or town that are subject to a subjurisdictional law.

(e)(i) "Subjurisdictional law" means a local law or local obligation law passed by a local legislative body that imposes a tax or other payment obligation on property in an area that does not include all precincts and subprecincts under the jurisdiction of the county, city, or town.

(ii) "Subjurisdictional law" does not include a land use law.

(f) "Transit area land use law" means a land use law that relates to the use of land within a qualifying transit area.

(g) "Voter participation area" means an area described in Subsection 20A-7-401.3(1)(a) or (2)(b).

(2) Except as provided in Subsections (3) through (5), an eligible voter seeking to have a local law passed by the local legislative body submitted to a vote of the people shall,

- 1561 after filing a referendum application, obtain legal signatures equal to:
- 1562 (a) for a county of the first class:
- 1563 (i) 7.75% of the number of active voters in the county; and
- 1564 (ii) beginning on January 1, 2020, 7.75% of the number of active voters in at least
- 1565 75% of the county's voter participation areas;
- 1566 (b) for a city of the first class:
- 1567 (i) 7.5% of the number of active voters in the city; and
- 1568 (ii) beginning on January 1, 2020, 7.5% of the number of active voters in at least 75%
- 1569 of the city's voter participation areas;
- 1570 (c) for a county of the second class:
- 1571 (i) 8% of the number of active voters in the county; and
- 1572 (ii) beginning on January 1, 2020, 8% of the number of active voters in at least 75%
- 1573 of the county's voter participation areas;
- 1574 (d) for a city of the second class:
- 1575 (i) 8.25% of the number of active voters in the city; and
- 1576 (ii) beginning on January 1, 2020, 8.25% of the number of active voters in at least
- 1577 75% of the city's voter participation areas;
- 1578 (e) for a county of the third class:
- 1579 (i) 9.5% of the number of active voters in the county; and
- 1580 (ii) beginning on January 1, 2020, 9.5% of the number of active voters in at least 75%
- 1581 of the county's voter participation areas;
- 1582 (f) for a city of the third class:
- 1583 (i) 10% of the number of active voters in the city; and
- 1584 (ii) beginning on January 1, 2020, 10% of the number of active voters in at least 75%
- 1585 of the city's voter participation areas;
- 1586 (g) for a county of the fourth class:
- 1587 (i) 11.5% of the number of active voters in the county; and
- 1588 (ii) beginning on January 1, 2020, 11.5% of the number of active voters in at least
- 1589 75% of the county's voter participation areas;
- 1590 (h) for a city of the fourth class:
- 1591 (i) 11.5% of the number of active voters in the city; and
- 1592 (ii) beginning on January 1, 2020, 11.5% of the number of active voters in at least
- 1593 75% of the city's voter participation areas;
- 1594 (i) for a city of the fifth class or a county of the fifth class, 25% of the number of active

- 1595 voters in the city or county; or
- 1596 (j) for a town or a county of the sixth class, 35% of the number of active voters in the
- 1597 town or county.
- 1598 (3) Except as provided in Subsection (4) or (5), an eligible voter seeking to have a land use
- 1599 law or local obligation law passed by the local legislative body submitted to a vote of the
- 1600 people shall, after filing a referendum application, obtain legal signatures equal to:
- 1601 (a) for a county of the first, second, third, or fourth class:
- 1602 (i) 16% of the number of active voters in the county; and
- 1603 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
- 1604 of the county's voter participation areas;
- 1605 (b) for a county of the fifth or sixth class:
- 1606 (i) 16% of the number of active voters in the county; and
- 1607 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
- 1608 of the county's voter participation areas;
- 1609 (c) for a city of the first class:
- 1610 (i) 15% of the number of active voters in the city; and
- 1611 (ii) beginning on January 1, 2020, 15% of the number of active voters in at least 75%
- 1612 of the city's voter participation areas;
- 1613 (d) for or a city of the second class:
- 1614 (i) 16% of the number of active voters in the city; and
- 1615 (ii) beginning on January 1, 2020, 16% of the number of active voters in at least 75%
- 1616 of the city's voter participation areas;
- 1617 (e) for a city of the third class:
- 1618 (i) 27.5% of the number of active voters in the city; and
- 1619 (ii) beginning on January 1, 2020, 27.5% of the number of active voters in at least
- 1620 75% of the city's voter participation areas;
- 1621 (f) for a city of the fourth class:
- 1622 (i) 29% of the number of active voters in the city; and
- 1623 (ii) beginning on January 1, 2020, 29% of the number of active voters in at least 75%
- 1624 of the city's voter participation areas;
- 1625 (g) for a city of the fifth class, 35% of the number of active voters in the city; or
- 1626 (h) for a town, 40% of the number of active voters in the town.
- 1627 (4) A person seeking to have a subjurisdictional law passed by the local legislative body
- 1628 submitted to a vote of the people shall, after filing a referendum application, obtain legal



signatures of the residents in the subjurisdiction equal to:

- (a) 10% of the number of active voters in the subjurisdiction if the number of active voters exceeds 25,000;
- (b) 12.5% of the number of active voters in the subjurisdiction if the number of active voters does not exceed 25,000 but is more than 10,000;
- (c) 15% of the number of active voters in the subjurisdiction if the number of active voters does not exceed 10,000 but is more than 2,500;
- (d) 20% of the number of active voters in the subjurisdiction if the number of active voters does not exceed 2,500 but is more than 500;
- (e) 25% of the number of active voters in the subjurisdiction if the number of active voters does not exceed 500 but is more than 250; and
- (f) 30% of the number of active voters in the subjurisdiction if the number of active voters does not exceed 250.

(5) An eligible voter seeking to have a transit area land use law passed by the local legislative body submitted to a vote of the people shall, after filing a referendum application, obtain legal signatures equal to:

- (a) for a county:
  - (i) 20% of the number of active voters in the county; and
  - (ii) 21% of the number of active voters in at least 75% of the county's voter participation areas;
- (b) for a city of the first class:
  - (i) 20% of the number of active voters in the city; and
  - (ii) 20% of the number of active voters in at least 75% of the city's voter participation areas;
- (c) for a city of the second class:
  - (i) 20% of the number of active voters in the city; and
  - (ii) 21% of the number of active voters in at least 75% of the city's voter participation areas;
- (d) for a city of the third class:
  - (i) 34% of the number of active voters in the city; and
  - (ii) 34% of the number of active voters in at least 75% of the city's voter participation areas;
- (e) for a city of the fourth class:
  - (i) 36% of the number of active voters in the city; and

- 1663 (ii) 36% of the number of active voters in at least 75% of the city's voter participation  
1664 areas; or
- 1665 (f) for a city of the fifth class or a town, 40% of the number of active voters in the city or  
1666 town.
- 1667 (6) Sponsors of any referendum petition challenging, under Subsection (2), (3), (4), or (5),  
1668 any local law passed by a local legislative body shall file the application no later than the  
1669 first business day that is at least five days after the day on which the local law was  
1670 passed.
- 1671 (7) This section does not authorize a local legislative body to impose a tax or other payment  
1672 obligation on a subjurisdiction in order to benefit an area outside of the subjurisdiction.
- 1673 Section 15. Section **32B-1-202** is amended to read:
- 1674 **32B-1-202 (Effective 05/06/26). Proximity to community location.**
- 1675 (1) As used in this section:
- 1676 (a) "Designated project area zone" means the area that is:
- 1677 (i) bounded by:
- 1678 (A) South Temple Street;
- 1679 (B) 100 South Street;
- 1680 (C) West Temple Street; and
- 1681 (D) 400 West Street; and
- 1682 (ii) within a project area as defined in Section [~~63N-3-1401~~] 63N-23-801.
- 1683 (b)(i) "Outlet" means:
- 1684 (A) a state store;
- 1685 (B) a package agency; or
- 1686 (C) a retail licensee.
- 1687 (ii) "Outlet" does not include:
- 1688 (A) an airport lounge licensee; or
- 1689 (B) a restaurant.
- 1690 (c) "Restaurant" means:
- 1691 (i) a full-service restaurant licensee;
- 1692 (ii) a limited-service restaurant licensee;
- 1693 (iii) a beer-only restaurant licensee; or
- 1694 (iv) a restaurant venue on-premise banquet licensee.
- 1695 (2)(a) Except as otherwise provided in this section or Section 32B-1-202.1, the  
1696 commission may not issue a license for an outlet if, on the date the commission takes

final action to approve or deny the application, there is a community location:

- (i) within 600 feet of the proposed outlet, as measured from the nearest patron entrance of the proposed outlet by following the shortest route of ordinary pedestrian travel to the property boundary of the community location; or
- (ii) within 200 feet of the proposed outlet, measured in a straight line from the nearest patron entrance of the proposed outlet to the nearest property boundary of the community location.

(b) Except as otherwise provided in this section or Section 32B-1-202.1, the commission may not issue a license for a restaurant if, on the date the commission takes final action to approve or deny the application, there is a community location:

- (i) within 300 feet of the proposed restaurant, as measured from the nearest patron entrance of the proposed restaurant by following the shortest route of ordinary pedestrian travel to the property boundary of the community location; or
- (ii) within 200 feet of the proposed restaurant, measured in a straight line from the nearest patron entrance of the proposed restaurant to the nearest property boundary of the community location.

(3)(a) For an outlet or a restaurant that holds a license on May 9, 2017, and operates under a previously approved variance to one or more proximity requirements in effect before May 9, 2017, subject to the other provisions of this title, that outlet or restaurant, or another outlet or restaurant with the same type of license as that outlet or restaurant, may operate under the previously approved variance regardless of whether:

- (i) the outlet or restaurant changes ownership;
- (ii) the property on which the outlet or restaurant is located changes ownership; or
- (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same type of license, unless during the lapse, the property is used for a different purpose.

(b) An outlet or a restaurant that has continuously operated at a location since before January 1, 2007, is considered to have a previously approved variance.

(4) An outlet or restaurant that holds a license on May 12, 2020, and operates in accordance with the proximity requirements in effect at the time the commission issued the license or operates under a previously approved variance described in Subsection (3), subject to the other provisions of this title, that outlet or restaurant or an outlet or a restaurant with the same type of license as that outlet or restaurant may operate at the premises

1731 regardless of whether:

1732 (a) the outlet or restaurant changes ownership;

1733 (b) the property on which the outlet or restaurant is located changes ownership; or

1734 (c) there is a lapse of one year or less in the use of the property as an outlet or a  
1735 restaurant with the same type of license, unless during the lapse the property is used  
1736 for a different purpose.

1737 (5)(a) If, after an outlet or a restaurant obtains a license under this title, a person  
1738 establishes a community location on a property that puts the outlet or restaurant in  
1739 violation of the proximity requirements in effect at the time the license is issued or a  
1740 previously approved variance described in Subsection (3), subject to the other  
1741 provisions of this title, that outlet or restaurant, or an outlet or a restaurant with the  
1742 same type of license as that outlet or restaurant, may operate at the premises  
1743 regardless of whether:

1744 (i) the outlet or restaurant changes ownership;

1745 (ii) the property on which the outlet or restaurant is located changes ownership; or

1746 (iii) there is a lapse in the use of the property as an outlet or a restaurant with the  
1747 same type of license, unless during the lapse the property is used for a different  
1748 purpose.

1749 (b) The provisions of this Subsection (5) apply regardless of when the outlet's or  
1750 restaurant's license is issued.

1751 (6) The proximity requirements described in Subsection (2) do not apply:

1752 (a) if the proposed outlet or proposed restaurant and the community location are located  
1753 within the boundaries of a designated project area zone; or

1754 (b) if a local authority includes in the written consent of the local authority an  
1755 acknowledgment and authorization of the outlet's or the restaurant's proximity to a  
1756 public park, including any connected trail system, if the public park and connected  
1757 trail system are:

1758 (i) at least 12 acres in size;

1759 (ii) on land the state owns; and

1760 (iii) managed by the Point of the Mountain State Land Authority created in Section  
1761 11-59-201.

1762 (7) Nothing in this section prevents the commission from considering the proximity of an  
1763 educational, religious, and recreational facility, or any other relevant factor in reaching a  
1764 decision on a proposed location of an outlet.

Section 16. Section **53H-9-206** is amended to read:

**53H-9-206 (Effective 05/06/26). Development of university property.**

(1) As used in this section:

- (a) "Board of trustees" means the board of trustees of an eligible university.
- (b) "Conflict" means a situation in which a board of trustees member or a family member of a board of trustees member will or is likely to receive a direct financial benefit because of the development of eligible university property within a development area.
- (c) "Designation resolution" means a board of trustees' resolution designating eligible university property as a development area.
- (d) "Development action" means:
  - (i) a board of trustees' deliberations on whether to adopt a designation resolution;
  - (ii) a board of trustees' adoption of a designation resolution;
  - (iii) a board of trustees' deliberations on whether to approve a development agreement; or
  - (iv) a board of trustees' approval of a development agreement.
- (e) "Development agreement" means an agreement between an eligible university and a development partner that governs the development of eligible university property within a development area.
- (f) "Development area" means a single, contiguous area that:
  - (i) consists only of eligible university property;
  - (ii) is no larger than 75 acres; and
  - (iii) the board of trustees designates for development or redevelopment in a designation resolution under this section.
- (g) "Development fund" means the fund described in and established under Subsection (4).
- (h) "Development partner" means a person who enters into a development agreement with an eligible university to develop or redevelop eligible university property within a development area.
- (i) "Direct financial benefit":
  - (i) means any form of financial benefit that accrues to an individual directly, including:
    - (A) compensation, commission, or any other form of a payment or increase of money; and

- 1799 (B) an increase in the value of a business or property; and
- 1800 (ii) does not include a financial benefit that accrues to the public generally.
- 1801 (j) "Eligible university" means an institution of higher education listed in Subsection
- 1802 53H-1-102(1)(a).
- 1803 (k) "Eligible university property" means real property owned by an eligible university as
- 1804 of January 1, 2025.
- 1805 (l) "Family member" means a parent, spouse, sibling, child, or grandchild.
- 1806 (m) "Leased property" means eligible university property that:
- 1807 (i) is within a development area; and
- 1808 (ii) an eligible university leases to a private person.
- 1809 (n) "Privilege tax" means a tax imposed under Section 59-4-101.
- 1810 (2)(a) Except as provided in Subsection (2)(f), before January 1, 2035, an eligible
- 1811 university may, by resolution of the eligible university's board of trustees, designate
- 1812 eligible university property as a development area.
- 1813 (b) Before adopting a designation resolution, a board of trustees shall:
- 1814 (i) obtain approval from the Utah Board of Higher Education of the geographic area
- 1815 proposed to be designated as a development area; and
- 1816 (ii) after obtaining approval from the Utah Board of Higher Education under
- 1817 Subsection (2)(b)(i):
- 1818 (A) provide notice of the public hearing required under Subsection (2)(b)(ii)(B),
- 1819 as required for a class A notice under Section 63G-30-102, for at least seven
- 1820 days before the day of the public hearing; and
- 1821 (B) hold a public hearing on the proposed adoption of a designation resolution.
- 1822 (c) A notice under Subsection (2)(b)(ii)(A) shall include a copy of the proposed
- 1823 designation resolution.
- 1824 (d) A designation resolution, including a proposed designation resolution that
- 1825 accompanies a notice under Subsection (2)(b)(ii)(A), shall:
- 1826 (i) accurately describe the boundary of the proposed development area;
- 1827 (ii) describe the development that is proposed to occur in the proposed development
- 1828 area; and
- 1829 (iii) estimate the amount and sources of revenue the eligible university expects to
- 1830 receive from the development area.
- 1831 (e) Before adopting a designation resolution, a board of trustees may modify the
- 1832 proposed designation resolution to:

- 1833 (i) address concerns raised in a public hearing held under Subsection (2)(b)(ii)(B); or  
1834 (ii) clarify or adjust provisions of the proposed designation resolution, as the board of  
1835 trustees considers appropriate.
- 1836 (f) A board of trustees may not adopt a designation resolution if:
- 1837 (i) the board of trustees has previously adopted a designation resolution; or  
1838 (ii) the area in the proposed development area would overlap with part or all of:
- 1839 (A) a community reinvestment project area created under Title 17C, Chapter 5,  
1840 Part 1, Community Reinvestment Project Area Plan, as that project area exists  
1841 on January 1, 2025; or
- 1842 (B) a housing and transit reinvestment zone created under [~~Title 63N, Chapter 3,~~  
1843 ~~Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23,  
1844 Part 2, Housing and Transit Reinvestment Zone, as that zone exists on January  
1845 1, 2025.
- 1846 (3) Within 30 days after a board of trustees' adoption of a designation resolution, the board  
1847 of trustees or the board of trustees' delegee shall deliver a copy of the designation  
1848 resolution to:
- 1849 (a) the clerk of the municipality in which the development area that is the subject of the  
1850 designation resolution is located; and
- 1851 (b) the assessor, treasurer, and auditor of the county in which the development area that  
1852 is the subject of the designation resolution is located.
- 1853 (4)(a) Upon adoption of a designation resolution, a board of trustees shall establish a  
1854 separate fund related to the development area that is the subject of the designation  
1855 resolution.
- 1856 (b) An eligible university shall deposit into a development fund all money the eligible  
1857 university receives from the development and lease of eligible university property  
1858 within a development area.
- 1859 (c) Money in a development fund shall be accounted for separately from any other fund  
1860 of the eligible university.
- 1861 (d) An eligible university may use money in a development fund for:
- 1862 (i) expenses associated with the development of the development area;  
1863 (ii) capital facility projects of the eligible university;  
1864 (iii) operation and maintenance costs associated with capital facilities of the eligible  
1865 university; or  
1866 (iv) any other eligible university-related purpose.

- (5) An eligible university may enter into a development agreement.
- (6)(a) A board of trustees member may not participate in a development action if the board of trustees member or a family member of the board of trustees member owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the board of trustees member reasonably believes is likely to participate in or receive a direct financial benefit from the development of land that is the subject of a development agreement.
- (b) Before the board of trustees approves a development agreement, the board of trustees shall require any member with a conflict to disclose the conflict in writing to the board of trustees.
- (c) Nothing in this Subsection (6) affects the application or effect of any other code provision applicable to a board of trustees member relating to ethics or conflicts of interest.
- (7)(a) Beginning January 1 of the year immediately following the execution of a development agreement, the possession or other beneficial use enjoyed by a person of leased property that is located within the development area subject to the development agreement shall be subject to Title 59, Chapter 4, Privilege Tax, if that leased property is used in connection with a business conducted for profit.
- (b) The treasurer of the county in which the leased property described in Subsection (7)(a) is located shall, in the manner and at the time provided in Section 59-2-1365:
- (i) collect privilege tax from a lessee of the leased property; and
  - (ii) distribute 80% of the privilege tax revenue to the eligible university.
- (8)(a) A board of trustees shall present a written report to the Higher Education Appropriations Subcommittee no later than September 30 of each year after the board of trustees' adoption of a designation resolution.
- (b) A report under Subsection (8)(a) shall:
- (i) describe the development taking place or expected to take place within the development area; and
  - (ii) provide a summary of money deposited into and expended from the development fund for that development area.
- Section 17. Section **59-1-306** is amended to read:
- 59-1-306 (Effective 05/06/26). Definition -- State Tax Commission**
- Administrative Charge Account -- Amount of administrative charge -- Deposit of revenue into the restricted account -- Interest deposited into General Fund --**



**Expenditure of money deposited into the restricted account.**

- (1) As used in this section, "qualifying tax, fee, or charge" means a tax, fee, or charge the commission administers under:
- (a) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
  - (b) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
  - (c) Section 19-6-714;
  - (d) Section 19-6-805;
  - (e) Chapter 12, Sales and Use Tax Act, other than a tax under Chapter 12, Part 1, Tax Collection, or Chapter 12, Part 18, Additional State Sales and Use Tax Act;
  - (f) Section 59-27-105;
  - (g) Chapter 31, Cannabinoid Licensing and Tax Act;
  - (h) Chapter 32, Local Impact Mitigation Tax Act;
  - (i) Chapter 33, Wind or Solar Electric Generation Facility Capacity Tax;
  - (j) Section 63H-1-205;
  - (k) ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone;~~or~~
  - (l) Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone;
  - (m) Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City;
  - ~~[(H)]~~ (n) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; or
  - ~~[(m)]~~ (o) Title 79, Chapter 6, Part ~~[11]~~ 14, Energy Project Assessment.
- (2) There is created a restricted account within the General Fund known as the "State Tax Commission Administrative Charge Account."
- (3) Subject to the other provisions of this section, the restricted account shall consist of administrative charges the commission retains and deposits in accordance with this section.
- (4) For purposes of this section, the administrative charge is a percentage of revenue the commission collects from each qualifying tax, fee, or charge of not to exceed the lesser of:
- (a) 1.5%; or
  - (b) an equal percentage of revenue the commission collects from each qualifying tax, fee, or charge sufficient to cover the cost to the commission of administering the qualifying taxes, fees, or charges.

- (5) The commission shall deposit an administrative charge into the restricted account.
- (6) Interest earned on the restricted account shall be deposited into the General Fund.
- (7) The commission shall expend money appropriated by the Legislature to the commission from the restricted account to administer qualifying taxes, fees, or charges or to offset general operational expenses.

Section 18. Section **59-2-924** is amended to read:

**59-2-924 (Effective 05/06/26). Definitions -- Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the commission.**

(1) As used in this section:

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

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

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

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

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

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

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

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

(A) semiconductor manufacturing equipment assessed by a county assessor in

accordance with Part 3, County Assessment; and

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

(d) "Base taxable value" means:

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

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section ~~[11-59-207]~~ 11-59-208;

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

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

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

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

(vii) for a housing and transit reinvestment zone or convention center reinvestment zone created under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;]~~ Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone, Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, or Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City, the same as that term is defined in Section 63N-23-101;

(viii) for a home ownership promotion zone created under ~~[Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone]~~ Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N, Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section ~~[10-21-101]~~ 63N-23-501 or ~~[Section 17-80-101]~~ 63N-23-601;

(ix) for a first home investment zone created under ~~[Title 63N, Chapter 3, Part 16, First Home Investment Zone Act]~~ Title 63N, Chapter 23, Part 7, First Home Investment Zone, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section ~~[63N-3-1601]~~ 63N-23-701;

- 2003 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,  
2004 Major Sporting Event Venue Zone Act, a property's taxable value as shown upon  
2005 the assessment roll last equalized during the property tax base year, as that term is  
2006 defined in Section 63N-3-1701; or
- 2007 (xi) for an electrical energy development zone created under Section 79-6-1104, the  
2008 value of the property within an electrical energy development zone, as shown on  
2009 the assessment roll last equalized before the creation of the electrical development  
2010 zone, as that term is defined in Section 79-6-1104.
- 2011 (e) "Centrally assessed benchmark value" means an amount equal to the average year  
2012 end taxable value of real and personal property the commission assesses in  
2013 accordance with Part 2, Assessment of Property, for the previous three calendar  
2014 years, adjusted for taxable value attributable to:
- 2015 (i) an annexation to a taxing entity;
- 2016 (ii) an incorrect allocation of taxable value of real or personal property the  
2017 commission assesses in accordance with Part 2, Assessment of Property; or
- 2018 (iii) a change in value as a result of a change in the method of apportioning the value  
2019 prescribed by the Legislature, a court, or the commission in an administrative rule  
2020 or administrative order.
- 2021 (f) "Centrally assessed industry" means the following industry classes the commission  
2022 assesses in accordance with Part 2, Assessment of Property:
- 2023 (i) air carrier;
- 2024 (ii) coal;
- 2025 (iii) coal load out property;
- 2026 (iv) electric generation;
- 2027 (v) electric rural;
- 2028 (vi) electric utility;
- 2029 (vii) gas utility;
- 2030 (viii) ground access property;
- 2031 (ix) land only property;
- 2032 (x) liquid pipeline;
- 2033 (xi) metalliferous mining;
- 2034 (xii) nonmetalliferous mining;
- 2035 (xiii) oil and gas gathering;
- 2036 (xiv) oil and gas production;

- 2037 (xv) oil and gas water disposal;
- 2038 (xvi) railroad;
- 2039 (xvii) sand and gravel; and
- 2040 (xviii) uranium.
- 2041 (g)(i) "Centrally assessed new growth" means the greater of:
- 2042 (A) for each centrally assessed industry, zero; or
- 2043 (B) the amount calculated by subtracting the centrally assessed benchmark value
- 2044 for each centrally assessed industry, adjusted for prior year end incremental
- 2045 value, from the taxable value of real and personal property the commission
- 2046 assesses in accordance with Part 2, Assessment of Property, for each centrally
- 2047 assessed industry for the current year, adjusted for current year incremental
- 2048 value.
- 2049 (ii) "Centrally assessed new growth" does not include a change in value for a
- 2050 centrally assessed industry as a result of a change in the method of apportioning
- 2051 the value prescribed by the Legislature, a court, or the commission in an
- 2052 administrative rule or administrative order.
- 2053 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property
- 2054 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 2055 (i) "Community reinvestment agency" means the same as that term is defined in Section
- 2056 17C-1-102.
- 2057 (j) "Eligible new growth" means the greater of:
- 2058 (i) zero; or
- 2059 (ii) the sum of:
- 2060 (A) locally assessed new growth;
- 2061 (B) centrally assessed new growth; and
- 2062 (C) project area new growth or hotel property new growth.
- 2063 (k) "Host local government" means the same as that term is defined in Section
- 2064 63N-2-502.
- 2065 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 2066 (m) "Hotel property new growth" means an amount equal to the incremental value that is
- 2067 no longer provided to a host local government as incremental property tax revenue.
- 2068 (n) "Incremental property tax revenue" means the same as that term is defined in Section
- 2069 63N-2-502.
- 2070 (o) "Incremental value" means:

- 2071 (i) for an authority created under Section 11-58-201, the amount calculated by  
2072 multiplying:  
2073 (A) the difference between the taxable value and the base taxable value of the  
2074 property that is located within a project area and on which property tax  
2075 differential is collected; and  
2076 (B) the number that represents the percentage of the property tax differential that  
2077 is paid to the authority;
- 2078 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
2079 an amount calculated by multiplying:  
2080 (A) the difference between the current assessed value of the property and the base  
2081 taxable value; and  
2082 (B) the number that represents the percentage of the property tax augmentation, as  
2083 defined in Section ~~[11-59-207]~~ 11-59-208, that is paid to the Point of the  
2084 Mountain State Land Authority;
- 2085 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
2086 11-70-201, the amount calculated by multiplying:  
2087 (A) the difference between the taxable value for the current year and the base  
2088 taxable value of the property that is located within a project area; and  
2089 (B) the number that represents the percentage of enhanced property tax revenue,  
2090 as defined in Section 11-70-101;
- 2091 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by  
2092 multiplying:  
2093 (A) the difference between the taxable value and the base taxable value of the  
2094 property located within a project area and on which tax increment is collected;  
2095 and  
2096 (B) the number that represents the adjusted tax increment from that project area  
2097 that is paid to the agency;
- 2098 (v) for an authority created under Section 63H-1-201, the amount calculated by  
2099 multiplying:  
2100 (A) the difference between the taxable value and the base taxable value of the  
2101 property located within a project area and on which property tax allocation is  
2102 collected; and  
2103 (B) the number that represents the percentage of the property tax allocation from  
2104 that project area that is paid to the authority;

- 2105 (vi) for a housing and transit reinvestment zone or convention center reinvestment  
 2106 zone created in accordance with [~~Title 63N, Chapter 3, Part 6, Housing and~~  
 2107 ~~Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 2, Housing and  
 2108 Transit Reinvestment Zone, Title 63N, Chapter 23, Part 3, Convention Center  
 2109 Reinvestment Zone, or Title 63N, Chapter 23, Part 4, Convention Center  
 2110 Reinvestment Zone in a Capital City, an amount calculated by multiplying:  
 2111 (A) the difference between the taxable value and the base taxable value of the  
 2112 property that is located within a housing and transit reinvestment zone or  
 2113 convention center reinvestment zone and on which tax increment is collected;  
 2114 and  
 2115 (B) the number that represents the percentage of the tax increment that is paid to  
 2116 the housing and transit reinvestment zone or convention center reinvestment  
 2117 zone;  
 2118 (vii) for a host local government, an amount calculated by multiplying:  
 2119 (A) the difference between the taxable value and the base taxable value of the  
 2120 hotel property on which incremental property tax revenue is collected; and  
 2121 (B) the number that represents the percentage of the incremental property tax  
 2122 revenue from that hotel property that is paid to the host local government;  
 2123 (viii) for a home ownership promotion zone created [~~under Title 10, Chapter 21, Part~~  
 2124 ~~5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,~~  
 2125 ~~Part 5, Home Ownership Promotion Zone]~~ in accordance with Title 63N, Chapter  
 2126 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N,  
 2127 Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, an amount  
 2128 calculated by multiplying:  
 2129 (A) the difference between the taxable value and the base taxable value of the  
 2130 property that is located within a home ownership promotion zone and on which  
 2131 tax increment is collected; and  
 2132 (B) the number that represents the percentage of the tax increment that is paid to  
 2133 the home ownership promotion zone;  
 2134 (ix) for a first home investment zone created in accordance with [~~Title 63N, Chapter~~  
 2135 ~~3, Part 16, First Home Investment Zone Act~~] Title 63N, Chapter 23, Part 7, First  
 2136 Home Investment Zone, an amount calculated by multiplying:  
 2137 (A) the difference between the taxable value and the base taxable value of the  
 2138 property that is located within a first home investment zone and on which tax

- 2139 increment is collected; and
- 2140 (B) the number that represents the percentage of the tax increment that is paid to
- 2141 the first home investment zone;
- 2142 (x) for a major sporting event venue zone created ~~[pursuant to]~~ in accordance with
- 2143 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
- 2144 calculated by multiplying:
- 2145 (A) the difference between the taxable value and the base taxable value of the
- 2146 property located within a qualified development zone for a major sporting
- 2147 event venue zone and upon which property tax increment is collected; and
- 2148 (B) the number that represents the percentage of tax increment that is paid to the
- 2149 major sporting event venue zone, as approved by a major sporting event venue
- 2150 zone committee described in Section 63N-1a-1706; or
- 2151 (xi) for an electrical energy development zone created under Section 79-6-1104, the
- 2152 amount calculated by multiplying:
- 2153 (A) the difference between the taxable value and the base taxable value of the
- 2154 property that is located within the electrical energy developmental zone; and
- 2155 (B) the number that represents the percentage of the tax increment that is paid to a
- 2156 community reinvestment agency and the Electrical Energy Development
- 2157 Investment Fund created in Section 79-6-1105.
- 2158 (p)(i) "Locally assessed new growth" means the greater of:
- 2159 (A) zero; or
- 2160 (B) the amount calculated by subtracting the year end taxable value of real
- 2161 property the county assessor assesses in accordance with Part 3, County
- 2162 Assessment, for the previous year, adjusted for prior year end incremental
- 2163 value from the taxable value of real property the county assessor assesses in
- 2164 accordance with Part 3, County Assessment, for the current year, adjusted for
- 2165 current year incremental value.
- 2166 (ii) "Locally assessed new growth" does not include a change in:
- 2167 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
- 2168 or another adjustment;
- 2169 (B) assessed value based on whether a property is allowed a residential exemption
- 2170 for a primary residence under Section 59-2-103;
- 2171 (C) assessed value based on whether a property is assessed under Part 5, Farmland
- 2172 Assessment Act; or



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

(q) "Project area" means:

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

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

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

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

(v) for a housing and transit reinvestment zone or convention center reinvestment zone created [~~under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone, Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, or Title 63N, Chapter 23, Convention Center Reinvestment Zone in a Capital City, the same as that term is defined in Section [~~63N-3-602~~] 63N-23-101;

(vi) for a home ownership promotion zone created [~~under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone~~] in accordance with Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N, Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, the same as that term is defined in [~~Section 10-21-101 or Section 17-80-101~~] Section 63N-23-101;

(vii) for a first home investment zone created [~~under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 7, First Home Investment Zone, the same as that term is defined in Section [~~63N-3-1601~~] 63N-23-701; or

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

(r) "Project area new growth" means:

(i) for an authority created under Section 11-58-201, an amount equal to the

- 2207 incremental value that is no longer provided to an authority as property tax  
 2208 differential;
- 2209 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,  
 2210 an amount equal to the incremental value that is no longer provided to the Point of  
 2211 the Mountain State Land Authority as property tax augmentation, as defined in  
 2212 Section ~~[11-59-207]~~ 11-59-208;
- 2213 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section  
 2214 11-70-201, an amount equal to the incremental value that is no longer provided to  
 2215 the Utah Fairpark Area Investment and Restoration District;
- 2216 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the  
 2217 incremental value that is no longer provided to an agency as tax increment;
- 2218 (v) for an authority created under Section 63H-1-201, an amount equal to the  
 2219 incremental value that is no longer provided to an authority as property tax  
 2220 allocation;
- 2221 (vi) for a housing and transit reinvestment zone or convention center reinvestment  
 2222 zone created ~~[under Title 63N, Chapter 3, Part 6, Housing and Transit~~  
 2223 ~~Reinvestment Zone Act]~~ in accordance with Title 63N, Chapter 23, Part 2,  
 2224 Housing and Transit Reinvestment Zone, Title 63N, Chapter 23, Part 3,  
 2225 Convention Center Reinvestment Zone, or Title 63N, Chapter 23, Part 4,  
 2226 Convention Center Reinvestment Zone in a Capital City, an amount equal to the  
 2227 incremental value that is no longer provided to a housing and transit reinvestment  
 2228 zone or convention center reinvestment zone as tax increment;
- 2229 (vii) for a home ownership promotion zone created ~~[under Title 10, Chapter 21, Part~~  
 2230 ~~5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,~~  
 2231 ~~Part 5, Home Ownership Promotion Zone]~~ in accordance with Title 63N, Chapter  
 2232 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N,  
 2233 Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, an amount  
 2234 equal to the incremental value that is no longer provided to a home ownership  
 2235 promotion zone as tax increment;
- 2236 (viii) for a first home investment zone created under ~~[Title 63N, Chapter 3, Part 16,~~  
 2237 ~~First Home Investment Zone Act]~~ Title 63N, Chapter 23, Part 7, First Home  
 2238 Investment Zone, an amount equal to the incremental value that is no longer  
 2239 provided to a first home investment zone as tax increment; or
- 2240 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,

- 2241 Major Sporting Event Venue Zone Act, an amount equal to the incremental value  
 2242 that is no longer provided to the creating entity of a major sporting event venue  
 2243 zone as property tax increment.
- 2244 (s) "Project area incremental revenue" means the same as that term is defined in Section  
 2245 17C-1-1001.
- 2246 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 2247 (u) "Property tax differential" means the same as that term is defined in Sections  
 2248 11-58-102 and 79-6-1104.
- 2249 (v) "Tax increment" means:
- 2250 (i) for a project created under Section 17C-1-201.5, the same as that term is defined  
 2251 in Section 17C-1-102;
- 2252 (ii) for a housing and transit reinvestment zone or convention center reinvestment  
 2253 zone created [~~under Title 63N, Chapter 3, Part 6, Housing and Transit~~  
 2254 ~~Reinvestment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 2,  
 2255 Housing and Transit Reinvestment Zone, Title 63N, Chapter 23, Part 3,  
 2256 Convention Center Reinvestment Zone, or Title 63N, Chapter 23, Part 4,  
 2257 Convention Center Reinvestment Zone in a Capital City, the same as the term  
 2258 "property tax increment" is defined in Section [~~63N-3-602~~] 63N-23-101;
- 2259 (iii) for a home ownership promotion zone created [~~under Title 10, Chapter 21, Part~~  
 2260 ~~5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,~~  
 2261 ~~Part 5, Home Ownership Promotion Zone~~] in accordance with Title 63N, Chapter  
 2262 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N,  
 2263 Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, the same as  
 2264 that term is defined in Section 10-21-101 or [~~Section~~] 17-80-101;
- 2265 (iv) for a first home investment zone created [~~under Title 63N, Chapter 3, Part 16,~~  
 2266 ~~First Home Investment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 7,  
 2267 First Home Investment Zone, the same as that term is defined in Section [  
 2268 ~~63N-3-1601~~] 63N-23-701; or
- 2269 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part 17,  
 2270 Major Sporting Event Venue Zone Act, property tax increment, as that term is  
 2271 defined in Section 63N-3-1701.
- 2272 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and  
 2273 the commission the following statements:
- 2274 (a) a statement containing the aggregate valuation of all taxable real property a county

2275           assessor assesses in accordance with Part 3, County Assessment, for each taxing  
2276           entity; and

2277           (b) a statement containing the taxable value of all personal property a county assessor  
2278           assesses in accordance with Part 3, County Assessment, from the prior year end  
2279           values.

2280           (3) The county auditor shall, on or before June 8, transmit to the governing body of each  
2281           taxing entity:

2282           (a) the statements described in Subsections (2)(a) and (b);

2283           (b) an estimate of the revenue from personal property;

2284           (c) the certified tax rate; and

2285           (d) all forms necessary to submit a tax levy request.

2286           (4)(a) Except as otherwise provided in this section, the certified tax rate shall be  
2287           calculated by dividing the ad valorem property tax revenue that a taxing entity  
2288           budgeted for the prior year by the amount calculated under Subsection (4)(b).

2289           (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall  
2290           calculate an amount as follows:

2291           (i) calculate for the taxing entity the difference between:

2292                (A) the aggregate taxable value of all property taxed; and

2293                (B) any adjustments for current year incremental value;

2294           (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount  
2295           determined by increasing or decreasing the amount calculated under Subsection  
2296           (4)(b)(i) by the average of the percentage net change in the value of taxable  
2297           property for the equalization period for the three calendar years immediately [   
2298           ~~preceeding~~] before the current calendar year;

2299           (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the  
2300           product of:

2301                (A) the amount calculated under Subsection (4)(b)(ii); and

2302                (B) the percentage of property taxes collected for the five calendar years  
2303                immediately [~~preceeding~~] before the current calendar year; and

2304           (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an  
2305           amount determined by:

2306                (A) multiplying the percentage of property taxes collected for the five calendar  
2307                years immediately [~~preceeding~~] before the current calendar year by eligible new  
2308                growth; and

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

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

(a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified tax rate is zero;

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

(i) in a county of the first, second, or third class, the levy imposed for municipal-type services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services to Unincorporated Areas; and

(ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-78-501 and Subsection 17-63-101(23);

(c) for a community reinvestment agency that received all or a portion of a taxing entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4) except that the commission shall treat the total revenue transferred to the community reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the prior year; and

(d) for debt service voted on by the public, the certified tax rate is the actual levy imposed by that section, except that a certified tax rate for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy one or more eligible judgments.

(b) The ad valorem property tax revenue generated by a judgment levy described in Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax rate.

(7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment;

2343 and

2344 (B) contained on the assessment roll;

2345 (ii) the year end taxable value of personal property:

2346 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

2347 (B) contained on the prior year's assessment roll; and

2348 (iii) the taxable value of real and personal property the commission assesses in  
2349 accordance with Part 2, Assessment of Property.

2350 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new  
2351 growth.

2352 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.

2353 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify  
2354 the county auditor of:

2355 (i) the taxing entity's intent to exceed the certified tax rate; and

2356 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

2357 (c) The county auditor shall notify property owners of any intent to levy a tax rate that  
2358 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

2359 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through  
2360 electronic means on or before July 31, to a taxing entity and the Revenue and  
2361 Taxation Interim Committee if:

2362 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end  
2363 taxable value of the real and personal property the commission assesses in  
2364 accordance with Part 2, Assessment of Property, for the previous year, adjusted  
2365 for prior year end incremental value; and

2366 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year  
2367 end taxable value of the real and personal property of a taxpayer the commission  
2368 assesses in accordance with Part 2, Assessment of Property, for the previous year.

2369 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by  
2370 subtracting the taxable value of real and personal property the commission assesses  
2371 in accordance with Part 2, Assessment of Property, for the current year, adjusted for  
2372 current year incremental value, from the year end taxable value of the real and  
2373 personal property the commission assesses in accordance with Part 2, Assessment of  
2374 Property, for the previous year, adjusted for prior year end incremental value.

2375 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by  
2376 subtracting the total taxable value of real and personal property of a taxpayer the

2377 commission assesses in accordance with Part 2, Assessment of Property, for the  
 2378 current year, from the total year end taxable value of the real and personal property of  
 2379 a taxpayer the commission assesses in accordance with Part 2, Assessment of  
 2380 Property, for the previous year.

2381 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the  
 2382 requirement under Subsection (9)(a)(ii).

2383 Section 19. Section **59-12-103** is amended to read:

2384 **59-12-103 (Effective 05/06/26) (Superseded 07/01/26). Sales and use tax base --**

2385 **Rates -- Effective dates -- Use of sales and use tax revenue.**

2386 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales  
 2387 price for amounts paid or charged for the following transactions:

2388 (a) retail sales of tangible personal property made within the state;

2389 (b) amounts paid for:

2390 (i) telecommunications service, other than mobile telecommunications service, that  
 2391 originates and terminates within the boundaries of this state;

2392 (ii) mobile telecommunications service that originates and terminates within the  
 2393 boundaries of one state only to the extent permitted by the Mobile  
 2394 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

2395 (iii) an ancillary service associated with a:

2396 (A) telecommunications service described in Subsection (1)(b)(i); or

2397 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

2398 (c) sales of the following for commercial use:

2399 (i) gas;

2400 (ii) electricity;

2401 (iii) heat;

2402 (iv) coal;

2403 (v) fuel oil; or

2404 (vi) other fuels;

2405 (d) sales of the following for residential use:

2406 (i) gas;

2407 (ii) electricity;

2408 (iii) heat;

2409 (iv) coal;

2410 (v) fuel oil; or

- 2411 (vi) other fuels;
- 2412 (e) sales of prepared food;
- 2413 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 2414 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
- 2415 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
- 2416 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
- 2417 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
- 2418 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
- 2419 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
- 2420 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
- 2421 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
- 2422 activity;
- 2423 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 2424 property, unless Section 59-12-104 provides for an exemption from sales and use tax
- 2425 for:
- 2426 (i) the tangible personal property; and
- 2427 (ii) parts used in the repairs or renovations of the tangible personal property described
- 2428 in Subsection (1)(g)(i), regardless of whether:
- 2429 (A) any parts are actually used in the repairs or renovations of that tangible
- 2430 personal property; or
- 2431 (B) the particular parts used in the repairs or renovations of that tangible personal
- 2432 property are exempt from a tax under this chapter;
- 2433 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
- 2434 cleaning or washing of tangible personal property;
- 2435 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
- 2436 court accommodations and services;
- 2437 (j) amounts paid or charged for laundry or dry cleaning services;
- 2438 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 2439 this state the tangible personal property is:
- 2440 (i) stored;
- 2441 (ii) used; or
- 2442 (iii) otherwise consumed;
- 2443 (l) amounts paid or charged for tangible personal property if within this state the tangible
- 2444 personal property is:



- 2445 (i) stored;
- 2446 (ii) used; or
- 2447 (iii) consumed;
- 2448 (m) amounts paid or charged for a sale:
- 2449 (i)(A) of a product transferred electronically; or
- 2450 (B) of a repair or renovation of a product transferred electronically; and
- 2451 (ii) regardless of whether the sale provides:
- 2452 (A) a right of permanent use of the product; or
- 2453 (B) a right to use the product that is less than a permanent use, including a right:
- 2454 (I) for a definite or specified length of time; and
- 2455 (II) that terminates upon the occurrence of a condition; and
- 2456 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 2457 state.
- 2458 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
- 2459 imposed on a transaction described in Subsection (1) equal to the sum of:
- 2460 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 2461 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 2462 (B)(I) the tax rate the state imposes in accordance with Part 18, Additional
- 2463 State Sales and Use Tax Act, if the location of the transaction as determined
- 2464 under Sections 59-12-211 through 59-12-215 is in a county in which the
- 2465 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
- 2466 and
- 2467 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
- 2468 State Sales and Use Tax Act, if the location of the transaction as determined
- 2469 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
- 2470 unincorporated area of a county in which the state imposes the tax under
- 2471 Part 20, Supplemental State Sales and Use Tax Act; and
- 2472 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 2473 transaction under this chapter other than this part.
- 2474 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 2475 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 2476 to the sum of:
- 2477 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 2478 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e)(i)(A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.

(ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

(iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

(B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction

imposed on the shared vehicle owner.

(iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

(v) A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.

(vi) A car-sharing program shall:

(A) retain tax information for each car-sharing program transaction; and

(B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.

(f)(i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction equal to the sum of:

(I) the tax rate described in Subsection (2)(a)(i)(A); and

(II)(Aa) the tax rate the state imposes in accordance with Part 18,

Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled

transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g)(i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and

records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(h)(i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i); or

(iv) Subsection (2)(f)(i)(A)(I).

(j)(i) A tax rate increase takes effect on the first day of the first billing period that

begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(f)(i)(A)(I).

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(f)(i)(A)(I).

(k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

- (A) on the first day of a calendar quarter; and
- (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

(ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(f)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

- 2649 (A) a commercial use;
- 2650 (B) an industrial use; or
- 2651 (C) a residential use.
- 2652 (3)(a) The following state taxes shall be deposited into the General Fund:
- 2653 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2654 (ii) the tax imposed by Subsection (2)(b)(i);
- 2655 (iii) the tax imposed by Subsection (2)(c)(i); and
- 2656 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2657 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 2658 in this chapter:
- 2659 (i) the tax imposed by Subsection (2)(a)(ii);
- 2660 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2661 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2662 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 2663 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- 2664 (4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 2665 2003, the lesser of the following amounts shall be expended as provided in
- 2666 Subsections (4)(b) through (g):
- 2667 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 2668 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 2669 (B) for the fiscal year; or
- 2670 (ii) \$17,500,000.
- 2671 (b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 2672 described in Subsection (4)(a) shall be transferred each year as designated sales
- 2673 and use tax revenue to the Division of Wildlife Resources to:
- 2674 (A) implement the measures described in Subsections 23A-3-214(3)(a) through (d)
- 2675 to protect sensitive plant and animal species; or
- 2676 (B) award grants, up to the amount authorized by the Legislature in an
- 2677 appropriations act, to political subdivisions of the state to implement the
- 2678 measures described in Subsections 23A-3-214(3)(a) through (d) to protect
- 2679 sensitive plant and animal species.
- 2680 (ii) Money transferred to the Division of Wildlife Resources under Subsection
- 2681 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or
- 2682 any other person to list or attempt to have listed a species as threatened or

endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Conservation created in Section 4-46-401 to implement water related programs.

(d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water



Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

- (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
- (ii) develop underground sources of water, including springs and wells; and
- (iii) develop surface water sources.

(5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
- (ii) \$17,500,000.

(b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

- 2751 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
2752 remaining difference described in Subsection (5)(a) shall be:
- 2753 (A) transferred each fiscal year to the Division of Water Resources as designated  
2754 sales and use tax revenue; and
- 2755 (B) expended by the Division of Water Resources for cloud-seeding projects  
2756 authorized by Title 73, Chapter 15, Modification of Weather.
- 2757 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use  
2758 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources  
2759 Conservation and Development Fund created in Section 73-10-24.
- 2760 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the  
2761 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
2762 Resources Conservation and Development Fund created in Section 73-10-24 for use  
2763 by the Division of Water Resources for:
- 2764 (i) preconstruction costs:
- 2765 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,  
2766 Chapter 26, Bear River Development Act; and
- 2767 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
2768 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 2769 (ii) the cost of employing a civil engineer to oversee any project authorized by Title  
2770 73, Chapter 26, Bear River Development Act;
- 2771 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline  
2772 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development  
2773 Act; and
- 2774 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and  
2775 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)  
2776 through (iii).
- 2777 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the  
2778 remaining difference described in Subsection (5)(a) shall be deposited each year into  
2779 the Water Rights Restricted Account created by Section 73-2-1.6.
- 2780 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each  
2781 fiscal year, the commission shall deposit into the Water Infrastructure Restricted  
2782 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax  
2783 rate on the transactions described in Subsection (1) for the fiscal year.
- 2784 (7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and (d),

for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 24% of the revenue collected from the following sales and use taxes:

- (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to .44% of the revenue collected from the following sales and use taxes:

- (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (B) the tax imposed by Subsection (2)(b)(i);
- (C) the tax imposed by Subsection (2)(c)(i); and
- (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

(ii) The commission shall annually deposit the amount described in Subsection (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.

(c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

- (A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);
- (B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and
- (C) revenue transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

(ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.

- 2819 (iii) The commission shall annually deposit the amount described in Subsection  
2820 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection [  
2821 ~~72-2-124(11)~~] 72-2-124(12).
- 2822 (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall  
2823 annually reduce the deposit into the Transportation Investment Fund of 2005  
2824 under this Subsection (7) by an amount that is equal to 1% of the revenue  
2825 collected from the following sales and use taxes:
- 2826 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
  - 2827 (B) the tax imposed by Subsection (2)(b)(i);
  - 2828 (C) the tax imposed by Subsection (2)(c)(i); and
  - 2829 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2830 (ii) The commission shall annually deposit the amount described in Subsection  
2831 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- 2832 (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
2833 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or  
2834 after July 1, 2018, the commission shall annually deposit into the Transportation  
2835 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed  
2836 under Subsection (3)(a) in an amount equal to 3.68% of the revenue collected from  
2837 the following taxes:
- 2838 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
  - 2839 (ii) the tax imposed by Subsection (2)(b)(i);
  - 2840 (iii) the tax imposed by Subsection (2)(c)(i); and
  - 2841 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 2842 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually  
2843 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection  
2844 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the  
2845 current fiscal year by the portion of the tax imposed on motor and special fuel that is  
2846 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- 2847 (c) The commission shall annually deposit the amount described in Subsection (8)(b)  
2848 into the Transit Transportation Investment Fund created in Section 72-2-124.
- 2849 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
2850 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies  
2851 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- 2852 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal

year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.

(11)(a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in Section 26B-1-315.

(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

(13)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (17), (18), and (19), and as described in Section ~~[63N-3-610]~~ 63N-23-206, beginning the first day of a calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section ~~[63N-3-602]~~ 63N-23-101, into the Transit Transportation Investment Fund created in Section 72-2-124.

(b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and except as provided in Subsections (17), (18), and (19), and as described in Section ~~[63N-3-610.1]~~ 63N-23-406, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established in a capital city under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment as

defined in Section [~~63N-3-602~~] 63N-23-101 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section [~~63N-3-602~~] 63N-23-101, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 and specified in the convention center reinvestment zone proposal submitted [~~pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City.

(14)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2025, the commission shall, in accordance with Subsection (14)(b), transfer a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenue collected from the following sales and use taxes:

- (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) The commission shall transfer the portion of the taxes described in Subsection (14)(a) as follows:

- (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902, an amount equal to the amount that was deposited into the Outdoor Adventure Infrastructure Restricted Account in fiscal year 2025; and
- (ii) for any amount exceeding the amount described in Subsection (14)(b)(i), 50% into the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

(15) Notwithstanding Subsection (3)(a) and except as provided in Subsections (17), (18), and (19), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as defined in Section 11-70-101.

(16)(a) As used in this Subsection (16):

- (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)(b) that the point of the mountain authority acquires after the point of the mountain authority provides the commission a map under Subsection (16)(c).

- 2921 (ii) "Point of the mountain authority" means the Point of the Mountain State Land  
 2922 Authority, created in Section 11-59-201.
- 2923 (iii) "Point of the mountain state land" means the same as that term is defined in  
 2924 Section 11-59-102.
- 2925 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsection (17), (18),  
 2926 and (19), the commission shall distribute to the point of the mountain authority 50%  
 2927 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a  
 2928 4.7% rate, on transactions occurring on the point of the mountain state land.
- 2929 (c) The distribution under Subsection (16)(b) shall begin the next calendar quarter that  
 2930 begins at least 90 days after the point of the mountain authority provides the  
 2931 commission a map that:  
 2932 (i) accurately describes the point of the mountain state land; and  
 2933 (ii) the point of the mountain authority certifies as accurate.
- 2934 (d) A distribution under Subsection (16)(b) with respect to additional land shall begin  
 2935 the next calendar quarter that begins at least 90 days after the point of the mountain  
 2936 authority provides the commission a map of point of the mountain state land that:  
 2937 (i) accurately describes the point of the mountain state land, including the additional  
 2938 land; and  
 2939 (ii) the point of the mountain authority certifies as accurate.
- 2940 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue  
 2941 distributed to the point of the mountain authority under Subsection (16)(b), the  
 2942 point of the mountain authority shall immediately notify the commission in  
 2943 writing that the bonds are paid in full.
- 2944 (ii) The commission shall discontinue distributions of sales and use tax revenue under  
 2945 Subsection (16)(b) at the beginning of the calendar quarter that begins at least 90  
 2946 days after the date that the commission receives the written notice under  
 2947 Subsection (16)(e)(i).
- 2948 (17)(a) As used in this Subsection (17):  
 2949 (i) "Applicable percentage" means:  
 2950 (A) for a housing and transit reinvestment zone created under [~~Title 63N, Chapter~~  
 2951 ~~3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23,  
 2952 Part 2, Housing and Transit Reinvestment Zone, 15% of the revenue from the  
 2953 sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales  
 2954 occurring within the qualified development zone described in Subsection

- 2955 (17)(a)(ii)(A);
- 2956 (B) for the Utah Fairpark Area Investment and Restoration District created in
- 2957 Section 11-70-201, the revenue from the sales and use tax imposed by
- 2958 Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified
- 2959 development zone described in Subsection (17)(a)(ii)(B); and
- 2960 (C) for the Point of the Mountain State Land Authority created in Section
- 2961 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection
- 2962 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development
- 2963 zone described in Subsection (17)(a)(ii)(C).
- 2964 (ii) "Qualified development zone" means:
- 2965 (A) the sales and use tax boundary of a housing and transit reinvestment zone
- 2966 created under [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment~~
- 2967 ~~Act~~] Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone;
- 2968 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
- 2969 Fairpark Area Investment and Restoration District, created in Section
- 2970 11-70-201; or
- 2971 (C) the sales and use tax boundary of point of the mountain state land, as defined
- 2972 in Section 11-59-102, under the Point of the Mountain State Land Authority
- 2973 created in Section 11-59-201.
- 2974 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
- 2975 TC-62M, Schedule J or a substantially similar form as designated by the
- 2976 commission.
- 2977 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
- 2978 qualified development zone shall be deposited into the General Fund.
- 2979 (18)(a) As used in Subsections (18) and (19):
- 2980 (i) "Applicable percentage" means, for a convention center reinvestment zone created
- 2981 in a capital city under [~~Title 63N, Chapter 3, Part 6, Housing and Transit~~
- 2982 ~~Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 4, Convention Center
- 2983 Reinvestment Zone in a Capital City, an amount equal to 50% of the sales and use
- 2984 tax increment, as that term is defined in Section [~~63N-3-602~~] 63N-23-101, from
- 2985 the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales
- 2986 occurring within the qualified development zone described in Subsection
- 2987 (18)(a)(ii).
- 2988 (ii) "Qualified development zone" means the sales and use tax boundary of a



convention center reinvestment zone created in a capital city under [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City.

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

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

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

(b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (18)(c) to a qualified development zone if the seller of the construction materials:

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

(ii) reports the sales of the construction materials to the delivery outlet described in Subsection (18)(b)(i); and

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

(c) For the purposes of Subsection (18)(b), the product is equal to:

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

(ii) the applicable percentage.

(19)(a) As used in this Subsection (19), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.

(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.

Section 20. Section **59-12-103** is amended to read:

**59-12-103 (Effective 07/01/26). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenue.**

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid for:

(i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;

(ii) mobile telecommunications service that originates and terminates within the

- 3023 boundaries of one state only to the extent permitted by the Mobile  
3024 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
3025 (iii) an ancillary service associated with a:  
3026 (A) telecommunications service described in Subsection (1)(b)(i); or  
3027 (B) mobile telecommunications service described in Subsection (1)(b)(ii);  
3028 (c) sales of the following for commercial use:  
3029 (i) gas;  
3030 (ii) electricity;  
3031 (iii) heat;  
3032 (iv) coal;  
3033 (v) fuel oil; or  
3034 (vi) other fuels;  
3035 (d) sales of the following for residential use:  
3036 (i) gas;  
3037 (ii) electricity;  
3038 (iii) heat;  
3039 (iv) coal;  
3040 (v) fuel oil; or  
3041 (vi) other fuels;  
3042 (e) sales of prepared food;  
3043 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
3044 user fees for theaters, movies, operas, museums, planetariums, shows of any type or  
3045 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,  
3046 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling  
3047 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling  
3048 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,  
3049 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,  
3050 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or  
3051 any other amusement, entertainment, recreation, exhibition, cultural, or athletic  
3052 activity;  
3053 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
3054 property, unless Section 59-12-104 provides for an exemption from sales and use tax  
3055 for:  
3056 (i) the tangible personal property; and

- 3057 (ii) parts used in the repairs or renovations of the tangible personal property described  
3058 in Subsection (1)(g)(i), regardless of whether:
- 3059 (A) any parts are actually used in the repairs or renovations of that tangible  
3060 personal property; or
- 3061 (B) the particular parts used in the repairs or renovations of that tangible personal  
3062 property are exempt from a tax under this chapter;
- 3063 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted  
3064 cleaning or washing of tangible personal property;
- 3065 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer  
3066 court accommodations and services;
- 3067 (j) amounts paid or charged for laundry or dry cleaning services;
- 3068 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
3069 this state the tangible personal property is:
- 3070 (i) stored;
- 3071 (ii) used; or
- 3072 (iii) otherwise consumed;
- 3073 (l) amounts paid or charged for tangible personal property if within this state the tangible  
3074 personal property is:
- 3075 (i) stored;
- 3076 (ii) used; or
- 3077 (iii) consumed;
- 3078 (m) amounts paid or charged for a sale:
- 3079 (i)(A) of a product transferred electronically; or
- 3080 (B) of a repair or renovation of a product transferred electronically; and
- 3081 (ii) regardless of whether the sale provides:
- 3082 (A) a right of permanent use of the product; or
- 3083 (B) a right to use the product that is less than a permanent use, including a right:
- 3084 (I) for a definite or specified length of time; and
- 3085 (II) that terminates upon the occurrence of a condition; and
- 3086 (n) sales of leased tangible personal property from the lessor to the lessee made in the  
3087 state.
- 3088 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are  
3089 imposed on a transaction described in Subsection (1) equal to the sum of:
- 3090 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

- 3091 (A) 4.70%;
- 3092 (B) the rate specified in Subsection (6)(a); and
- 3093 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State
- 3094 Sales and Use Tax Act, if the location of the transaction as determined under
- 3095 Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated
- 3096 area of a county in which the state imposes the tax under Part 20, Supplemental
- 3097 State Sales and Use Tax Act; and
- 3098 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 3099 transaction under this chapter other than this part.
- 3100 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
- 3101 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
- 3102 to the sum of:
- 3103 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 3104 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 3105 transaction under this chapter other than this part.
- 3106 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
- 3107 on amounts paid or charged for food and food ingredients equal to the sum of:
- 3108 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
- 3109 at a tax rate of 1.75%; and
- 3110 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 3111 amounts paid or charged for food and food ingredients under this chapter other
- 3112 than this part.
- 3113 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
- 3114 or charged for fuel to a common carrier that is a railroad for use in a locomotive
- 3115 engine at a rate equal to the sum of the rates described in Subsections (2)(a)(i)(A) and
- 3116 (2)(a)(i)(B).
- 3117 (e)(i)(A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not
- 3118 apply to car sharing, a car sharing program, a shared vehicle driver, or a shared
- 3119 vehicle owner, for a car sharing or shared vehicle transaction if a shared
- 3120 vehicle owner certifies to the commission, on a form prescribed by the
- 3121 commission, that the shared vehicle is an individual-owned shared vehicle.
- 3122 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
- 3123 required once during the time that the shared vehicle owner owns the shared
- 3124 vehicle.

- 3125 (C) The commission shall verify that a shared vehicle is an individual-owned  
3126 shared vehicle by verifying that the applicable Utah taxes imposed under this  
3127 chapter were paid on the purchase of the shared vehicle.
- 3128 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified  
3129 individual-owned shared vehicle shared through a car-sharing program even if  
3130 non-certified shared vehicles are also available to be shared through the same  
3131 car-sharing program.
- 3132 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.
- 3133 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's  
3134 representation that the shared vehicle is an individual-owned shared vehicle  
3135 certified with the commission as described in Subsection (2)(e)(i).
- 3136 (B) If a car-sharing program relies in good faith on a shared vehicle owner's  
3137 representation that the shared vehicle is an individual-owned shared vehicle  
3138 certified with the commission as described in Subsection (2)(e)(i), the  
3139 car-sharing program is not liable for any tax, penalty, fee, or other sanction  
3140 imposed on the shared vehicle owner.
- 3141 (iv) If all shared vehicles shared through a car-sharing program are certified as  
3142 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has  
3143 no obligation to collect and remit the tax under Subsections (2)(a)(i)(A) and  
3144 (2)(a)(i)(B) for that tax period.
- 3145 (v) A car-sharing program is not required to list or otherwise identify an  
3146 individual-owned shared vehicle on a return or an attachment to a return.
- 3147 (vi) A car-sharing program shall:
- 3148 (A) retain tax information for each car-sharing program transaction; and
- 3149 (B) provide the information described in Subsection (2)(e)(vi)(A) to the  
3150 commission at the commission's request.
- 3151 (f)(i) For a bundled transaction that is attributable to food and food ingredients and  
3152 tangible personal property other than food and food ingredients, a state tax and a  
3153 local tax is imposed on the entire bundled transaction equal to the sum of:
- 3154 (A) the tax rates described in Subsection (2)(a)(i); and
- 3155 (B) a local tax imposed on the entire bundled transaction at the sum of the tax  
3156 rates described in Subsection (2)(a)(ii).
- 3157 (ii) If an optional computer software maintenance contract is a bundled transaction  
3158 that consists of taxable and nontaxable products that are not separately itemized

on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

(iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g)(i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

- 3193 (A) separately states the portion of the transaction that is not subject to taxation  
3194 under this chapter on an invoice, bill of sale, or similar document provided to  
3195 the purchaser; or
- 3196 (B) is able to identify by reasonable and verifiable standards, from the books and  
3197 records the seller keeps in the seller's regular course of business, the portion of  
3198 the transaction that is not subject to taxation under this chapter.
- 3199 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 3200 (A) after the transaction occurs, the purchaser and the seller discover that the  
3201 portion of the transaction that is not subject to taxation under this chapter was  
3202 not separately stated on an invoice, bill of sale, or similar document provided  
3203 to the purchaser because of an error or ignorance of the law; and
- 3204 (B) the seller is able to identify by reasonable and verifiable standards, from the  
3205 books and records the seller keeps in the seller's regular course of business, the  
3206 portion of the transaction that is not subject to taxation under this chapter.
- 3207 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller  
3208 keeps in the seller's regular course of business includes books and records the  
3209 seller keeps in the regular course of business for nontax purposes.
- 3210 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible  
3211 personal property, products, or services that are subject to taxation under this  
3212 chapter at different rates, the entire purchase is subject to taxation under this  
3213 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 3214 (A) separately states the items subject to taxation under this chapter at each of the  
3215 different rates on an invoice, bill of sale, or similar document provided to the  
3216 purchaser; or
- 3217 (B) is able to identify by reasonable and verifiable standards the tangible personal  
3218 property, product, or service that is subject to taxation under this chapter at the  
3219 lower tax rate from the books and records the seller keeps in the seller's regular  
3220 course of business.
- 3221 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the  
3222 seller's regular course of business includes books and records the seller keeps in  
3223 the regular course of business for nontax purposes.
- 3224 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate  
3225 imposed under the following shall take effect on the first day of a calendar quarter:
- 3226 (i) Subsection (2)(a)(i)(A);

- 3227 (ii) Subsection (2)(a)(i)(B);
- 3228 (iii) Subsection (2)(b)(i);
- 3229 (iv) Subsection (2)(c)(i); or
- 3230 (v) Subsection (2)(f)(i)(A).
- 3231 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
- 3232 begins on or after the effective date of the tax rate increase if the billing period for
- 3233 the transaction begins before the effective date of a tax rate increase imposed
- 3234 under:
- 3235 (A) Subsection (2)(a)(i)(A);
- 3236 (B) Subsection (2)(a)(i)(B);
- 3237 (C) Subsection (2)(b)(i);
- 3238 (D) Subsection (2)(c)(i); or
- 3239 (E) Subsection (2)(f)(i)(A).
- 3240 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 3241 statement for the billing period is rendered on or after the effective date of the
- 3242 repeal of the tax or the tax rate decrease imposed under:
- 3243 (A) Subsection (2)(a)(i)(A);
- 3244 (B) Subsection (2)(a)(i)(B);
- 3245 (C) Subsection (2)(b)(i);
- 3246 (D) Subsection (2)(c)(i); or
- 3247 (E) Subsection (2)(f)(i)(A).
- 3248 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
- 3249 is computed on the basis of sales and use tax rates published in the catalogue, a
- 3250 tax rate repeal or change in a tax rate takes effect:
- 3251 (A) on the first day of a calendar quarter; and
- 3252 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
- 3253 change.
- 3254 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 3255 (A) Subsection (2)(a)(i)(A);
- 3256 (B) Subsection (2)(a)(i)(B);
- 3257 (C) Subsection (2)(b)(i);
- 3258 (D) Subsection (2)(c)(i); or
- 3259 (E) Subsection (2)(f)(i)(A).
- 3260 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,



the commission may by rule define the term "catalogue sale."

(l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

(ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:

(A) a commercial use;

(B) an industrial use; or

(C) a residential use.

(3)(a) The commission shall deposit the following state taxes into the General Fund:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i);

(iv) the tax imposed by Subsection (2)(d); and

(v) the tax imposed by Subsection (2)(f)(i)(A).

(b) The commission shall distribute the following local taxes to a county, city, or town as provided in this chapter:

(i) the tax imposed by Subsection (2)(a)(ii);

(ii) the tax imposed by Subsection (2)(b)(ii);

(iii) the tax imposed by Subsection (2)(c)(ii); and

(iv) the tax imposed by Subsection (2)(f)(i)(B).

(4)(a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make the deposits described in Subsections (4)(b) through (4)(h) from the revenue from the taxes imposed by:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i); and

(iv) Subsection (2)(f)(i)(A).

(b) The commission shall deposit 15% of the difference between 1.4543% of the revenue described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Rights Restricted Account created in Section 73-2-1.6.

(c) The commission shall deposit 85% of the difference between 1.4543% of the revenue

described in Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (5)(b)(iv)(B) after funding the uses specified in Subsections (4)(c)(i) through (iii).

(d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a) into the Water Infrastructure Restricted Account created in Section 73-10g-103.

(e)(i) Subject to Subsection (4)(e)(ii), the commission shall deposit 26.24% of the revenue described in Subsection (4)(a) into the Transportation Investment Fund of 2005 created in Section 72-2-124.

(ii) The commission shall annually reduce the deposit described in Subsection (4)(e)(i) by the sum of:

(A) \$1,813,400;

(B) the earmark described in Subsection (5)(c); and

(C) an amount equal to 35% of the revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received in the state that exceeds 29.4 cents per gallon.

(iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into the Transit Transportation Investment Fund created in Section 72-2-124.

(f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.

(g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into

the Commuter Rail Subaccount created in Section 72-2-124.

(h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902 as follows:

(i) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902, an amount equal to the amount that was deposited into the Outdoor Adventure Infrastructure Restricted Account in fiscal year 2025; and

(ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

(5)(a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make the deposits described in this Subsection (5).

(b)(i)(A) The commission shall deposit \$500,000 to the Department of Natural Resources to be used for watershed rehabilitation or restoration.

(B) At the end of each fiscal year, 100% of any unexpended amount described in Subsection (5)(b)(i)(A) shall lapse into the Water Resources Conservation and Development Fund created in Section 73-10-24.

(ii) The commission shall deposit \$150,000 to the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(iii) The commission shall deposit \$525,000 into the Division of Conservation created in Section 4-46-401 to implement water related programs.

(iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources:

(A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;

(B) to conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(C) to fund state required dam safety improvements; and

(D) to protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(A) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(B) develop underground sources of water, including springs and wells; and

(C) develop surface water sources.

(vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources to:

(A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.

(viii) Funds transferred to the Division of Wildlife Resources under Subsection (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et seq.

(ix) At the end of each fiscal year, any unexpended amounts described in Subsections (5)(b)(vii)(A) and (B) shall lapse:

(A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

- 3397 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover  
 3398 the costs incurred in hiring legal and technical staff for the adjudication of water  
 3399 rights.
- 3400 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection  
 3401 (5)(b)(x) shall lapse:
- 3402 (A) 50% into the Water Resources Conservation and Development Fund created  
 3403 in Section 73-10-24;
- 3404 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section  
 3405 73-10c-5; and
- 3406 (C) 25% into the Drinking Water Loan Program Subaccount created in Section  
 3407 73-10c-5.
- 3408 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment  
 3409 Fund created in Section 72-2-124.
- 3410 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food  
 3411 Agencies Fund created by and expended in accordance with Section 35A-8-1009.
- 3412 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit  
 3413 for the sole use of the Search and Rescue Financial Assistance Program created by  
 3414 and to be expended in accordance with Title 53, Chapter 2a, Part 11, Search and  
 3415 Rescue Act.
- 3416 (6)(a) The rate specified in this Subsection (6) is 0.15%.
- 3417 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning  
 3418 on or after July 1, 2019, annually transfer the amount of revenue collected from the  
 3419 rate described in Subsection (6)(a) on the transactions that are subject to the sales and  
 3420 use tax under Subsection (2)(a)(i)(B) into the Medicaid ACA Fund created in Section  
 3421 26B-1-315.
- 3422 (7)(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11),  
 3423 (12), and (13), and as described in Section [~~63N-3-610~~] 63N-23-206, beginning the  
 3424 first day of a calendar quarter one year after the sales and use tax boundary for a  
 3425 housing and transit reinvestment zone is established under [~~Title 63N, Chapter 3, Part~~  
 3426 ~~6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 2,  
 3427 Housing and Transit Reinvestment Zone, the commission, at least annually, shall  
 3428 transfer an amount equal to 15% of the sales and use tax increment from the sales and  
 3429 use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring  
 3430 within an established sales and use tax boundary, as defined in Section [~~63N-3-602~~]

3431 63N-23-101, into the Transit Transportation Investment Fund created in Section  
3432 72-2-124.

3433 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and  
3434 except as provided in Subsections (11), (12), and (13), and as described in Section [  
3435 ~~63N-3-610.1~~] 63N-3-406, beginning the first day of a calendar quarter after the year  
3436 set in the proposal and after the sales and use tax boundary for a convention center  
3437 reinvestment zone is established in a capital city under [~~Title 63N, Chapter 3, Part 6,~~  
3438 ~~Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 4,  
3439 Convention Center Reinvestment Zone in a Capital City, the commission, at least  
3440 annually, shall transfer an amount equal to 50% of the sales and use tax increment as  
3441 defined in Section [~~63N-3-602~~] 63N-23-101 from the sales and use tax imposed by  
3442 Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established  
3443 sales and use tax boundary, as defined in Section [~~63N-3-602~~] 63N-23-101, to a  
3444 convention center public infrastructure district created in accordance with Section  
3445 17D-4-202.1 and specified in the convention center reinvestment zone proposal  
3446 submitted [~~pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit~~  
3447 ~~Reinvestment Zone Act~~] in accordance with Title 63N, Chapter 23, Part 4,  
3448 Convention Center Reinvestment Zone in a Capital City.

3449 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and  
3450 (13), beginning October 1, 2024, the commission shall transfer to the Utah Fairpark  
3451 Area Investment and Restoration District, created in Section 11-70-201, the revenue  
3452 from the sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring  
3453 within the district sales tax area, as defined in Section 11-70-101.

3454 (9)(a) As used in this Subsection (9):

3455 (i) "Additional land" means point of the mountain state land described in Subsection  
3456 11-59-102(6)(b) that the point of the mountain authority acquires after the point of  
3457 the mountain authority provides the commission a map under Subsection (9)(c).

3458 (ii) "Point of the mountain authority" means the Point of the Mountain State Land  
3459 Authority, created in Section 11-59-201.

3460 (iii) "Point of the mountain state land" means the same as that term is defined in  
3461 Section 11-59-102.

3462 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12),  
3463 and (13), the commission shall distribute to the point of the mountain authority 50%  
3464 of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on

transactions occurring on the point of the mountain state land.

(c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:

(i) accurately describes the point of the mountain state land; and

(ii) the point of the mountain authority certifies as accurate.

(d) A distribution under Subsection (9)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:

(i) accurately describes the point of the mountain state land, including the additional land; and

(ii) the point of the mountain authority certifies as accurate.

(e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection (9)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection (9)(e)(i).

(10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.

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

(i) "Applicable percentage" means:

(A) for a housing and transit reinvestment zone created under [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone, 15% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(A);

(B) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified

- 3499 development zone described in Subsection (11)(a)(ii)(B); and
- 3500 (C) for the Point of the Mountain State Land Authority created in Section
- 3501 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection
- 3502 (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development
- 3503 zone described in Subsection (11)(a)(ii)(C).
- 3504 (ii) "Qualified development zone" means:
- 3505 (A) the sales and use tax boundary of a housing and transit reinvestment zone
- 3506 created under [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment~~
- 3507 ~~Act~~] Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone;
- 3508 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah
- 3509 Fairpark Area Investment and Restoration District, created in Section
- 3510 11-70-201; or
- 3511 (C) the sales and use tax boundary of point of the mountain state land, as defined
- 3512 in Section 11-59-102, under the Point of the Mountain State Land Authority
- 3513 created in Section 11-59-201.
- 3514 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form
- 3515 TC-62M, Schedule J or a substantially similar form as designated by the
- 3516 commission.
- 3517 (b) Revenue generated from the applicable percentage by a Schedule J sale within a
- 3518 qualified development zone shall be deposited into the General Fund.
- 3519 (12)(a) As used in Subsections (12) and (13):
- 3520 (i) "Applicable percentage" means, for a convention center reinvestment zone created
- 3521 in a capital city under [~~Title 63N, Chapter 3, Part 6, Housing and Transit~~
- 3522 ~~Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 4, Convention Center
- 3523 Reinvestment Zone in a Capital City, an amount equal to 50% of the sales and use
- 3524 tax increment, as that term is defined in Section [~~63N-3-602~~] 63N-23-101, from
- 3525 the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales
- 3526 occurring within the qualified development zone described in Subsection
- 3527 (12)(a)(ii).
- 3528 (ii) "Qualified development zone" means the sales and use tax boundary of a
- 3529 convention center reinvestment zone created in a capital city under [~~Title 63N,~~
- 3530 ~~Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter
- 3531 23, Part 4, Convention Center Reinvestment Zone in a Capital City.
- 3532 (iii) "Qualifying construction materials" means construction materials that are:



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

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

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

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

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

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

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

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

(ii) the applicable percentage.

(13)(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.

(b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.

Section 21. Section **59-12-205** is amended to read:

**59-12-205 (Effective 05/06/26). Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.**

(1) To maintain in effect sales and use tax ordinances adopted ~~[pursuant to]~~ in accordance with Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

(a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and

(b) as required to conform to the amendments to Part 1, Tax Collection.

(2)(a) Except as provided in Subsections (3), (4), and (5) and subject to Subsection (6):

(i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and

- (ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), (D), (E), and (F), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;
- (B) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201;
- (C) except as provided in Subsections (10) through (13), beginning July 1, 2024, 20% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201;
- (D) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority; ~~and~~
- (E) except as provided in Subsections (10) through (13), beginning January 1, 2026, 50% of each dollar collected from the sales and use tax authorized by this part within the boundary of an eligible basic special district, as that term is defined in Section 17B-1-1405, and if applicable, the boundary of a public infrastructure district created by the eligible basic special district, shall be distributed to the eligible basic special district[-] ; and
- (F) except as provided in Subsections (10) through (13), beginning the first day of a calendar quarter after the sales and use tax boundary for a major sporting event venue zone is established, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment, as defined in Section 63N-3-1701, from the sales and use tax imposed under this part on transactions occurring within a sales and use tax boundary, as described in Section 63N-3-1710, to the creating entity of the major sporting event venue zone.

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

(3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4), (5), and (6), and except as provided in Subsections (8) and (9), and as described in Section ~~[63N-3-610.1]~~ 63N-23-306, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment, as defined in Section ~~[63N-3-602]~~ 63N-23-101, from the sales and use tax imposed under this part on transactions occurring within an established sales and use tax boundary, as defined in Section ~~[63N-3-602]~~ 63N-23-101, to the entity specified in the convention center reinvestment zone proposal submitted [ ~~pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~ ] in accordance with Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone.

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

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

(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection

(4)(b) equal to the amount described in Subsection (4)(b)(ii); and

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

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

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

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

(ii) the minimum tax revenue distribution.

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

(5)(a) For purposes of this Subsection (5):

(i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to 2.55% of the participating local government's tax revenue distribution amount

under Subsection (2)(a)(i) for the previous fiscal year.

(ii) "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.

(b) For revenue collected from the tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a)(i) to a participating local government, shall:

(i) adjust a participating local government's tax revenue distribution under Subsection (2)(a)(i) by:

(A) subtracting an amount equal to one-twelfth of the annual local contribution for each participating local government from the participating local government's tax revenue distribution; and

(B) if applicable, reducing the amount described in Subsection (5)(b)(i)(A) by an amount equal to one-twelfth of \$250 for each bed that is available at all homeless shelters located within the boundaries of the participating local government, as reported to the commission by the Office of Homeless Services in accordance with Section 35A-16-405; and

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

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

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

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

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

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

(A) contains sand and gravel; and

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

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

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

- 3669 (A) the total amount of sand and gravel, measured in tons, sold during a calendar  
3670 year from all sand and gravel extraction sites located within a county, city, or  
3671 town; to
- 3672 (B) the total amount of sand and gravel, measured in tons, sold during the same  
3673 calendar year from sand and gravel extraction sites statewide.
- 3674 (b) For purposes of calculating the ratio described in Subsection (6)(a)(v), the  
3675 commission shall:
- 3676 (i) use the gross sales data provided to the commission as part of the commission's  
3677 property tax valuation process; and
- 3678 (ii) if a sand and gravel extraction site operates as a unit across municipal or county  
3679 lines, apportion the reported tonnage among the counties, cities, or towns based on  
3680 the percentage of the sand and gravel extraction site located in each county, city,  
3681 or town, as approximated by the commission.
- 3682 (c)(i) Each July, the commission shall distribute from total collections under this part  
3683 an amount equal to the annual dedicated sand and gravel sales tax revenue for the  
3684 preceding calendar year to each county, city, or town in the same proportion as the  
3685 county's, city's, or town's tonnage ratio for the preceding calendar year.
- 3686 (ii) The commission shall ensure that the revenue distributed under this Subsection  
3687 (6)(c) is drawn from each jurisdiction's collections in proportion to the  
3688 jurisdiction's share of total collections for the preceding 12-month period.
- 3689 (d) A county, city, or town shall use revenue described in Subsection (6)(c) for class B  
3690 or class C roads.
- 3691 (7)(a) Population figures for purposes of this section shall be based on, to the extent not  
3692 otherwise required by federal law:
- 3693 (i) the most recent estimate from the Utah Population Committee created in Section  
3694 63C-20-103; or
- 3695 (ii) if the Utah Population Committee estimate is not available for each municipality  
3696 and unincorporated area, the adjusted sub-county population estimate provided by  
3697 the Utah Population Committee in accordance with Section 63C-20-104.
- 3698 (b) The population of a county for purposes of this section shall be determined only  
3699 from the unincorporated area of the county.
- 3700 (8)(a) As used in Subsections (8) and (9):
- 3701 (i) "Applicable percentage" means, for a convention center reinvestment zone created  
3702 under [Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]

3703 Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, for sales  
3704 occurring within the qualified development zone described in Subsection (8)(a)(ii),  
3705 100% of the sales and use tax increment, as that term is defined in Section [  
3706 ~~63N-3-602~~] 63N-23-101, from the sales and use tax:

3707 (A) imposed by a city of the first class in a county of the first class under this part;

3708 (B) imposed by a city of the first class in a county of the first class under Section  
3709 59-12-402.1;

3710 (C) imposed by a county of the first class under Section 59-12-1102; and

3711 (D) imposed by a county of the first class under Part 22, Local Option Sales and  
3712 Use Taxes for Transportation Act.

3713 (ii) "Qualified development zone" means the sales and use tax boundary of a  
3714 convention center reinvestment zone created under [~~Title 63N, Chapter 3, Part 6,~~  
3715 ~~Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 3,  
3716 Convention Center Reinvestment Zone.

3717 (iii) "Qualifying construction materials" means construction materials that are:

3718 (A) delivered to a delivery outlet within a qualified development zone; and

3719 (B) intended to be permanently attached to real property within the qualified  
3720 development zone.

3721 (b) For a sale of qualifying construction materials, the commission shall distribute the  
3722 product calculated in Subsection (8)(c) to a qualified development zone if the seller  
3723 of the construction materials:

3724 (i) establishes a delivery outlet with the commission within the qualified development  
3725 zone;

3726 (ii) reports the sales of the construction materials to the delivery outlet described in  
3727 Subsection (8)(b)(i); and

3728 (iii) does not report the sales of the construction materials on a simplified electronic  
3729 return.

3730 (c) For the purposes of Subsection (8)(b), the product is equal to:

3731 (i) the sales price or purchase price of the qualifying construction materials; and

3732 (ii) the applicable percentage.

3733 (9)(a) As used in this Subsection (9), "Schedule J sale" means a sale reported on State  
3734 Tax Commission Form TC-62M, Schedule J, or a substantially similar form as  
3735 designated by the commission.

3736 (b) Revenue generated from the applicable percentage by a Schedule J sale within a

qualified development zone shall be distributed into the jurisdiction that would have received the revenue in the absence of the qualified development zone.

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

(i) "Applicable percentage" means:

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

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

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

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

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

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

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

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

(ii) "Eligible basic special district" means the same as that term is defined in Section 17B-1-1405.

(iii) "Qualified development zone" means the sales and use tax boundary of:

(A) a project area adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act;

- 3771 (B) a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;  
3772 (C) the lake authority boundary, as defined in Section 11-65-101;  
3773 (D) the Utah Fairpark Investment and Restoration District, created in Section  
3774 11-70-201; or  
3775 (E) the area within the boundary of an eligible basic special district, and if  
3776 applicable, the boundary of a public infrastructure district created by the basic  
3777 special district[;] .

3778 (iv) "Qualifying construction materials" means construction materials that are:

- 3779 (A) delivered to a delivery outlet within a qualified development zone; and  
3780 (B) intended to be permanently attached to real property within the qualified  
3781 development zone.

3782 (b) For a sale of qualifying construction materials, the commission shall distribute the  
3783 product calculated in Subsection (10)(c) to a qualified development zone if the seller  
3784 of the construction materials:

- 3785 (i) establishes a delivery outlet with the commission within the qualified development  
3786 zone;  
3787 (ii) reports the sales of the construction materials to the delivery outlet described in  
3788 Subsection (10)(b)(i); and  
3789 (iii) does not report the sales of the construction materials on a simplified electronic  
3790 return; or

3791 (c) For the purposes of Subsection (10)(b), the product is equal to:

- 3792 (i) the sales price or purchase price of the qualifying construction materials; and  
3793 (ii) the applicable percentage.

3794 (11)(a) As used in this Subsection (11):

- 3795 (i) "Applicable percentage" means the same as that term is defined in Subsection (10).  
3796 (ii) "Qualified development zone" means the same as that term is defined in  
3797 Subsection (10).  
3798 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form  
3799 TC-62M, Schedule J or a substantially similar form as designated by the  
3800 commission.

3801 (b) Revenue generated from the applicable percentage by a Schedule J sale within a  
3802 qualified development zone shall be distributed to the jurisdiction that would have  
3803 received the revenue in the absence of the qualified development zone.

3804 (12)(a) As used in this Subsection (12):



- 3805 (i) "Applicable percentage" means, for a major sporting event venue zone created  
 3806 under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for  
 3807 sales occurring within the qualified development zone described in Subsection  
 3808 (12)(a)(ii):  
 3809 (A) 50% of the sales and use tax increment, as that term is defined in Section [  
 3810 ~~63N-3-601~~] 63N-23-101, from the sales and use tax imposed under this part;  
 3811 (B) 100% of the revenue from the sales and use tax imposed by the creating entity  
 3812 of a major sporting event venue zone under Section 59-12-401; and  
 3813 (C) 100% of the revenue from the sales and use tax imposed by the creating entity  
 3814 of a major sporting event venue zone under Section 59-12-402.  
 3815 (ii) "Qualified development zone" means the sales and use tax boundary, as described  
 3816 in Section 63N-3-1710, of a major sporting event venue zone created under Title  
 3817 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.  
 3818 (iii) "Qualifying construction materials" means construction materials that are:  
 3819 (A) delivered to a delivery outlet within a qualified development zone; and  
 3820 (B) intended to be permanently attached to real property within the qualified  
 3821 development zone.  
 3822 (b) For a sale of qualifying construction materials, the commission shall distribute the  
 3823 product calculated in Subsection (12)(c) to the creating entity of a qualified  
 3824 development zone if the seller of the construction materials:  
 3825 (i) establishes a delivery outlet with the commission within the qualified development  
 3826 zone;  
 3827 (ii) reports the sales of the construction materials to the delivery outlet described in  
 3828 Subsection (12)(b)(i); and  
 3829 (iii) does not report the sales of the construction materials on a simplified electronic  
 3830 return[; or] .  
 3831 (c) For the purposes of Subsection (12)(b), the product is equal to:  
 3832 (i) the sales price or purchase price of the qualifying construction materials; and  
 3833 (ii) the applicable percentage.  
 3834 (13)(a) As used in this Subsection (13):  
 3835 (i) "Applicable percentage" means the same as that term is defined in Subsection (12).  
 3836 (ii) "Qualified development zone" means the same as that term is defined in  
 3837 Subsection (12).  
 3838 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form

TC-62M, Schedule J or a substantially similar form as designated by the commission.

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

Section 22. Section **59-12-402.1** is amended to read:

**59-12-402.1 (Effective 05/06/26). State correctional facility sales and use tax -- Base -- Rate -- Collection fees -- Imposition -- Prohibition of military installation development authority imposition of tax.**

- (1) As used in this section, "new state correctional facility" means a new prison in the state:

- (a) that is operated by the Department of Corrections;
- (b) the construction of which begins on or after May 12, 2015; and
- (c) that provides a capacity of 2,500 or more inmate beds.

- (2) Subject to the other provisions of this part, a city or town legislative body may impose a tax under this section if the construction of a new state correctional facility has begun within the boundaries of the city or town.

- (3) For purposes of this section, the tax rate may not exceed .5%.

- (4) Except as provided in Subsection (5), a tax under this section shall be imposed on the transactions described in Subsection 59-12-103(1) within the city or town.

- (5) A city or town may not impose a tax under this section on:

- (a) the sale of:

- (i) a motor vehicle;
- (ii) an aircraft;
- (iii) a watercraft;
- (iv) a modular home;
- (v) a manufactured home; or
- (vi) a mobile home;

- (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt under Section 59-12-104; and

- (c) except as provided in Subsection (7), amounts paid or charged for food and food ingredients.

- (6) For purposes of this section, the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

- (7) A city or town that imposes a tax under this section shall impose the tax on the purchase

price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

- (8) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before distribution of a sales and use tax imposed under this section, and as described in Section ~~[63N-3-610.1]~~ 63N-23-306, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment as defined in Section ~~[63N-3-602]~~ 63N-23-101, from the sales and use tax imposed under this section on transactions occurring within an established sales and use tax boundary, as defined in Section ~~[63N-3-602]~~ 63N-23-101, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1.

- (9) A city or town may impose a tax under this section by majority vote of the members of the city or town legislative body.

- (10) A city or town that imposes a tax under this section is not subject to Section 59-12-405.

- (11) A military installation development authority may not impose a tax under this section.

Section 23. Section **59-12-402.5** is amended to read:

**59-12-402.5 (Effective 05/06/26). Capital city revitalization sales and use tax -- Deadline -- Rate -- Collection fees -- Imposition.**

- (1) As used in this section:

(a) "Local government" means a first class city located within a first class county.

(b) "Project area" means the same as that term is defined in Section ~~[63N-3-1401]~~ 63N-23-801.

- (2) The legislative body of the local government may impose a sales and use tax under this section if the legislative body, on or before December 31, 2024:

(a) complies with the requirements of ~~[Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone]~~ Title 63N, Chapter 23, Part 8, Capital City Revitalization Zone;

(b) gives final approval to an application by giving final approval of a project zone and a participation agreement as provided in Section ~~[63N-3-1406]~~ 63N-23-806; and

(c) imposes the tax according to the procedures and requirements of Section ~~[63N-3-1406]~~ 63N-23-806.

- 3907 (3)(a) The tax rate may not exceed .5%.
- 3908 (b) The tax imposed under this section may not be imposed for a period greater than 30
- 3909 years, beginning on the date of the first imposition of the tax.
- 3910 (4) Except as provided in Subsection (5), the local government shall impose a tax under this
- 3911 section on the transactions described in Subsection 59-12-103(1).
- 3912 (5) A local government may not impose a tax under this section on:
- 3913 (a) the sale of:
- 3914 (i) a motor vehicle;
- 3915 (ii) an aircraft;
- 3916 (iii) a watercraft;
- 3917 (iv) a modular home;
- 3918 (v) a manufactured home; or
- 3919 (vi) a mobile home;
- 3920 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses are
- 3921 exempt from taxation under Section 59-12-104; and
- 3922 (c) except as provided in Subsection (7), amounts paid or charged for food and food
- 3923 ingredients.
- 3924 (6) For purposes of this section, the location of a transaction is determined in accordance
- 3925 with Sections 59-12-211 through 59-12-215.
- 3926 (7) A local government that imposes a tax under this section shall impose the tax on the
- 3927 purchase price or the sales price for amounts paid or charged for food and food
- 3928 ingredients if the food and food ingredients are sold as part of a bundled transaction
- 3929 attributable to food and food ingredients and tangible personal property other than food
- 3930 and food ingredients.
- 3931 (8) A local government may impose a tax under this section by majority vote of the
- 3932 members of the local government's legislative body in compliance with the procedures
- 3933 and requirements of [~~Title 63N, Chapter 3, Part 14, Capital City Revitalization Zone~~]
- 3934 Title 63N, Chapter 23, Part 8, Capital City Revitalization Zone.
- 3935 (9) A military installation development authority may not impose a tax under this section.
- 3936 (10)(a) The commission shall distribute the revenue collected from the tax under this
- 3937 section on transactions occurring within the district sales tax area as defined in
- 3938 Section 11-70-101 to the Utah Fairpark Area Investment and Restoration District
- 3939 created in Section 11-70-201.
- 3940 (b) The commission shall distribute the revenue collected outside of the district sales tax

3941 area referenced in Subsection (10)(a) to the local government.

3942 (11) A local government shall use revenue referenced in Subsection (10)(b) only:

3943 (a) within the project area defined in Section [~~63N-3-1401~~] 63N-23-801; and

3944 (b) for the allowable uses under Section [~~63N-3-1403~~] 63N-23-803.

3945 Section 24. Section **59-12-1102** is amended to read:

3946 **59-12-1102 (Effective 05/06/26). Base -- Rate -- Imposition of tax -- Distribution**  
 3947 **of revenue -- Administration -- Administrative charge -- Commission requirement to**  
 3948 **retain an amount to be deposited into the Qualified Emergency Food Agencies Fund --**  
 3949 **Enactment or repeal of tax -- Effective date -- Notice requirements.**

3950 (1)(a)(i) Subject to Subsections (2) through (7), and in addition to any other tax

3951 authorized by this chapter, a county may impose by ordinance a county option

3952 sales and use tax of .25% upon the transactions described in Subsection

3953 59-12-103(1).

3954 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this

3955 section on the sales and uses described in Section 59-12-104 to the extent the sales

3956 and uses are exempt from taxation under Section 59-12-104.

3957 (b) For purposes of this Subsection (1), the location of a transaction shall be determined

3958 in accordance with Sections 59-12-211 through 59-12-215.

3959 (c) The county option sales and use tax under this section shall be imposed:

3960 (i) upon transactions that are located within the county, including transactions that are

3961 located within municipalities in the county; and

3962 (ii) except as provided in Subsection (1)(d) or (6), beginning on the first day of

3963 January:

3964 (A) of the next calendar year after adoption of the ordinance imposing the tax if

3965 the ordinance is adopted on or before May 25; or

3966 (B) of the second calendar year after adoption of the ordinance imposing the tax if

3967 the ordinance is adopted after May 25.

3968 (d) The county option sales and use tax under this section shall be imposed:

3969 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before

3970 September 4, 1997; or

3971 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during

3972 1997 but after September 4, 1997.

3973 (2)(a) Before imposing a county option sales and use tax under Subsection (1), a county

3974 shall hold two public hearings on separate days in geographically diverse locations in

the county.

(b)(i) At least one of the hearings required by Subsection (2)(a) shall have a starting time of no earlier than 6 p.m.

(ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven days after the day the first advertisement required by Subsection (2)(c) is published.

(c)(i) Before holding the public hearings required by Subsection (2)(a), the county shall advertise:

(A) [its] the county's intent to adopt a county option sales and use tax;

(B) the date, time, and location of each public hearing; and

(C) a statement that the purpose of each public hearing is to obtain public comments regarding the proposed tax.

(ii) The advertisement shall be published:

(A) in a newspaper of general circulation in the county once each week for the two weeks preceding the earlier of the two public hearings; and

(B) for the county, as a class A notice under Section 63G-30-102, for two weeks before the day on which the first of the two public hearings is held.

(iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than  $[\frac{1}{8}]$  one-eighth page in size, and the type used shall be no smaller than 18 point and surrounded by a  $[\frac{1}{4}\text{-inch}]$  one-quarter inch border.

(iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

(A) the advertisement shall appear in a newspaper that is published at least five days a week, unless the only newspaper in the county is published less than five days a week; and

(B) the newspaper selected shall be one of general interest and readership in the community, and not one of limited subject matter.

(d) The adoption of an ordinance imposing a county option sales and use tax is subject to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part 6, Local Referenda - Procedures.

(3) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before application of Subsections (4) through (7), and as described in Section ~~[63N-3-610.1]~~ 63N-3-306, beginning the first day of a calendar quarter after the year set in the proposal

and after the sales and use tax boundary for a convention center reinvestment zone is established under [~~Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment as defined in Section [~~63N-3-602~~] 63N-23-101, from the sales and use tax imposed under this part on transactions occurring within an established sales and use tax boundary, as defined in Section [~~63N-3-602~~] 63N-23-101, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1.

(4)(a) Subject to Subsection (6), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is less than 75% of the state population, the tax levied under Subsection (1) shall be distributed to the county in which the tax was collected.

(b) Subject to Subsection (6), if the aggregate population of the counties imposing a county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state population:

(i) 50% of the tax collected under Subsection (1) in each county shall be distributed to the county in which the tax was collected; and

(ii) except as provided in Subsection (4)(c), 50% of the tax collected under Subsection (1) in each county shall be distributed proportionately among all counties imposing the tax, based on the total population of each county.

(c) Except as provided in Subsection (6), the amount to be distributed annually to a county under Subsection (4)(b)(ii), when combined with the amount distributed to the county under Subsection (4)(b)(i), does not equal at least \$75,000, then:

(i) the amount to be distributed annually to that county under Subsection (4)(b)(ii) shall be increased so that, when combined with the amount distributed to the county under Subsection (4)(b)(i), the amount distributed annually to the county is \$75,000; and

(ii) the amount to be distributed annually to all other counties under Subsection (4)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under Subsection (4)(c)(i).

(d) The commission shall establish rules to implement the distribution of the tax under Subsections (4)(a), (b), and (c).

(e) Population for each county for purposes of this Subsection (4) shall be based on, to the extent not otherwise required by federal law:

- 4043 (i) the estimate of the Utah Population Committee created in Section 63C-20-103; or  
4044 (ii) if the Utah Population Committee estimate is not available, the most recent  
4045 census or census estimate of the United States Bureau of the Census.
- 4046 (5)(a) Except as provided in Subsection (5)(b) or (c), a tax authorized under this part  
4047 shall be administered, collected, enforced, and interpreted in accordance with:
- 4048 (i) the same procedures used to administer, collect, enforce, and interpret the tax  
4049 under:
- 4050 (A) Part 1, Tax Collection; or  
4051 (B) Part 2, Local Sales and Use Tax Act; and  
4052 (ii) Chapter 1, General Taxation Policies.
- 4053 (b) A tax under this part is not subject to Subsections 59-12-205(2) and (4) through (6).
- 4054 (c)(i) Subject to Subsection (5)(c)(ii), the commission shall retain and deposit an  
4055 administrative charge in accordance with Section 59-1-306 from the revenue the  
4056 commission collects from a tax under this part.
- 4057 (ii) Notwithstanding Section 59-1-306, the administrative charge described in  
4058 Subsection (5)(c)(i) shall be calculated by taking a percentage described in  
4059 Section 59-1-306 of the distribution amounts resulting after:
- 4060 (A) the applicable distribution calculations under Subsection (4) have been made;  
4061 and  
4062 (B) the commission retains the amount required by Subsection (6).
- 4063 (6)(a) Beginning on July 1, 2009, the commission shall calculate and retain a portion of  
4064 the sales and use tax collected under this part as provided in this Subsection (6).
- 4065 (b) For a county that imposes a tax under this part, the commission shall calculate a  
4066 percentage each month by dividing the sales and use tax collected under this part for  
4067 that month within the boundaries of that county by the total sales and use tax  
4068 collected under this part for that month within the boundaries of all of the counties  
4069 that impose a tax under this part.
- 4070 (c) For a county that imposes a tax under this part, the commission shall retain each  
4071 month an amount equal to the product of:
- 4072 (i) the percentage the commission determines for the month under Subsection (6)(b)  
4073 for the county; and  
4074 (ii) \$6,354.
- 4075 (d) The commission shall deposit an amount the commission retains in accordance with  
4076 this Subsection (6) into the Qualified Emergency Food Agencies Fund created by



- 4077 Section 35A-8-1009.
- 4078 (e) An amount the commission deposits into the Qualified Emergency Food Agencies  
4079 Fund shall be expended as provided in Section 35A-8-1009.
- 4080 (7)(a) For purposes of this Subsection (7):
- 4081 (i) "Annexation" means an annexation to a county under Title 17, Chapter 61, Part 2,  
4082 Consolidation of Counties, or Part 3, County Annexation.
- 4083 (ii) "Annexing area" means an area that is annexed into a county.
- 4084 (b)(i) Except as provided in Subsection (7)(c) or (d), if, on or after July 1, 2004, a  
4085 county enacts or repeals a tax under this part:
- 4086 (A)(I) the enactment shall take effect as provided in Subsection (1)(c); or  
4087 (II) the repeal shall take effect on the first day of a calendar quarter; and  
4088 (B) after a 90-day period beginning on the date the commission receives notice  
4089 meeting the requirements of Subsection (7)(b)(ii) from the county.
- 4090 (ii) The notice described in Subsection (7)(b)(i)(B) shall state:
- 4091 (A) that the county will enact or repeal a tax under this part;  
4092 (B) the statutory authority for the tax described in Subsection (7)(b)(ii)(A);  
4093 (C) the effective date of the tax described in Subsection (7)(b)(ii)(A); and  
4094 (D) if the county enacts the tax described in Subsection (7)(b)(ii)(A), the rate of  
4095 the tax.
- 4096 (c)(i) If the billing period for a transaction begins before the effective date of the  
4097 enactment of the tax under Subsection (1), the enactment of the tax takes effect on  
4098 the first day of the first billing period that begins on or after the effective date of  
4099 the enactment of the tax.
- 4100 (ii) The repeal of a tax applies to a billing period if the billing statement for the  
4101 billing period is produced on or after the effective date of the repeal of the tax  
4102 imposed under Subsection (1).
- 4103 (d)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of  
4104 sales and use tax rates published in the catalogue, an enactment or repeal of a tax  
4105 described in Subsection (7)(b)(i) takes effect:
- 4106 (A) on the first day of a calendar quarter; and  
4107 (B) beginning 60 days after the effective date of the enactment or repeal under  
4108 Subsection (7)(b)(i).
- 4109 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
4110 the commission may by rule define the term "catalogue sale."

- (e)(i) Except as provided in Subsection (7)(f) or (g), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this part for an annexing area, the enactment or repeal shall take effect:
- (A) on the first day of a calendar quarter; and
  - (B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (7)(e)(i) from the county that annexes the annexing area.
- (ii) The notice described in Subsection (7)(e)(i)(B) shall state:
- (A) that the annexation described in Subsection (7)(b)(i) will result in an enactment or repeal of a tax under this part for the annexing area;
  - (B) the statutory authority for the tax described in Subsection (7)(e)(ii)(A);
  - (C) the effective date of the tax described in Subsection (7)(e)(ii)(A); and
  - (D) the rate of the tax described in Subsection (7)(e)(ii)(A).
- (f)(i) If the billing period for a transaction begins before the effective date of the enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day of the first billing period that begins on or after the effective date of the enactment of the tax.
- (ii) The repeal of a tax applies to a billing period if the billing statement for the billing period is produced on or after the effective date of the repeal of the tax imposed under Subsection (1).
- (g)(i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in Subsection (7)(e)(i) takes effect:
- (A) on the first day of a calendar quarter; and
  - (B) beginning 60 days after the effective date of the enactment or repeal under Subsection (7)(e)(i).
- (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 25. Section **59-12-2206** is amended to read:

**59-12-2206 (Effective 05/06/26). Administration, collection, and enforcement of a sales and use tax under this part -- Transmission of revenue monthly by electronic funds transfer -- Transfer of revenue to a public transit district or eligible political subdivision.**

- (1) Except as provided in Subsection (2), the commission shall administer, collect, and enforce a sales and use tax imposed under this part.

- (2) The commission shall administer, collect, and enforce a sales and use tax imposed under this part in accordance with:
- (a) the same procedures used to administer, collect, and enforce a tax under:
    - (i) Part 1, Tax Collection; or
    - (ii) Part 2, Local Sales and Use Tax Act; and
  - (b) Chapter 1, General Taxation Policies.
- (3) A sales and use tax under this part is not subject to Subsections 59-12-205(2) and (4) through (6).
- (4) Subject to Section 59-12-2207 and except as provided in Subsections (5) and (6) or another provision of this part, the state treasurer shall transmit revenue collected within a county, city, or town from a sales and use tax under this part to the county, city, or town legislative body monthly by electronic funds transfer.
- (5) Beginning no sooner than January 1, 2026, and subject to Section 59-12-205, before transmitting revenue as described in Subsection (4), and before application of Subsection (6), and as described in Section ~~[63N-3-610.1]~~ 63N-23-306, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established under ~~[Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, the commission, at least annually, shall transfer an amount equal to 100% of the sales and use tax increment, as that term is defined in Section ~~[63N-3-602]~~ 63N-23-101, from a sales and use tax on transactions occurring within an established sales and use tax boundary, as that term is defined in Section ~~[63N-3-602]~~ 63N-23-101, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for sales and use taxes imposed by a county of the first class ~~[pursuant to]~~ in accordance with:
- (a) Section 59-12-2213;
  - (b) Section 59-12-2214;
  - (c) Section 59-12-2217;
  - (d) Section 59-12-2219; and
  - (e) Section 59-12-2220.
- (6)(a) Subject to Section 59-12-2207, and except as provided in Subsection (6)(b), the state treasurer shall transfer revenue collected within a county, city, or town from a sales and use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a, Part 8, Public Transit District Act, or an eligible political

subdivision as defined in Section 59-12-2202, if the county, city, or town legislative body:

- (i) provides written notice to the commission and the state treasurer requesting the transfer; and
- (ii) designates the public transit district or eligible political subdivision to which the county, city, or town legislative body requests the state treasurer to transfer the revenue.

(b) The commission shall transmit a portion of the revenue collected within a county, city, or town from a sales and use tax under this part that would be transferred to a public transit district or an eligible political subdivision under Subsection (6)(a) to the county, city, or town to fund public transit fixed guideway safety oversight under Section 72-1-214 if the county, city, or town legislative body:

- (i) provides written notice to the commission and the state treasurer requesting the transfer; and
- (ii) specifies the amount of revenue required to be transmitted to the county, city, or town.

Section 26. Section **59-12-2220** is amended to read:

**59-12-2220 (Effective 05/06/26). County option sales and use tax to fund highways or a system for public transit -- Base -- Rate.**

(1) Subject to the other provisions of this part and subject to the requirements of this section, the following counties may impose a sales and use tax under this section:

(a) a county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

- (i) the entire boundary of a county is annexed into a large public transit district; and
- (ii) the maximum amount of sales and use tax authorizations allowed in accordance with Section 59-12-2203 and authorized under the following sections has been imposed:

(A) Section 59-12-2213;

(B) Section 59-12-2214;

(C) Section 59-12-2215;

(D) Section 59-12-2216;

(E) Section 59-12-2217;

(F) Section 59-12-2218; and

(G) Section 59-12-2219;

(b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the county is an eligible political subdivision; or

(ii) a city or town within the boundary of the county is an eligible political subdivision; or

(c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county.

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .2%.

(3)(a) The commission shall distribute sales and use tax revenue collected under this section as determined by a county legislative body as described in Subsection (3)(b).

(b) If a county legislative body imposes a sales and use tax as described in this section, the county legislative body may elect to impose a sales and use tax revenue distribution as described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and type of a public transit provider in the county.

(4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a county legislative body imposes a sales and use tax as described in this section, and the entire boundary of the county is annexed into a large public transit district, and the county is a county of the first class, the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(b) .05% to the cities and towns as provided in Subsection (8); and

(c) .05% to the county legislative body.

(5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as described in this section and the entire boundary of the county is annexed into a large public transit district, and the county is a county not described in Subsection (4), the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(b) .05% to the cities and towns as provided in Subsection (8); and

(c) .05% to the county legislative body.

(6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that imposes a sales and use tax as described in this section is not annexed into a single public transit district, but a city or town within the county is annexed into a single public transit district, or if the city or town is an eligible political subdivision, the commission shall distribute the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or (c).

(b) For a city, town, or portion of the county described in Subsection (6)(a) that is annexed into the single public transit district, or an eligible political subdivision, the commission shall distribute the sales and use tax revenue collected within the portion of the county that is within a public transit district or eligible political subdivision as follows:

(i) .05% to a public transit provider as described in Subsection (11);

(ii) .075% to the cities and towns as provided in Subsection (8); and

(iii) .075% to the county legislative body.

(c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county described in Subsection (6)(a) that is not annexed into a single public transit district or eligible political subdivision in the county, the commission shall distribute the sales and use tax revenue collected within that portion of the county as follows:

(i) .08% to the cities and towns as provided in Subsection (8); and

(ii) .12% to the county legislative body.

(7) For a county without a public transit service that imposes a sales and use tax as described in this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) .08% to the cities and towns as provided in Subsection (8); and

(b) .12% to the county legislative body.

(8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

(i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties that impose a tax under this section; and

- 4281 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),  
4282 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)  
4283 through (7) shall be distributed to the unincorporated areas, cities, and towns  
4284 within those counties on the basis of the location of the transaction as determined  
4285 under Sections 59-12-211 through 59-12-215.
- 4286 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent  
4287 not otherwise required by federal law:
- 4288 (A) the most recent estimate from the Utah Population Committee created in  
4289 Section 63C-20-103; or
- 4290 (B) if the Utah Population Committee estimate is not available for each  
4291 municipality and unincorporated area, the adjusted sub-county population  
4292 estimate provided by the Utah Population Committee in accordance with  
4293 Section 63C-20-104.
- 4294 (ii) If a needed population estimate is not available from the United States Census  
4295 Bureau, population figures shall be derived from an estimate from the Utah  
4296 Population Estimates Committee created by executive order of the governor.
- 4297 (c)(i) Beginning on January 1, 2024, if the Housing and Community Development  
4298 Division within the Department of Workforce Services determines that a city or  
4299 town is ineligible for funds in accordance with Subsection 10-21-202(6),  
4300 beginning the first day of the calendar quarter after receiving 90 days' notice, the  
4301 commission shall distribute the distribution that city or town would have received  
4302 under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does  
4303 not apply.
- 4304 (ii) Beginning on January 1, 2024, if the Housing and Community Development  
4305 Division within the Department of Workforce Services determines that a county is  
4306 ineligible for funds in accordance with Subsection 17-80-202(6), beginning the  
4307 first day of the calendar quarter after receiving 90 days' notice, the commission  
4308 shall distribute the distribution that county would have received under Subsection  
4309 (8)(a) to counties to which Subsection 17-80-202(6) does not apply.
- 4310 (9) If a public transit service is organized after the date a county legislative body first  
4311 imposes a tax under this section, a change in a distribution required by this section may  
4312 not take effect until the first distribution the commission makes under this section after a  
4313 90-day period that begins on the date the commission receives written notice from the  
4314 public transit provider that the public transit service has been organized.

- 4315 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that  
4316 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),  
4317 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in  
4318 Section 59-12-2212.2.
- 4319 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes  
4320 the sales and use tax authorized in this section, the county may also use funds  
4321 distributed in accordance with Subsection (4)(c) for public safety purposes.
- 4322 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city  
4323 relevant to a project area, as that term is defined in Section ~~[63N-3-1401]~~ 63N-23-801,  
4324 an allowable use of revenue from a sales and use tax under this section includes the  
4325 revitalization of a convention center owned by the county within a city of the first  
4326 class and surrounding revitalization projects related to the convention center.
- 4327 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit  
4328 as described in this section may be used for capital expenses and service delivery  
4329 expenses of:
- 4330 (i) a public transit district;  
4331 (ii) an eligible political subdivision; or  
4332 (iii) another entity providing a service for public transit or a transit facility within the  
4333 relevant county, as those terms are defined in Section 17B-2a-802.
- 4334 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this  
4335 section, beginning on the date on which the county imposes the sales and use  
4336 tax under this section, and for a three-year period after at least three counties  
4337 described in Subsections (4) and (5) have imposed a tax under this section, or  
4338 until June 30, 2030, whichever comes first, revenue designated for public  
4339 transit within a county of the first class as described in Subsection (4)(a) shall  
4340 be transferred to the County of the First Class Highway Projects Fund created  
4341 in Section 72-2-121.
- 4342 (B) Revenue deposited into the County of the First Class Highway Projects Fund  
4343 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be  
4344 used for public transit innovation grants as provided in Title 72, Chapter 2, Part  
4345 4, Public Transit Innovation Grants.
- 4346 (ii) If a county of the first class imposes a sales and use tax described in this section,  
4347 beginning on the day three years after the date on which at least three counties  
4348 described in Subsections (4) and (5) have imposed a tax under this section, or



beginning on July 1, 2030, whichever comes first, for revenue designated for public transit as described in Subsection (4)(a):

(A) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121; and

(B) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9).

(c)(i) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section, and for a three-year period following the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first, revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the day three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for the revenue that is designated for public transit in Subsection (5)(a):

(A) 50% shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9); and

(B) 50% shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(d) Except as provided in Subsection ~~[(13)(e)]~~ (14)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(12) A large public transit district shall send notice to the commission at least 90 days before the earlier of:

(a) the date that is three years after the date on which at least three counties described in

- 4383 Subsections (4) and (5) have imposed a tax under this section; or  
4384 (b) June 30, 2030.
- 4385 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization  
4386 project described in Subsection (10)(c), the city shall transfer at least 50%, and may  
4387 transfer up to 100%, of any revenue the city receives from a distribution under  
4388 Subsection (4)(b) to a convention center public infrastructure district created in  
4389 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by  
4390 the county within a city of the first class and surrounding revitalization projects related  
4391 to the convention center as permitted in Subsection (10)(c).
- 4392 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not  
4393 required to, submit an opinion question to the county's registered voters in  
4394 accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- 4395 (b) If a county passes an ordinance to impose a sales and use tax as described in this  
4396 section, the sales and use tax shall take effect on the first day of the calendar quarter  
4397 after a 90-day period that begins on the date the commission receives written notice  
4398 from the county of the passage of the ordinance.
- 4399 (c) A county that imposed the local option sales and use tax described in this section  
4400 before January 1, 2023, may maintain that county's distribution allocation in place as  
4401 of January 1, 2023.
- 4402 (15)(a) Revenue collected from a sales and use tax under this section may not be used to  
4403 supplant existing General Fund appropriations that a county, city, or town budgeted  
4404 for transportation or public transit as of the date the tax becomes effective for a  
4405 county, city, or town.
- 4406 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation  
4407 or public transit capital or reserve account a county, city, or town established before  
4408 the date the tax becomes effective.
- 4409 Section 27. Section **63N-23-101**, which is renumbered from Section 63N-3-602 is renumbered  
4410 and amended to read:

## 4411 **CHAPTER 23. Housing Investment and Opportunity Act**

### 4412 **Part 1. General Provisions**

#### 4413 **[63N-3-602] 63N-23-101 (Effective 05/06/26). Definitions.**

4414 As used in this [part] chapter:

- 4415 (1) "Affordable housing" means housing occupied or reserved for occupancy by households

with a gross household income:

(a) equal to or less than 80% of the county median gross income for households of the same size, in certain circumstances as provided in this part; or

(b) equal to or less than 60% of the county median gross income for households of the same size, in certain circumstances as provided in this part.

(2) "Agency" means the same as that term is defined in Section 17C-1-102.

(3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.

(4) "Base year" means, for each property tax increment collection period triggered within a proposed housing and transit reinvestment zone~~[-or]~~, convention center reinvestment zone project area, or home ownership promotion zone, the calendar year ~~[prior to]~~ before the calendar year the property tax increment begins to be collected for the parcels that are in a project that is triggered for that collection period.

(5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations.

(6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal that is specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:

(a) along an existing bus rapid transit line; or

(b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

(7) "Capital city" means the same as that term is defined in Section 17D-4-102.

(8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a large public transit district.

(b) "Commuter rail" does not include a light-rail passenger rail facility of a large public transit district.

(9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:

(a) along an existing commuter rail line;

(b) along an extension to an existing commuter rail line or new commuter rail line;

(c) along a fixed guideway extension from an existing commuter rail line; or

- 4450 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an  
4451 existing commuter rail station.
- 4452 (10) "Convention center" means a convention center owned by a county of the first class  
4453 within a city of the first class.
- 4454 (11) "Convention center revitalization project" means a project within a city of the first  
4455 class within a county of the first class for the revitalization, activation, and  
4456 modernization of a convention center and the surrounding area, including projects  
4457 meeting the objectives described in ~~[Section 63N-3-603.1]~~ Section 63N-23-301 or  
4458 63N-23-401.
- 4459 (12) "Convention center reinvestment zone" means a convention center reinvestment zone  
4460 created under ~~[this part]~~ Part 3, Convention Center Reinvestment Zone.
- 4461 (13) "Convention center reinvestment zone in a capital city" means a convention center  
4462 reinvestment zone in a capital city created under Part 4, Convention Center  
4463 Reinvestment Zone in a Capital City.
- 4464 ~~[(13)]~~ (14)(a) "Developable area" means the portion of land within a housing and transit  
4465 reinvestment zone available for development and construction of business and  
4466 residential uses.
- 4467 (b) "Developable area" does not include portions of land within a housing and transit  
4468 reinvestment zone that are allocated to:
- 4469 (i) parks;  
4470 (ii) recreation facilities;  
4471 (iii) open space;  
4472 (iv) trails;  
4473 (v) publicly-owned roadway facilities; or  
4474 (vi) other public facilities.
- 4475 ~~[(14)]~~ (15) "Dwelling unit" means one or more rooms arranged for the use of one or more  
4476 individuals living together, as a single housekeeping unit normally having cooking,  
4477 living, sanitary, and sleeping facilities.
- 4478 ~~[(15)]~~ (16) "Eligible municipality" means a city that:
- 4479 (a)(i) is the county seat of a county of the first class; or  
4480 (ii) a city of the first class located in a county of the first class; and  
4481 (b) has a convention center within the boundary of the city.
- 4482 ~~[(16)]~~ (17) "Enhanced development" means the construction of mixed uses including  
4483 housing, commercial uses, and related facilities.

- 4484 [(17)] (18) "Enhanced development costs" means extra costs associated with structured  
4485 parking costs, vertical construction costs, horizontal construction costs, life safety costs,  
4486 structural costs, conveyor or elevator costs, and other costs incurred due to the increased  
4487 height of buildings or enhanced development.
- 4488 [(18)] (19) "First home investment zone" means the same as that term is defined in Section [  
4489 ~~63N-3-1601~~] 63N-23-701.
- 4490 [(19)] (20) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 4491 [(20)] (21) "Horizontal construction costs" means the additional costs associated with  
4492 earthwork, over excavation, utility work, transportation infrastructure, and landscaping  
4493 to achieve enhanced development in the housing and transit reinvestment zone.
- 4494 [(21)] (22) "Housing and transit reinvestment zone" means a housing and transit  
4495 reinvestment zone created [~~pursuant to this part~~] under Section 63N-23-202.
- 4496 [(22)] (23) "Housing and transit reinvestment zone committee" means a housing and transit  
4497 reinvestment zone committee created [~~pursuant to Section 63N-3-605~~] in accordance  
4498 with Section 63N-23-102.
- 4499 [(23)] (24) "Large public transit district" means the same as that term is defined in Section  
4500 17B-2a-802.
- 4501 [(24)] (25) "Light rail" means a passenger rail public transit system with right-of-way and  
4502 fixed rails:
- 4503 (a) dedicated to exclusive use by light-rail public transit vehicles;  
4504 (b) that may cross streets at grade; and  
4505 (c) that may share parts of surface streets.
- 4506 [(25)] (26) "Light rail station" means an existing station, stop, or terminal or a proposed  
4507 station, stop, or terminal, which has been specifically identified as needed in phase one  
4508 of a metropolitan planning organization's adopted long-range transportation plan and in  
4509 phase one of the relevant public transit district's adopted long-range plan:
- 4510 (a) along an existing light rail line; or  
4511 (b) along an extension to an existing light rail line or new light rail line.
- 4512 [(26)] (27) "Metropolitan planning organization" means the same as that term is defined in  
4513 Section 72-1-208.5.
- 4514 [(27)] (28) "Mixed use development" means development with a mix of:
- 4515 (a) multi-family residential use; and  
4516 (b) at least one additional land use, which shall be a significant part of the overall  
4517 development.

- 4518 ~~[(28)]~~ (29) "Municipality" means the same as that term is defined in Section 10-1-104.
- 4519 ~~[(29)]~~ (30) "Participant" means the same as that term is defined in Section 17C-1-102.
- 4520 ~~[(30)]~~ (31) "Participation agreement" means the same as that term is defined in Section
- 4521 17C-1-102, except that the agency may not provide and the person may not receive a
- 4522 direct subsidy.
- 4523 ~~[(31)]~~ (32) "Project" means a housing and transit reinvestment zone or convention center
- 4524 reinvestment zone created under this part.
- 4525 (33) "Project area" means the same as that term is defined in Section 17C-1-102.
- 4526 ~~[(32)]~~ (34)(a) "Property tax increment" means the difference between:
- 4527 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 4528 the area within a housing and transit reinvestment zone or convention center
- 4529 reinvestment zone designated in the applicable reinvestment zone proposal as the
- 4530 area from which tax increment is to be collected, using the current assessed value
- 4531 and each taxing entity's current certified tax rate as defined in Section 59-2-924;
- 4532 and
- 4533 (ii) the amount of property tax revenue that would be generated from that same area
- 4534 using the base taxable value and each taxing entity's current certified tax rate as
- 4535 defined in Section 59-2-924.
- 4536 (b) "Property tax increment" does not include property tax revenue from:
- 4537 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 4538 (ii) a county additional property tax described in Subsection 59-2-1602(4); or
- 4539 (iii) a public library fund levy described in Subsection 9-7-501(2).
- 4540 ~~[(33)]~~ (35) "Public transit county" means a county that has created a small public transit
- 4541 district.
- 4542 ~~[(34)]~~ (36) "Public transit hub" means a public transit depot or station where four or more
- 4543 routes serving separate parts of the county-created transit district stop to transfer riders
- 4544 between routes.
- 4545 ~~[(35)]~~ (37) "Sales and use tax base year" means:
- 4546 (a) for a housing and transit reinvestment zone, a sales and use tax year determined by
- 4547 the first year pertaining to the tax imposed in Section 59-12-103 after the sales and
- 4548 use tax boundary for a housing and transit reinvestment zone is established; or
- 4549 (b) for a convention center reinvestment zone, a sales and use tax year determined by the
- 4550 year specified in the approved proposal for a convention center reinvestment zone,
- 4551 pertaining to the taxes:

- (i) imposed under Section 59-12-103;
- (ii) imposed by a city of the first class in a county of the first class under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act;
- (iii) imposed by a city of the first class in a county of the first class under Section 59-12-402.1;
- (iv) imposed by a county of the first class under Section 59-12-1102; and
- (v) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

~~[(36)]~~ (38) "Sales and use tax boundary" means:

- (a) for a housing and transit reinvestment zone, a boundary created as described in Section ~~[63N-3-604]~~ 63N-23-202, based on state sales and use tax collection boundaries that correspond as closely as reasonably practicable to the housing and transit reinvestment zone boundary; or
- (b) for a convention center reinvestment zone, a boundary created as described in Section ~~[63N-3-604.1]~~ 63N-23-302, based on state sales and use tax collection boundaries that correspond as closely as reasonably practicable to the convention center reinvestment zone boundary.

~~[(37)]~~ (39) "Sales and use tax increment" means:

- (a) for a housing and transit reinvestment zone, the difference between:
  - (i) the amount of state sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a housing and transit reinvestment zone designated in the housing and transit reinvestment zone proposal as the area from which sales and use tax increment is to be collected; and
  - (ii) the amount of state sales and use tax revenue that was generated from that same area during the sales and use tax base year; or
- (b) for a convention center reinvestment zone, the difference between:
  - (i) the amount of sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a convention center reinvestment zone designated in the convention center reinvestment zone proposal as the area from which sales and use tax increment is to be collected; and
  - (ii) the amount of sales and use tax revenue that was generated from that same area during the sales and use tax base year.

~~[(38)]~~ (40) "Sales and use tax revenue" means:

- (a) for a housing and transit reinvestment zone, revenue that is generated from the tax imposed under Section 59-12-103; or
- (b) for a convention center reinvestment zone, revenue that is generated from:
- (i) the sales and use taxes imposed under Section 59-12-103; and
  - (ii) the sales and use taxes:
    - (A) imposed by a city of the first class in a county of the first class under Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act;
    - (B) imposed by a city of the first class in a county of the first class under Section 59-12-402.1;
    - (C) imposed by a county of the first class under Section 59-12-1102; and
    - (D) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

~~[(39)]~~ (41) "Small public transit district" means the same as that term is defined in Section 17B-2a-802.

~~(42)~~(a) "Station area" means:

- (i) for a fixed guideway public transit station that provides rail services, the area within a one-half mile radius of the center of the fixed guideway public transit station platform; or
- (ii) for a fixed guideway public transit station that provides bus services only, the area within a one-fourth mile radius of the center of the fixed guideway public transit station platform.

(b) "Station area" includes any parcel bisected by the radius limitation described in Subsection (42)(a)(i) or (ii).

~~(43)~~ "Station area plan" means a plan that:

- (a) establishes a vision, and the actions needed to implement that vision, for the development of land within a station area; and
- (b) is developed and adopted in accordance with Section 63N-23-104.

~~[(40)]~~ (44) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

~~[(41)]~~ (45) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

(46) "Transportation reinvestment zone" means a transportation reinvestment zone created under Section 63N-23-901.

~~[(42)]~~ (47) "Vertical construction costs" means the additional costs associated with construction above four stories and structured parking to achieve enhanced development in the housing and transit reinvestment zone.



Section 28. Section **63N-23-102**, which is renumbered from Section 63N-3-605 is renumbered and amended to read:

**[63N-3-605] 63N-23-102 (Effective 05/06/26). Housing and transit reinvestment zone committee -- Creation.**

- (1) For any housing and transit reinvestment zone~~[proposed under this part]~~, convention center reinvestment zone, convention center reinvestment zone in a capital city, or for a first home investment zone proposed ~~[in accordance with Part 16, First Home Investment Zone Act,]~~ under this chapter, there is created a housing and transit reinvestment zone committee with membership described in Subsection (2).
- (2) Each housing and transit reinvestment zone committee shall consist of the following members:
  - (a) one representative from the Governor's Office of Economic Opportunity, designated by the executive director of the Governor's Office of Economic Opportunity;
  - (b) one representative from each municipality that is a party to the proposed housing and transit reinvestment zone or first home investment zone, designated by the chief executive officer of each respective municipality;
  - (c) a member of the Transportation Commission created in Section 72-1-301;
  - (d) a member of the board of trustees of a large public transit district;
  - (e) one individual from the Office of the State Treasurer, designated by the state treasurer;
  - (f) two members designated by the president of the Senate;
  - (g) two members designated by the speaker of the House of Representatives;
  - (h) one member designated by the chief executive officer of each county affected by the housing and transit reinvestment zone or first home investment zone;
  - (i) two representatives designated by the school superintendent from the school district affected by the housing and transit reinvestment zone or first home investment zone; and
  - (j) one representative, representing the largest participating local taxing entity, after the municipality, county, and school district.
- (3) The individual designated by the Governor's Office of Economic Opportunity as described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone committee.
- (4)(a) A majority of the members of the housing and transit reinvestment zone committee constitutes a quorum of the housing and transit reinvestment zone

4654 committee.

4655 (b) An action by a majority of a quorum of the housing and transit reinvestment zone  
4656 committee is an action of the housing and transit reinvestment zone committee.

4657 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the  
4658 analysis described in Section [~~63N-3-604~~] 63N-23-202, and after the Governor's  
4659 Office of Economic Opportunity has received a request from the submitting  
4660 municipality or public transit county to submit the housing and transit reinvestment  
4661 zone proposal to the housing and transit reinvestment zone committee, the Governor's  
4662 Office of Economic Opportunity shall notify each of the entities described in  
4663 Subsection (2) of the formation of the housing and transit reinvestment zone  
4664 committee.

4665 (b) For a first home investment zone, the housing and transit reinvestment zone  
4666 committee shall follow the procedures described in Section [~~63N-3-1604~~] 63N-23-704.

4667 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a  
4668 public meeting to consider the proposed housing and transit reinvestment zone.

4669 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title  
4670 52, Chapter 4, Open and Public Meetings Act.

4671 (7)(a) The proposing municipality or public transit county shall present the housing and  
4672 transit reinvestment zone proposal to the housing and transit reinvestment zone  
4673 committee in a public meeting.

4674 (b) The housing and transit reinvestment zone committee shall, for a housing and transit  
4675 reinvestment zone proposal:

4676 (i) evaluate and verify whether the elements of a housing and transit reinvestment  
4677 zone described in Subsections [~~63N-3-603(2) and (4)~~] 63N-23-201(2) and (4)  
4678 have been met; and

4679 (ii) evaluate the proposed housing and transit reinvestment zone relative to the  
4680 analysis described in Subsection [~~63N-3-604(2)~~] 63N-23-202(2).

4681 (c) The housing and transit reinvestment zone committee shall, for a convention center  
4682 reinvestment zone proposal, evaluate and verify whether the objectives of a  
4683 convention center reinvestment zone described in Section [~~63N-3-603.1~~] 63N-23-301  
4684 have been met.

4685 (d) The housing and transit reinvestment zone committee shall, for a convention center  
4686 reinvestment zone in a capital city proposal, evaluate and verify whether the  
4687 objectives of a convention center reinvestment zone in a capital city described in

4688 Section 63N-23-401 have been met.

4689 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee  
4690 may:

4691 (i)(A) for a housing and transit reinvestment zone, request changes to the housing  
4692 and transit reinvestment zone proposal based on the analysis, characteristics,  
4693 and criteria described in Section ~~[63N-3-604]~~ 63N-23-202; ~~[or]~~

4694 (B) for a convention center reinvestment zone, request changes to the convention  
4695 center reinvestment zone proposal based on the characteristics and criteria  
4696 described in Sections ~~[63N-3-603.1]~~ 63N-23-301 and ~~[63N-3-604.1]~~ 63N-23-302;  
4697 or

4698 (C) for a convention center reinvestment zone in a capital city, request changes to  
4699 the convention center reinvestment zone proposal based on the characteristics  
4700 and criteria described in Sections 63N-23-401 and 63N-23-402; or

4701 (ii) vote to approve or deny the proposal.

4702 (b) Before the housing and transit reinvestment zone committee may approve the  
4703 housing and transit reinvestment zone proposal, the municipality or public transit  
4704 county proposing the housing and transit reinvestment zone shall ensure that the area  
4705 of the proposed housing and transit reinvestment zone is zoned in such a manner to  
4706 accommodate the requirements of a housing and transit reinvestment zone described  
4707 in this section and the proposed development.

4708 (9) If a housing and transit reinvestment zone is approved by the committee:

4709 (a) the proposed housing and transit reinvestment zone is established according to the  
4710 terms of the housing and transit reinvestment zone proposal;

4711 (b) affected local taxing entities are required to participate according to the terms of the  
4712 housing and transit reinvestment zone proposal; and

4713 (c) each affected taxing entity is required to participate at the same rate.

4714 (10) A housing and transit reinvestment zone proposal may be amended by following the  
4715 same procedure as approving a housing and transit reinvestment zone proposal.

4716 (11)(a) The approval for a convention center reinvestment zone in a capital city may be  
4717 completed with a condition that the relevant municipality also create a public  
4718 infrastructure district as provided in ~~[Subsection 63N-3-607(8)(b)]~~ Section  
4719 63N-23-403.

4720 (b) The approval described in Subsection (11)(a) shall verify that the requirements and  
4721 limitations on use of funds is limited to the conditions described under ~~[Subsections~~

4722 ~~63N-3-604.1(2)(b) and (c)]~~ Section 63N-23-403.

4723 Section 29. Section **63N-23-103**, which is renumbered from Section 63N-3-606 is renumbered  
4724 and amended to read:

4725 ~~[63N-3-606]~~ **63N-23-103 (Effective 05/06/26). Notice requirements.**

4726 (1) In approving a housing and transit reinvestment zone or convention center reinvestment  
4727 zone proposal, the housing and transit reinvestment zone committee shall follow the  
4728 hearing and notice requirements for creating a housing and transit reinvestment zone or  
4729 convention center reinvestment zone area proposal.

4730 (2) Within 30 days after the housing and transit reinvestment zone committee approves a  
4731 proposed housing and transit reinvestment zone, the municipality or public transit  
4732 county, or for a convention center reinvestment zone, the Governor's Office of  
4733 Economic Opportunity, shall:

4734 (a) record with the recorder of the county in which the housing and transit reinvestment  
4735 zone or convention center reinvestment zone is located a document containing:

4736 (i) a description of the land within the housing and transit reinvestment zone or  
4737 convention center reinvestment zone;

4738 (ii) a statement that the proposed housing and transit reinvestment zone or convention  
4739 center reinvestment zone has been approved; and

4740 (iii) the date of adoption;

4741 (b) transmit a copy of the description of the land within the housing and transit  
4742 reinvestment zone or convention center reinvestment zone and an accurate map or  
4743 plat indicating the boundaries of the housing and transit reinvestment zone or  
4744 convention center reinvestment zone to the Utah Geospatial Resource Center created  
4745 under Section 63A-16-505; and

4746 (c) transmit a copy of the approved housing and transit reinvestment zone or convention  
4747 center reinvestment zone proposal, map, and description of the land within the  
4748 housing and transit reinvestment zone or convention center reinvestment zone, to:

4749 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any  
4750 part of the housing and transit reinvestment zone or convention center  
4751 reinvestment zone is located;

4752 (ii) the officer or officers performing the function of auditor or assessor for each  
4753 taxing entity that does not use the county assessment roll or collect the taxing  
4754 entity's taxes through the county;

4755 (iii) the legislative body or governing board of each taxing entity;

- 4756 (iv) the State Tax Commission; and  
4757 (v) the State Board of Education.

4758 Section 30. Section **63N-23-104**, which is renumbered from Section 10-21-203 is renumbered  
4759 and amended to read:

4760 **[~~10-21-203~~] ~~63N-23-104~~ (Effective 05/06/26). Station area plan requirements --**  
4761 **Contents -- Review and certification by applicable metropolitan planning organization.**

4762 (1)(a) Subject to the requirements of this section, a municipality that has a fixed  
4763 guideway public transit station located within the municipality's boundaries shall, for  
4764 the station area:

- 4765 (i) develop and adopt a station area plan; and  
4766 (ii) adopt any appropriate land use regulations to implement the station area plan.

4767 (b) The requirements of Subsection (1)(a) shall be considered satisfied if:

4768 (i)(A) the municipality has already adopted plans or ordinances, approved land use  
4769 applications, approved agreements or financing, or investments have been  
4770 made, before June 1, 2022, that substantially promote each of the objectives in  
4771 Subsection (6)(a) within the station area, and can demonstrate that such plans,  
4772 ordinances, approved land use applications, approved agreements or financing,  
4773 or investments are still relevant to making meaningful progress towards  
4774 achieving such objectives; and

4775 (B) the municipality adopts a resolution finding that the objectives of Subsection  
4776 (6)(a) have been substantially promoted; or

4777 (ii)(A) the municipality has determined that conditions exist that make satisfying a  
4778 portion or all of the requirements of Subsection (1)(a) for a station area  
4779 impracticable, including conditions that relate to existing development,  
4780 entitlements, land ownership, land uses that make opportunities for new  
4781 development and long-term redevelopment infeasible, environmental  
4782 limitations, market readiness, development impediment conditions, or other  
4783 similar conditions; and

4784 (B) the municipality adopts a resolution describing the conditions that exist to  
4785 make satisfying the requirements of Subsection (1)(a) impracticable.

4786 (c) To the extent that previous actions by a municipality do not satisfy the requirements  
4787 of Subsection (1)(a) for a station area, the municipality shall take the actions  
4788 necessary to satisfy those requirements.

4789 (2)(a) A municipality that has a new fixed guideway public transit station located within

the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the new fixed guideway public transit station before the new fixed guideway public transit station begins transit services.

(b) Except as provided in Subsections (2)(c) and (d), a municipality that has an existing fixed guideway public transit station located within the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the existing fixed guideway public transit station on or before December 31, 2025.

(c) If a municipality has more than four existing fixed guideway public transit stations located within the municipality's boundaries, the municipality shall:

(i) on or before December 31, 2025, satisfy the requirements of Subsection (1)(a) for four or more station areas located within the municipality; and

(ii) on or before December 31 of each year thereafter, satisfy the requirements of Subsection (1)(a) for no less than two station areas located within the municipality until the municipality has satisfied the requirements of Subsection (1)(a) for each station area located within the municipality.

(d)(i) Subject to Subsection (2)(d)(ii):

(A) if a municipality receives a complete qualifying land use petition on or before July 1, 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for the station area in which the development is proposed on or before July 1, 2023; and

(B) if a municipality receives a complete qualifying land use petition after July 1, 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for the station area in which the development is proposed within a 12-month period beginning on the first day of the month immediately following the month in which the qualifying land use petition is submitted to the municipality, and shall notify the applicable metropolitan planning organization of the receipt of the qualified land use petition within 45 days of the date of receipt.

(ii)(A) A municipality is not required to satisfy the requirements of Subsection (1)(a) for more than two station areas under Subsection (2)(d)(i) within any 12-month period.

(B) If a municipality receives more than two complete qualifying land use petitions on or before July 1, 2022, the municipality shall select two station areas for which the municipality will satisfy the requirements of Subsection

- 4824 (1)(a) in accordance with Subsection (2)(d)(i)(A).
- 4825 (iii) A municipality shall process on a first priority basis a land use application,  
4826 including an application for a building permit, if:
- 4827 (A) the land use application is for a residential use within a station area for which  
4828 the municipality has not satisfied the requirements of Subsection (1)(a); and  
4829 (B) the municipality would be required to change a zoning designation for the  
4830 land use application to be approved.
- 4831 (e) Notwithstanding Subsections (2)(a) through (d), the time period for satisfying the  
4832 requirements of Subsection (1)(a) for a station area may be extended once for a  
4833 period of 12 months if:
- 4834 (i) the municipality demonstrates to the applicable metropolitan planning  
4835 organization that conditions exist that make satisfying the requirements of  
4836 Subsection (1)(a) within the required time period infeasible, despite the  
4837 municipality's good faith efforts; and
- 4838 (ii) the applicable metropolitan planning organization certifies to the municipality in  
4839 writing that the municipality satisfied the demonstration in Subsection (2)(e)(i).
- 4840 (3)(a) Except as provided in Subsection (3)(b), if a station area is included within the  
4841 boundaries of more than one municipality, each municipality with jurisdiction over  
4842 the station area shall satisfy the requirements of Subsection (1)(a) for the portion of  
4843 the station area over which the municipality has jurisdiction.
- 4844 (b) Two or more municipalities with jurisdiction over a station area may coordinate to  
4845 develop a shared station area plan for the entire station area.
- 4846 (4) A municipality that has more than one fixed guideway public transit station located  
4847 within the municipality may, through an integrated process, develop station area plans  
4848 for multiple station areas if the station areas are within close proximity of each other.
- 4849 (5)(a) A municipality that is required to develop and adopt a station area plan under this  
4850 section may request technical assistance from the applicable metropolitan planning  
4851 organization.
- 4852 (b) An applicable metropolitan planning organization that receives funds from the  
4853 Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when  
4854 utilizing the funds, give priority consideration to requests for technical assistance for  
4855 station area plans required under Subsection (2)(d).
- 4856 (6)(a) A station area plan shall promote the following objectives within the station area:  
4857 (i) increasing the availability and affordability of housing, including moderate

4858 income housing;

4859 (ii) promoting sustainable environmental conditions;

4860 (iii) enhancing access to opportunities; and

4861 (iv) increasing transportation choices and connections.

4862 (b)(i) To promote the objective described in Subsection (6)(a)(i), a municipality may  
4863 consider implementing the following actions:

4864 (A) aligning the station area plan with the moderate income housing element of  
4865 the municipality's general plan;

4866 (B) providing for densities necessary to facilitate the development of moderate  
4867 income housing;

4868 (C) providing for affordable costs of living in connection with housing,  
4869 transportation, and parking; or

4870 (D) any other similar action that promotes the objective described in Subsection  
4871 (6)(a)(i).

4872 (ii) To promote the objective described in Subsection (6)(a)(ii), a municipality may  
4873 consider implementing the following actions:

4874 (A) conserving water resources through efficient land use;

4875 (B) improving air quality by reducing fuel consumption and motor vehicle trips;

4876 (C) establishing parks, open spaces, and recreational opportunities; or

4877 (D) any other similar action that promotes the objective described in Subsection  
4878 (6)(a)(ii).

4879 (iii) To promote the objective described in Subsection (6)(a)(iii), a municipality may  
4880 consider the following actions:

4881 (A) maintaining and improving the connections between housing, transit,  
4882 employment, education, recreation, and commerce;

4883 (B) encouraging mixed-use development;

4884 (C) enabling employment and educational opportunities within the station area;

4885 (D) encouraging and promoting enhanced broadband connectivity; or

4886 (E) any other similar action that promotes the objective described in Subsection  
4887 (6)(a)(iii).

4888 (iv) To promote the objective described in Subsection (6)(a)(iv), a municipality may  
4889 consider the following:

4890 (A) supporting investment in infrastructure for all modes of transportation;

4891 (B) increasing utilization of public transit;



- 4892 (C) encouraging safe streets through the designation of pedestrian walkways and
- 4893 bicycle lanes;
- 4894 (D) encouraging manageable and reliable traffic conditions;
- 4895 (E) aligning the station area plan with the regional transportation plan of the
- 4896 applicable metropolitan planning organization; or
- 4897 (F) any other similar action that promotes the objective described in Subsection
- 4898 (6)(a)(iv).

4899 (7) A station area plan shall include the following components:

4900 (a) a station area vision that:

4901 (i) is consistent with Subsection (6); and

4902 (ii) describes the following:

4903 (A) opportunities for the development of land within the station area under

4904 existing conditions;

4905 (B) constraints on the development of land within the station area under existing

4906 conditions;

4907 (C) the municipality's objectives for the transportation system within the station

4908 area and the future transportation system that meets those objectives;

4909 (D) the municipality's objectives for land uses within the station area and the

4910 future land uses that meet those objectives;

4911 (E) the municipality's objectives for public and open spaces within the station area

4912 and the future public and open spaces that meet those objectives; and

4913 (F) the municipality's objectives for the development of land within the station

4914 area and the future development standards that meet those objectives;

4915 (b) a map that depicts:

4916 (i) the station area;

4917 (ii) the area within the station area to which the station area plan applies, provided

4918 that the station area plan may apply to areas outside the station area, and the

4919 station area plan is not required to apply to the entire station area; and

4920 (iii) the area where each action is needed to implement the station area plan;

4921 (c) an implementation plan that identifies and describes each action needed within the

4922 next five years to implement the station area plan, and the party responsible for

4923 taking each action, including any actions to:

4924 (i) modify land use regulations;

4925 (ii) make infrastructure improvements;

- 4926 (iii) modify deeds or other relevant legal documents;
- 4927 (iv) secure funding or develop funding strategies;
- 4928 (v) establish design standards for development within the station area; or
- 4929 (vi) provide environmental remediation;
- 4930 (d) a statement that explains how the station area plan promotes the objectives described
- 4931 in Subsection (6)(a); and
- 4932 (e) as an alternative or supplement to the requirements of Subsection (6) or this
- 4933 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes
- 4934 any conditions that would make the following impracticable:
- 4935 (i) promoting the objectives described in Subsection (6)(a); or
- 4936 (ii) satisfying the requirements of this Subsection (7).
- 4937 (8) A municipality shall develop a station area plan with the involvement of all relevant
- 4938 stakeholders that have an interest in the station area through public outreach and
- 4939 community engagement, including:
- 4940 (a) other impacted communities;
- 4941 (b) the applicable public transit district;
- 4942 (c) the applicable metropolitan planning organization;
- 4943 (d) the Department of Transportation;
- 4944 (e) owners of property within the station area; and
- 4945 (f) the municipality's residents and business owners.
- 4946 (9)(a) A municipality that is required to develop and adopt a station area plan for a
- 4947 station area under this section shall submit to the applicable metropolitan planning
- 4948 organization and the applicable public transit district documentation evidencing that
- 4949 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station
- 4950 area, including:
- 4951 (i) a station area plan; or
- 4952 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).
- 4953 (b) The applicable metropolitan planning organization, in consultation with the
- 4954 applicable public transit district, shall:
- 4955 (i) review the documentation submitted under Subsection (9)(a) to determine the
- 4956 municipality's compliance with this section; and
- 4957 (ii) provide written certification to the municipality if the applicable metropolitan
- 4958 planning organization determines that the municipality has satisfied the
- 4959 requirement of Subsection (1)(a)(i) for the station area.

(c) The municipality shall include the certification described in Subsection (9)(b)(ii) in the municipality's report to the Department of Workforce Services under Section 10-21-202.

(10)(a) Following certification by a metropolitan planning organization of a municipality's station area plan under Subsection (9)(b)(ii), the municipality shall provide a report to the applicable metropolitan planning organization on or before December 31 of the fifth year after the year in which the station area plan was certified, and every five years thereafter for a period not to exceed 15 years.

(b) The report described in Subsection (10)(a) shall:

- (i) contain the status of advancing the station area plan objectives, including, if applicable, actions described in the implementation plan required in Subsection (7)(c); and
- (ii) identify potential actions over the next five years that would advance the station area plan objectives.

(c) If a municipality has multiple certified station area plans, the municipality may consolidate the reports required in Subsection (10)(a) for the purpose of submitting reports to the metropolitan planning organization.

Section 31. Section **63N-23-201**, which is renumbered from Section 63N-3-603 is renumbered and amended to read:

## **Part 2. Housing and Transit Reinvestment Zone**

**[63N-3-603] 63N-23-201 (Effective 05/06/26). Applicability, requirements, and limitations on a housing and transit reinvestment zone.**

(1) A housing and transit reinvestment zone proposal created under this part shall demonstrate how the proposal addresses the following objectives:

- (a) higher utilization of public transit;
- (b) increasing availability of housing, including affordable housing, and fulfillment of moderate income housing plans;
- (c) promoting and encouraging development of owner-occupied housing;
- (d) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;
- (e) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
- (f) conserving water resources through efficient land use;
- (g) improving air quality by reducing fuel consumption and motor vehicle trips;

- 4994 (h) encouraging transformative mixed-use development and investment in transportation
- 4995 and public transit infrastructure in strategic areas;
- 4996 (i) strategic land use and municipal planning in major transit investment corridors as
- 4997 described in Subsection 10-20-404(2);
- 4998 (j) increasing access to employment and educational opportunities; and
- 4999 (k) increasing access to child care.

5000 (2)(a) In order to accomplish the objectives described in Subsection (1), a municipality

5001 or public transit county that initiates the process to create a housing and transit

5002 reinvestment zone as described in this part shall ensure that the proposal for a

5003 housing and transit reinvestment zone includes:

- 5004 (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units
- 5005 within the housing and transit reinvestment zone are affordable housing units,
- 5006 with:

- 5007 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy
- 5008 by households with a gross household income equal to or less than 80% of the
- 5009 county median gross income for households of the same size; and

- 5010 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy
- 5011 by households with a gross household income equal to or less than 60% of the
- 5012 county median gross income for households of the same size;

- 5013 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone
- 5014 shall include:

- 5015 (A) at least 51% of the developable area within a housing and transit reinvestment
- 5016 zone as residential uses; and

- 5017 (B) an average of at least 50 dwelling units per acre within the acreage of the
- 5018 housing and transit reinvestment zone dedicated to residential uses;

- 5019 (iii) mixed-use development; and

- 5020 (iv) a mix of dwelling units to ensure that at least 25% of the dwelling units have
- 5021 more than one bedroom.

5022 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public

5023 transit county shall ensure that a housing and transit reinvestment zone is phased

5024 and developed to provide the required 12% of affordable housing units in each

5025 phase of development.

- 5026 (ii) A municipality or public transit county may allow a housing and transit
- 5027 reinvestment zone to be phased and developed in a manner to provide more of the

required affordable housing units in early phases of development.

(iii) A municipality or public transit county shall include in a housing and transit reinvestment zone proposal an affordable housing plan, which may include deed restrictions, to ensure the affordable housing required in the proposal will continue to meet the definition of affordable housing at least throughout the entire term of the housing and transit reinvestment zone.

(c) For a housing and transit reinvestment zone proposed by a public transit county at a public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at a bus rapid transit station, the housing and transit reinvestment zone shall include:

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

(ii) an average of at least 39 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential uses.

(3) A municipality or public transit county that, at the time the housing and transit reinvestment zone proposal is approved by the housing and transit reinvestment zone committee, meets the affordable housing guidelines of the United States Department of Housing and Urban Development at 60% area median income is exempt from the requirement described in Subsection (2)(a).

(4)(a) A municipality may only propose a housing and transit reinvestment zone at a commuter rail station, and a public transit county may only propose a housing and transit reinvestment zone at a public transit hub, that:

(i) subject to Subsection (5)(a):

(A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not exceed a  $[\frac{1}{3}]$  one-third mile radius of a commuter rail station;

(II) for a municipality that is a city of the first or second class, as classified under Section 10-2-301, that is within a county of the first or second class, as classified under Section 17-60-104, with an opportunity zone created in accordance with Section 1400Z-1, Internal Revenue Code, does not exceed a  $[\frac{1}{2}]$  one-half mile radius of a commuter rail station located within the opportunity zone; or

(III) for a public transit county, does not exceed a  $[\frac{1}{3}]$  one-third mile radius of a public transit hub; and

(B) has a total area of no more than 125 noncontiguous acres;

- 5062 (ii) subject to Section [~~63N-3-607~~] 63N-23-203, proposes the capture of a maximum  
 5063 of 80% of each taxing entity's property tax increment above the base year for a  
 5064 term of no more than 25 consecutive years on each parcel within a 45-year period  
 5065 not to exceed the property tax increment amount approved in the housing and  
 5066 transit reinvestment zone proposal; and
- 5067 (iii) the commencement of collection of property tax increment, for all or a portion of  
 5068 the housing and transit reinvestment zone project area, shall be triggered by  
 5069 providing notice as described in Subsection (6), but a housing and transit  
 5070 reinvestment zone proposal may not propose or include triggering more than three  
 5071 property tax increment collection periods for the same project during the  
 5072 applicable 45-year period.
- 5073 (b) A municipality or public transit county may only propose a housing and transit  
 5074 reinvestment zone at a light rail station or bus rapid transit station that:
- 5075 (i) subject to Subsection (5):
- 5076 (A) does not exceed:
- 5077 (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a [~~1/4~~]  
 5078 one-quarter mile radius of a bus rapid transit station or light rail station;
- 5079 (II) for a municipality that is a city of the first class, as classified under Section 10-2-301, with  
 5080 a population greater than 150,000 that is within a county of the first class, as classified under  
 5081 Section 17-60-104, a [~~1/2~~] one-half mile radius of a light rail station located in an opportunity  
 5082 zone created in accordance with Section 1400Z-1, Internal Revenue Code; or  
 5083 [~~1400Z-1, Internal Revenue Code~~; or]
- 5084 (III) a [~~1/2~~] one-half mile radius of a light rail station located within a  
 5085 master-planned development of 500 acres or more; and
- 5086 (B) has a total area of no more than 100 noncontiguous acres;
- 5087 (ii) subject to Subsection (4)(c) and Section [~~63N-3-607~~] 63N-23-203, proposes the  
 5088 capture of a maximum of 80% of each taxing entity's property tax increment  
 5089 above the base year for a term of no more than 15 consecutive years on each  
 5090 parcel within a 30-year period not to exceed the property tax increment amount  
 5091 approved in the housing and transit reinvestment zone proposal; and
- 5092 (iii) the commencement of collection of property tax increment, for all or a portion of  
 5093 the housing and transit reinvestment zone project area, shall be triggered by  
 5094 providing notice as described in Subsection (6), but a housing and transit  
 5095 reinvestment zone proposal may not propose or include triggering more than three

property tax increment collection periods for the same project during the applicable 30-year period.

(c) For a housing and transit reinvestment zone proposed by a public transit county at a public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at a bus rapid transit station, if the proposed housing density within the housing and transit reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each taxing entity's property tax increment above the base year is 60%.

(d) A municipality that is a city of the first class, as classified under Section 10-2-301, with a population greater than 150,000 in a county of the first class, as classified under Section 17-60-104, as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within an opportunity zone.

(e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to an area between two light rail stations located within a city of the third class if the two light rail stations are within a .95 mile distance on the same light rail line.

(ii) If a housing and transit reinvestment zone is extended to accommodate two light rail stations as described in Subsection (4)(e)(i):

(A) the housing and transit reinvestment zone is limited to a total area not to exceed 100 noncontiguous acres; and

(B) the housing and transit reinvestment zone may not exceed a [1/4] one-quarter mile radius from the light rail stations or any point on the light rail line between the two stations.

(f) If a parcel within the housing and transit reinvestment zone is included as an area that is part of a project area, as that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.

(5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel is intersected by the relevant radius limitation, the full parcel may be included as part of the housing and transit reinvestment zone area and will not count against the limitations described in Subsection (4)(a)(i).

(b) For a housing and transit reinvestment zone for a light rail or bus rapid transit

5130 station, if a parcel is intersected by the relevant radius limitation, the full parcel may  
5131 be included as part of the housing and transit reinvestment zone area and will not  
5132 count against the limitations described in Subsection (4)(b)(i).

5133 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.

5134 (6)(a) The notice of commencement of collection of property tax increment required in  
5135 Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the  
5136 following entities no later than December 31 of the year before the year for which the  
5137 property tax increment collection is proposed to commence:

5138 (i) the State Tax Commission;

5139 (ii) the State Board of Education;

5140 (iii) the state auditor;

5141 (iv) the auditor of the county in which the housing and transit reinvestment zone is  
5142 located;

5143 (v) each taxing entity affected by the collection of property tax increment from the  
5144 housing and transit reinvestment zone; and

5145 (vi) the Governor's Office of Economic Opportunity.

5146 (b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until  
5147 the date on which the housing and transit reinvestment zone proposal is approved by  
5148 the housing and transit reinvestment zone committee.

5149 (7)(a) The maximum number of housing and transit reinvestment zones at light rail  
5150 stations, not including a convention center reinvestment zone, is eight in any given  
5151 county.

5152 (b) Within a county of the first class, the maximum number of housing and transit  
5153 reinvestment zones at bus rapid transit stations is three.

5154 (c) Within a county of the first class, the maximum total combined number of housing  
5155 and transit reinvestment zones described in Subsections (7)(a) and (b) and first home  
5156 investment zones created under ~~[Part 16, First Home Investment Zone Act]~~ Part 7,  
5157 First Home Investment Zone, is 11.

5158 (8)(a) For purposes of this Subsection (8), "entitlement agreement" means:

5159 (i) a land use application;

5160 (ii) a rezone petition; or

5161 (iii) a request, petition, or application to:

5162 (A) enact or approve a development agreement; or

5163 (B) to amend or modify a development agreement.



- (b) This Subsection (8) applies to a specified county, as defined in Section 17-80-101, that has created a small public transit district on or before January 1, 2022.
- (c) To accomplish the objectives described in Subsection (1), an owner of undeveloped property within an unincorporated county shall have the right to develop and build a mixed-use development if:
- (i) the owner has submitted an entitlement agreement to the county on or before December 31, 2022, and is within a  $[\frac{1}{3}]$  one-third mile radius of a public transit hub in a county described in Subsection (8)(b), including parcels that are intersected by the  $[\frac{1}{3}]$  one-third mile radius; and
  - (ii) the county described in Subsection (8)(b) has failed to approve the entitlement agreement described in Subsection (8)(c)(i) by ordinance before December 31, 2022.
- (d) The mixed use development described in Subsection (8)(c) shall include the following:
- (i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the total acres of developable area within the mixed-use development dedicated exclusively to residential use; or
  - (II) a maximum number of dwelling units equal to 15 multiplied by the total acres of the mixed-use development; and
  - (B) at least 33% of the dwelling units as affordable housing;
  - (ii) commercial uses, including office, retail, educational, and healthcare in support of the mixed-use development constituting no more than  $[\frac{1}{3}]$  one-third of the total planned gross building square footage of the subject parcels; and
  - (iii) any other infrastructure element necessary or reasonable to support the mixed-use development, including:
    - (A) parking infrastructure;
    - (B) streets;
    - (C) sidewalks;
    - (D) parks; and
    - (E) trails.
- (e)(i) The mixed-use development described in this Subsection (8) may qualify for a housing and transit reinvestment zone described in Subsection (4)(a).
- (ii) The county described in Subsection (8)(b) may propose a housing and transit reinvestment zone in accordance with this part, if the housing and transit

reinvestment zone includes:

(A)(I) an average of at least 30 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential use; or

(II) a minimum number of 14 dwelling units per acre on average within the acreage of the housing and transit reinvestment zone; and

(B) at least 33% of the dwelling units as affordable housing units.

(f) A county may not take an action or enforce an agreement, ordinance, regulation, or requirement that prevents or creates development impediments to the development of a mixed-use development as described in this Subsection (8).

(g) A county action to approve or implement the development of a mixed-use development as described in this Subsection (8) shall constitute an administrative action taken by the county and does not require county legislative action.

Section 32. Section **63N-23-202**, which is renumbered from Section 63N-3-604 is renumbered and amended to read:

**[63N-3-604] 63N-23-202 (Effective 05/06/26). Process for a proposal of a housing and transit reinvestment zone -- Analysis.**

(1) Subject to approval of the housing and transit reinvestment zone committee as described in Section [63N-3-605] 63N-23-102, in order to create a housing and transit reinvestment zone, a municipality or public transit county that has general land use authority over the housing and transit reinvestment zone area, shall:

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

(i) demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection [63N-3-603(1)] 63N-23-201(1);

(ii) explains how the municipality or public transit county will achieve the requirements of Subsection [63N-3-603(2)(a)(i)] 63N-23-201(2)(a)(i);

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

(iv) defines the boundaries of:

(A) the housing and transit reinvestment zone; and

(B) the sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section [63N-3-610] 63N-23-206;

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

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

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

5232 and

5233 (C) existing zoning and proposed zoning changes related to the housing and transit  
5234 reinvestment zone;

5235 (vi) identifies any development impediments that prevent the development from  
5236 being a market-rate investment, including proposed strategies and estimated  
5237 budgets for addressing each one;

5238 (vii) describes the proposed development plan and estimated budgets, including the  
5239 requirements described in Subsections [~~63N-3-603(2) and (4)~~] 63N-23-201(2) and  
5240 (4);

5241 (viii) establishes a base year and collection period to calculate the property tax  
5242 increment within the housing and transit reinvestment zone;

5243 (ix) establishes a sales and use tax base year to calculate the sales and use tax  
5244 increment within the housing and transit reinvestment zone in accordance with  
5245 Section [~~63N-3-610~~] 63N-23-206;

5246 (x) describes projected maximum revenues generated and the amount of property tax  
5247 increment capture from each taxing entity and proposed expenditures of revenue  
5248 derived from the housing and transit reinvestment zone;

5249 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources  
5250 of revenue that can be used to reduce the finance gap;

5251 (xii) estimates budgets and evaluates possible benefits to active and public  
5252 transportation availability and impacts on air quality;

5253 (xiii) proposes a finance schedule to align expected revenue with required financing  
5254 costs and payments;

5255 (xiv) provides a pro-forma for the planned development that:

5256 (A) satisfies the requirements described in Subsections [~~63N-3-603(2), (3), and (4)~~]  
5257 63N-23-201(2) through (4);

5258 (B) includes data showing the cost difference between what type of development  
5259 could feasibly be developed absent the housing and transit reinvestment zone  
5260 property tax increment and the type of development that is proposed to be  
5261 developed with the housing and transit reinvestment zone property tax  
5262 increment; and

5263 (C) provides estimated budgets and construction costs, anticipated revenue,  
5264 financing, expenses, and other sources and uses of funds for the project area;  
5265 and

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

- 5300 (v) based on the market analysis and other findings, an opinion relative to the  
 5301 appropriate amount of potential public financing reasonably determined to be  
 5302 necessary to achieve the objectives described in [~~Subsection 63N-3-603(1)~~]  
 5303 Section 63N-23-201.
- 5304 (c) After receiving notice from the Governor's Office of Economic Opportunity of a  
 5305 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),  
 5306 the State Tax Commission shall:
- 5307 (i) evaluate the feasibility of administering the tax implications of the proposal; and  
 5308 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any  
 5309 challenges in the administration of the proposal, or indicating that the Tax  
 5310 Commission can feasibly administer the proposal.
- 5311 (4) After receiving the results from the analysis described in Subsection (3)(b), the  
 5312 municipality or public transit county proposing the housing and transit reinvestment  
 5313 zone may:
- 5314 (a) amend the housing and transit reinvestment zone proposal based on the findings of  
 5315 the analysis described in Subsection (3)(b) and request that the Governor's Office of  
 5316 Economic Opportunity submit the amended housing and transit reinvestment zone  
 5317 proposal to the housing and transit reinvestment zone committee; or  
 5318 (b) request that the Governor's Office of Economic Opportunity submit the original  
 5319 housing and transit reinvestment zone proposal to the housing and transit  
 5320 reinvestment zone committee.
- 5321 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated  
 5322 credit, up to \$20,000 from a municipality or public transit county for the costs of the  
 5323 gap analysis described in Subsection (3)(b).
- 5324 (b) The Governor's Office of Economic Opportunity may expend funds received from a  
 5325 municipality or public transit county as dedicated credits to pay for the costs  
 5326 associated with the gap analysis described in Subsection (3)(b).
- 5327 Section 33. Section **63N-23-203**, which is renumbered from Section 63N-3-607 is renumbered  
 5328 and amended to read:
- 5329 **[~~63N-3-607~~] 63N-23-203 (Effective 05/06/26). Payment, use, and administration**  
 5330 **of revenue from a housing and transit reinvestment zone.**
- 5331 (1) In accordance with this part[:]
- 5332 [~~(a)~~] \_a municipality or public transit county may receive and use property tax increment  
 5333 and housing and transit reinvestment zone funds[;] \_

~~[(b)(i) a public infrastructure district shall use the funds from a convention center reinvestment zone in a capital city within or for the benefit of a convention center reinvestment zone in a capital city; and]~~

~~[(ii) funds from a convention center reinvestment zone in a capital city may be used outside of the capital city convention center reinvestment zone if the use meets the objectives described in Section 63N-3-603.1 and is determined by the board of the public infrastructure district to be a direct benefit to the convention center reinvestment zone in a capital city; and]~~

~~[(e) a municipality or a public infrastructure district may receive and use property tax increment and convention center reinvestment zone funds for a convention center reinvestment zone that is not within a capital city.]~~

(2)(a) ~~[Except as provided in Subsection (3), a]~~ A county that collects property tax on property located within a housing and transit reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the municipality or public transit county any property tax increment the municipality or public transit county is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.

(b) Property tax increment distributed to a municipality or public transit county in accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality or public transit county.

(c)(i) Property tax increment paid to the municipality or public transit county are housing and transit reinvestment zone funds and shall be administered by an agency created by the municipality or public transit county within which the housing and transit reinvestment zone is located.

(ii) Before an agency may receive housing and transit reinvestment zone funds from the municipality or public transit county, the municipality or public transit county and the agency shall enter into an interlocal agreement with terms that:

(A) are consistent with the approval of the housing and transit reinvestment zone committee; and

(B) meet the requirements of Section ~~[63N-3-603]~~ 63N-23-201 or, for a convention center reinvestment zone, the requirements of Section ~~[63N-3-603.1]~~ 63N-23-301.

~~[(3)(a) A county that collects property tax on property located within a convention center reinvestment zone shall, in accordance with Section 59-2-1365, distribute to~~

the relevant public infrastructure district created by the eligible municipality any property tax increment the public infrastructure district is authorized to receive up to the amounts approved by the housing and transit reinvestment zone committee.]

[(b) Property tax increment distributed to a public infrastructure district in accordance with Subsection (3)(a) is not revenue of the taxing entity or municipality.]

[(c) Property tax increment paid to the public infrastructure district are convention center reinvestment zone funds and shall be administered by the public infrastructure district within which the convention center reinvestment zone is located.]

[(4)] (3)(a)[(i)] A municipality or public transit county and agency shall use housing and transit reinvestment zone funds within, or for the direct benefit of, the housing and transit reinvestment zone.

[(ii) A public infrastructure district shall use convention center reinvestment zone funds within, or for the benefit of, the convention center reinvestment zone.]

(b) If any housing and transit reinvestment zone funds will be used outside of the housing and transit reinvestment zone, there ~~[must]~~ shall be a finding in the approved proposal for a housing and transit reinvestment zone that the use of the housing and transit reinvestment zone funds outside of the housing and transit reinvestment zone will directly benefit the housing and transit reinvestment zone.

[(5)] (4)(a) A municipality or public transit county shall use housing and transit reinvestment zone funds to achieve the purposes described in Subsections [ ~~63N-3-603(1) and (2)~~] 63N-23-201(1) and (2), by paying all or part of the costs of any of the following:

- (i) income targeted housing costs;
- (ii) structured parking within the housing and transit reinvestment zone;
- (iii) enhanced development costs;
- (iv) horizontal construction costs;
- (v) vertical construction costs;
- (vi) property acquisition costs within the housing and transit reinvestment zone;
- (vii) the costs of the municipality or public transit county to create and administer the housing and transit reinvestment zone, which may not exceed 2% of the total housing and transit reinvestment zone funds, plus the costs to complete the gap analysis described in Subsection [~~63N-3-604(2)~~] 63N-23-202(2); or
- (viii) subject to Subsection [(5)(b)] (4)(b), costs for the construction or expansion of child care facilities within the boundary of the housing and transit reinvestment

5402 zone.

5403 (b) A municipality or public transit county may not use more than 1% of the total  
5404 housing and transit reinvestment zone funds to pay costs described in Subsection [  
5405 (5)(a)(viii)] (4)(a)(viii).

5406 ~~[(e) A public infrastructure district shall use convention center reinvestment zone funds~~  
5407 ~~to achieve the purposes described in Section 63N-3-603.1.]~~

5408 ~~[(6)]~~ (5) Housing and transit reinvestment zone funds may be paid to a participant, if the  
5409 agency and participant enter into a participation agreement that requires the participant  
5410 to utilize the housing and transit reinvestment zone funds as allowed in this section.

5411 ~~[(7)]~~ (6)~~[(a)]~~ Housing and transit reinvestment zone funds may be used to pay all of the  
5412 costs of bonds issued by the municipality or public transit county in accordance with  
5413 Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the  
5414 bonds including interest.

5415 ~~[(b) Convention center reinvestment zone funds may be used to pay all of the costs of~~  
5416 ~~debt incurred by the public infrastructure district, including the cost to issue and~~  
5417 ~~repay the debt including interest.]~~

5418 ~~[(8)]~~ (7)~~[(a)]~~ A municipality or public transit county may create one or more public  
5419 infrastructure districts within the housing and transit reinvestment zone under Title  
5420 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing  
5421 and transit reinvestment zone funds to guarantee the payment of public infrastructure  
5422 bonds issued by a public infrastructure district.

5423 ~~[(b) An eligible municipality that is a capital city shall create one or more public~~  
5424 ~~infrastructure districts within the convention center reinvestment zone under Title~~  
5425 ~~17D, Chapter 4, Public Infrastructure District Act, and the convention center~~  
5426 ~~reinvestment zone funds may be used to pay all or any portion of debt incurred by the~~  
5427 ~~public infrastructure district, including the cost to issue and repay the debt including~~  
5428 ~~interest.]~~

5429 Section 34. Section **63N-23-204**, which is renumbered from Section 63N-3-608 is renumbered  
5430 and amended to read:

5431 **~~[63N-3-608]~~ 63N-23-204 (Effective 05/06/26). Applicability to an existing**  
5432 **community reinvestment project.**

5433 ~~[(1)]~~ For a housing and transit reinvestment zone created under this part that overlaps any  
5434 portion of an existing inactive industrial site community reinvestment project area plan  
5435 created in accordance with Title 17C, Limited Purpose Local Government Entities -



Community Reinvestment Agency Act:

~~[(a)] (1)~~ if the community reinvestment project area plan captures less than 80% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the housing and transit reinvestment zone may capture the difference between:

~~[(i)] (a)~~ 80%; and

~~[(ii)] (b)~~ the percentage of property tax increment captured ~~[pursuant to]~~ in accordance with the community reinvestment project area plan; and

~~[(b)] (2)~~ if a community reinvestment project area plan expires before the housing and transit reinvestment zone, the housing and transit reinvestment zone may capture the property tax increment allocated to the community reinvestment project area plan for any remaining portion of the term of the housing and transit reinvestment zone and the base year shall be updated in accordance with ~~[Subsection 63N-3-602(4)]~~ Subsection 63N-23-101(4).

~~[(2) For a convention center reinvestment zone created under this part that overlaps any portion of an existing community reinvestment project area created in accordance with Title 17C, Limited Purpose Local Government Entities – Community Reinvestment Agency Act:]~~

~~[(a) if the community reinvestment project area captures less than 100% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area, the convention center reinvestment zone may capture the difference between:]~~

~~[(i) 100%; and]~~

~~[(ii) the percentage of property tax increment captured pursuant to the community reinvestment project area for each taxing entity; and]~~

~~[(b) if a community reinvestment project area plan expires before the convention center reinvestment zone, the convention center reinvestment zone may capture the property tax increment allocated to the community reinvestment project area for any remaining portion of the term of the convention center reinvestment zone with the base year relating back to the base year established by the community reinvestment project area:]~~

Section 35. Section **63N-23-205**, which is renumbered from Section 63N-3-609 is renumbered and amended to read:

**[63N-3-609] 63N-23-205 (Effective 05/06/26). Property tax increment protections.**

- (1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~, a housing and transit reinvestment zone ~~[or convention center reinvestment zone]~~ may suspend or terminate the collection of property tax increment in a housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:
- (a) a substantial portion of the property tax increment collected in the housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ has not or will not be used for the purposes provided in Section ~~[63N-3-607]~~ 63N-23-203; and
  - (b)(i) the housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ and related public infrastructure district has no indebtedness secured by funds provided for in this chapter; or
  - (ii) the housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ and related public infrastructure district has no binding financial obligations secured by this chapter.
- (2) A housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ may not collect property tax increment in excess of the property tax increment projections or limitations set forth in the housing and transit reinvestment zone~~[-or convention center reinvestment zone]~~ proposal.
- (3) The agency administering the property tax increment collected in a housing and transit reinvestment zone under Subsection ~~[63N-3-607(2)(c) or the public infrastructure district administering the property tax increment collected in a convention center reinvestment zone under Subsection 63N-3-607(3)(e)]~~ 63N-23-203(2)(c), shall have standing in a court with proper jurisdiction to enforce provisions of the housing and transit reinvestment zone~~[-or convention center reinvestment zone proposal]~~, participation agreements, and other agreements for the use of the property tax increment collected.
- (4) The agency administering property tax increment from a housing and transit reinvestment zone under Subsection ~~[63N-3-607(2)(c) or the public infrastructure district administering the property tax increment collected in a convention center reinvestment zone under Subsection 63N-3-607(3)(e) which]~~ 63N-23-203(2)(c) that is collecting property tax increment shall follow the reporting requirements described in

5504 Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and  
 5505 17C-1-605.

5506 (5) For each housing and transit reinvestment zone~~[or convention center reinvestment zone]~~  
 5507 collecting tax increment within a county, the county auditor shall follow the reporting  
 5508 requirement found in Section 17C-1-606.

5509 Section 36. Section **63N-23-206**, which is renumbered from Section 63N-3-610 is renumbered  
 5510 and amended to read:

5511 **[63N-3-610] 63N-23-206 (Effective 05/06/26). Sales and use tax increment in a**  
 5512 **housing and transit reinvestment zone.**

5513 (1) A housing and transit reinvestment proposal shall, in consultation with the tax  
 5514 commission:

5515 (a) create a sales and use tax boundary as described in Subsection (2); and

5516 (b) establish a sales and use tax base year and collection period to calculate and transfer  
 5517 the state sales and use tax increment within the housing and transit reinvestment  
 5518 zone, which sales and use tax base year is established prospectively, 90 days after the  
 5519 date of the notice described in Subsection (4).

5520 (2)(a) The municipality or public transit county, in consultation with the tax  
 5521 commission, shall establish a sales and use tax boundary that:

5522 (i) is based on state sales and use tax collection boundaries, which are determined  
 5523 using the ZIP Code as defined in Section 59-12-102, including the four digit  
 5524 delivery route extension;

5525 (ii) follows as closely as reasonably practicable the boundary of the housing and  
 5526 transit reinvestment zone; and

5527 (iii) is one contiguous area that includes at least the entire boundary of the housing  
 5528 and transit reinvestment zone.

5529 (b) If a state sales and use tax boundary is intersected by the boundary of the housing  
 5530 and transit reinvestment zone, the housing and transit reinvestment zone may include  
 5531 the entire state sales and use tax boundary.

5532 (c) The municipality or public transit county shall include the sales and use tax boundary  
 5533 in the housing and transit reinvestment zone proposal as described in Section [  
 5534 ~~63N-3-604~~] **63N-23-202**.

5535 (3)(a) Beginning the first day of a calendar quarter one year after the sales and use tax  
 5536 boundary for a housing and transit reinvestment zone is established, the tax  
 5537 commission shall, at least annually, transfer an amount equal to 15% of the sales and

5538 use tax increment within an established sales and use tax boundary into the Transit  
5539 Transportation Investment Fund created in Section 72-2-124.

5540 (b) A municipality or public transit county may only propose one sales and use tax  
5541 increment period and one sales and use tax base year for a housing and transit  
5542 reinvestment zone established under this part.

5543 (4)(a) The establishment of a sales and use tax base year and the requirement described  
5544 in Subsection (3) to transfer incremental sales tax revenue shall take effect:

5545 (i) on the first day of a calendar quarter; and

5546 (ii) after a 90-day waiting period, beginning on the date the commission receives  
5547 notice from the municipality or public transit county meeting the requirements of  
5548 Subsection (4)(b).

5549 (b) The notice described in Subsection (4)(a) shall include:

5550 (i) a statement that the housing and transit reinvestment zone will be established  
5551 under this part;

5552 (ii) the approval date and effective date of the housing and transit reinvestment zone;  
5553 and

5554 (iii) the definitions of the sales and use tax boundary and sales and use tax base year.

5555 (5) The State Tax Commission may retain and deposit an administrative charge in  
5556 accordance with Section 59-1-306 from sales and use tax increment the State Tax  
5557 Commission collects and administers under this section.

5558 Section 37. Section **63N-23-207**, which is renumbered from Section 63N-3-611 is renumbered  
5559 and amended to read:

5560 **[63N-3-611] 63N-23-207 (Effective 05/06/26). Boundary adjustments.**

5561 If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a  
5562 housing and transit reinvestment zone~~[-or a convention center reinvestment zone]~~, the  
5563 municipality administering the property tax increment collected in the housing and transit  
5564 reinvestment zone~~[-or for a convention center reinvestment zone, the Governor's Office of~~  
5565 ~~Economic Opportunity]~~ may make corresponding adjustments to the boundary of the housing  
5566 and transit reinvestment zone.

5567 Section 38. Section **63N-23-301**, which is renumbered from Section 63N-3-603.1 is renumbered  
5568 and amended to read:

5569 **Part 3. Convention Center Reinvestment Zone**

5570 **[63N-3-603.1] 63N-23-301 (Effective 05/06/26). Applicability, requirements, and**  
5571 **limitations on a convention center reinvestment zone.**

- (1) A convention center reinvestment zone proposal created under this part shall demonstrate how the proposal addresses the following objectives:
- (a) redevelopment of a convention center and the surrounding area's infrastructure and assets;
  - (b) activation of unrealized economic opportunities related to the convention center and surrounding infrastructure and assets;
  - (c) modernization of infrastructure and design of the convention center and surrounding area and related public spaces;
  - (d) encouragement of transformative development and investment, including parking improvements;
  - (e) promotion of economic development and employment opportunities;
  - (f) improvement of the aesthetic, functionality, and walkability of the convention center and surrounding area;
  - (g) enhancement of tourism opportunities; and
  - (h) creation of outdoor event space to accommodate events or festivals open to the public.

~~[(2) A convention center reinvestment zone in a capital city proposal created under this part shall also demonstrate how the proposal addresses the following objectives:]~~

~~[(a) redevelopment of a convention center and surrounding infrastructure and assets that directly serve the convention center, including parking facilities;]~~

~~[(b) modernization of infrastructure and design of the convention center; and]~~

~~[(c) improvement of the aesthetic, functionality, and walkability of the convention center.]~~

~~[(3)] (2)~~ The Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone to accomplish the objectives described in [Subsections (1) and (2)] Subsection (1).

~~[(4)] (3)(a)(i)]~~ A convention center reinvestment zone proposal may propose the capture of 100% of the property tax increment and 100% of the sales and use tax increment described in Subsection ~~[63N-3-602(38)(b)(ii)]~~ 63N-23-101(40)(b)(ii) for a period of 30 years.

~~[(ii) For a convention center reinvestment zone in a capital city, in addition to the proposed capture of property tax increment and sales and use tax increment described in Subsection (4)(a)(i), the convention center reinvestment zone may propose the capture of 50% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(i).]~~

(b) The convention center reinvestment zone proposal shall include the respective start date and base year date from which to calculate:

- (i) the 30-year period of property tax increment; and
- (ii) the 30-year period of the sales and use tax increment.

(c) The convention center reinvestment zone proposal may not stagger the collection periods for the parcels within the convention center reinvestment zone boundary and the parcels within the convention center reinvestment zone boundary shall have the same 30-year collection period.

(d) The convention center reinvestment zone proposal start date for the 30-year period described in this Subsection ~~[(4)]~~ (3), shall be no sooner than January 1 of the year of the identified tax collection year.

~~[(e)(i) For a convention center reinvestment zone in a capital city, revenue from the property tax increment and sales and use tax increment shall be distributed directly to a convention center public infrastructure district in a capital city created as required in Subsection 63N-3-607(8)(b); and]~~

~~[(ii)]~~ (e) For a convention center reinvestment zone ~~[in a city other than a capital city]~~, revenue from the property tax increment and sales and use tax increment may be distributed directly to the municipality or public infrastructure district as described in the convention center reinvestment zone proposal.

~~[(5)]~~ (4) The Governor's Office of Economic Opportunity may only propose a convention center reinvestment zone:

(a) within the boundary of the eligible municipality;

(b) consisting of a total area:

- (i) not to exceed 50 acres; or
- (ii) if greater than 50 acres, approved by the relevant eligible municipality; and

(c) consisting only of contiguous parcels ~~[; and]~~ .

~~[(d) for a convention center reinvestment zone in a capital city, in an area that includes any portion of an existing convention center and any city block that is bordered by an existing convention center.]~~

~~[(6)(a) For a convention center reinvestment zone in a capital city, the Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone on or before April 15, 2025.]~~

~~[(b) For a convention center reinvestment zone that is not in a capital city, the]~~

(5) The Governor's Office of Economic Opportunity shall propose a convention center

reinvestment zone within 60 days after receiving a petition from the relevant city.

~~[(7)]~~ (6) A convention center reinvestment zone does not count toward the maximum of eight housing and transit reinvestment zones in a given county as provided in Subsection [63N-3-603(7)(a)] 63N-23-201(7)(a).

Section 39. Section **63N-23-302**, which is renumbered from Section 63N-3-604.1 is renumbered and amended to read:

**~~[63N-3-604.1]~~ 63N-23-302 (Effective 05/06/26). Process for proposing a convention center reinvestment zone.**

(1) To create a convention center reinvestment zone under this part, the Governor's Office of Economic Opportunity shall, after consulting with and giving notice to the related eligible municipality and county, provide a proposal for a convention center reinvestment zone to the housing and transit reinvestment zone committee.

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

~~[(i)]~~ (a) defines the boundary of the proposed convention center reinvestment zone;

~~[(ii)]~~ (b) describes generally the proposed development plan;

~~[(iii)]~~ (c) identifies a base year and collection period to calculate the property tax increment within the convention center reinvestment zone;

~~[(iv)]~~ (d) specifies a sales and use tax base year to calculate the sales and use tax increment within the convention center reinvestment zone in accordance with Section [63N-3-610.1] 63N-23-306;

~~[(v)]~~ (e) provides estimated project and investment objectives for the convention center reinvestment zone; and

~~[(vi)]~~ (f) outlines generally the impacts on transportation in and around the proposed convention center reinvestment zone.

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

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

~~[(i) a convention center;]~~

~~[(ii) a publicly-owned entertainment venue;]~~

~~[(iii) parking; and]~~

5674           ~~[(iv) infrastructure related to the project.]~~

5675           (3) A proposal by the Governor's Office of Economic Opportunity for a convention center  
5676           reinvestment zone shall demonstrate how the information and data provided in the  
5677           proposal ~~[pursuant to]~~ described in Subsection (2) furthers the objectives described in  
5678           Section ~~[63N-3-603.1]~~ 63N-23-301 and is in the public interest.

5679           (4) After submitting the proposal as described in Subsection (2), the Governor's Office of  
5680           Economic Opportunity shall provide notice of the proposal to all affected taxing entities,  
5681           including the State Tax Commission, cities, counties, school districts, metropolitan  
5682           planning organizations, and the county assessor and county auditor of the county in  
5683           which the convention center reinvestment zone is located.

5684           (5) After receiving notice from the Governor's Office of Economic Opportunity of a  
5685           proposed convention center reinvestment zone as described in Subsection (4), the Tax  
5686           Commission shall, within 14 days:

- 5687           (a) evaluate the feasibility of administering the tax implications of the proposal; and  
5688           (b) provide a letter to the Governor's Office of Economic Opportunity describing any  
5689           challenges in the administration of the proposal, or indicating that the State Tax  
5690           Commission can feasibly administer the proposal.

5691           Section 40. Section **63N-23-303** is enacted to read:

5692           **63N-23-303 (Effective 05/06/26). Payment, use, and administration of revenue**  
5693           **from a convention center reinvestment zone.**

5694           (1) In accordance with this part, a municipality or a public infrastructure district may  
5695           receive and use property tax increment and convention center reinvestment zone funds  
5696           for a convention center reinvestment zone that is not within a capital city.

5697           (2)(a) A county that collects property tax on property located within a convention center  
5698           reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the  
5699           relevant public infrastructure district created by the eligible municipality any  
5700           property tax increment the public infrastructure district is authorized to receive up to  
5701           the amounts approved by the housing and transit reinvestment zone committee.

5702           (b) Property tax increment distributed to a public infrastructure district in accordance  
5703           with Subsection (2)(a) is not revenue of the taxing entity or municipality.

5704           (c) Property tax increment paid to the public infrastructure district are convention center  
5705           reinvestment zone funds and shall be administered by the public infrastructure district  
5706           within which the convention center reinvestment zone is located.

5707           (3)(a) A public infrastructure district shall use convention center reinvestment zone



funds within, or for the benefit of the convention center reinvestment zone.

(b) If any housing and transit reinvestment zone funds will be used outside of the housing and transit reinvestment zone, there shall be a finding in the approved proposal for a housing and transit reinvestment zone that the use of the housing and transit reinvestment zone funds outside of the housing and transit reinvestment zone will directly benefit the housing and transit reinvestment zone.

(4) A public infrastructure district shall use convention center reinvestment zone funds to achieve the purposes described in Section 63N-23-301.

(5) Convention center reinvestment zone funds may be used to pay all of the costs of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.

Section 41. Section **63N-23-304** is enacted to read:

**63N-23-304 (Effective 05/06/26). Applicability to an existing community reinvestment zone project.**

For a convention center reinvestment zone created under this part that overlaps any portion of an existing community reinvestment project area created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

(1) if the community reinvestment project area captures less than 100% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area, the convention center reinvestment zone may capture the difference between:

(a) 100%; and

(b) the percentage of property tax increment captured in accordance with the community reinvestment project area for each taxing entity; and

(2) if a community reinvestment project area plan expires before the convention center reinvestment zone, the convention center reinvestment zone may capture the property tax increment allocated to the community reinvestment project area for any remaining portion of the term of the convention center reinvestment zone with the base year relating back to the base year established by the community reinvestment project area.

Section 42. Section **63N-23-305** is enacted to read:

**63N-23-305 (Effective 05/06/26). Property tax increment protections.**

(1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a convention center reinvestment zone, a convention center reinvestment zone may suspend or terminate the collection of

property tax increment in a convention center reinvestment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

(a) a substantial portion of the property tax increment collected in the convention center reinvestment zone has not or will not be used for the purposes provided in Section 63N-23-303; and

(b)(i) the convention center reinvestment zone and related public infrastructure district has no indebtedness secured by funds provided for in this chapter; or

(ii) the convention center reinvestment zone and related public infrastructure district has no binding financial obligations secured by this chapter.

(2) A convention center reinvestment zone may not collect property tax increment in excess of the property tax increment projections or limitations set forth in the convention center reinvestment zone proposal.

(3) The public infrastructure district administering the property tax increment collected in a convention center reinvestment zone under Section 63N-23-303, shall have standing in a court with proper jurisdiction to enforce provisions of the convention center reinvestment zone proposal, participation agreements, and other agreements for the use of the property tax increment collected.

(4) The public infrastructure district administering the property tax increment collected in a convention center reinvestment zone under Section 63N-23-303 that is collecting property tax increment shall follow the reporting requirements described in Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.

(5) For each convention center reinvestment zone collecting tax increment within a county, the county auditor shall follow the reporting requirement found in Section 17C-1-606.

Section 43. Section **63N-23-306**, which is renumbered from Section 63N-3-610.1 is renumbered and amended to read:

**[63N-3-610.1] 63N-23-306 (Effective 05/06/26). Sales and use tax increment in a convention center reinvestment zone.**

(1) A convention center [revitalization] reinvestment zone proposal shall, in consultation with the State Tax Commission:

(a) create a sales and use tax boundary as described in Subsection (2); and

(b) establish a sales and use tax base year to calculate and transfer the sales and use tax increment within the convention center [revitalization] reinvestment zone 90 days

- 5776 after the date of the notice described in Subsection [(4)] (5).
- 5777 (2)(a) The Governor's Office of Economic Opportunity, in consultation with the State  
 5778 Tax Commission, shall establish a sales and use tax boundary that:
- 5779 (i) is based on state sales and use tax collection boundaries, which are determined  
 5780 using the ZIP Code as defined in Section 59-12-102, including the four digit  
 5781 delivery route extension;
- 5782 (ii) follows as closely as reasonably practicable the boundary of the convention  
 5783 center [revitalization] reinvestment zone; and
- 5784 (iii) is one contiguous area that includes at least the entire boundary of the convention  
 5785 center [revitalization] reinvestment zone.
- 5786 (b) If a state sales and use tax boundary is intersected by the boundary of the convention  
 5787 center [revitalization] reinvestment zone, the convention center [revitalization]  
 5788 reinvestment zone may include the entire state sales and use tax boundary.
- 5789 (c) The Governor's Office of Economic Opportunity shall include the sales and use tax  
 5790 boundary in the convention center [revitalization] reinvestment zone proposal as  
 5791 described in Section [63N-3-603.1] 63N-23-301.
- 5792 (3)[(a) For a convention center reinvestment zone that is not located in a capital city,  
 5793 ~~beginning~~ Beginning no sooner than January 1, 2026, and on the first day of a  
 5794 calendar quarter after the year set in the proposal and after the sales and use tax  
 5795 boundary for a convention center reinvestment zone is established, the State Tax  
 5796 Commission shall, at least annually, transfer an amount equal to 100% of the local  
 5797 sales and use tax increment within an established sales and use tax boundary to the  
 5798 relevant municipality or public infrastructure district.
- 5799 [(b) For a convention center reinvestment zone that is located in a capital city, beginning  
 5800 no sooner than January 1, 2026, and on the first day of a calendar quarter after the  
 5801 year set in the proposal and after the sales and use tax boundary for a convention  
 5802 center reinvestment zone in a capital city is established, the State Tax Commission  
 5803 shall, at least annually, transfer an amount equal to 50% of the state sales and use tax  
 5804 increment and 100% of any local sales and use tax increment within an established  
 5805 sales and use tax boundary to the public infrastructure district created pursuant to  
 5806 Subsection 63N-3-607(8)(b).]
- 5807 (4) The Governor's Office of Economic Opportunity may only propose one sales and use  
 5808 tax increment period and one sales and use tax base year for a convention center [  
 5809 revitalization] reinvestment zone established under this part.

- (5)(a) The distribution of the sales and use tax increment shall begin:
- (i) on the first day of a calendar quarter;
  - (ii) after a 90-day waiting period, beginning on the date the State Tax Commission receives notice from the Governor's Office of Economic Opportunity meeting the requirements of Subsection (5)(b); and
  - (iii) no earlier than January 1, 2026 after the year set in the proposal of the approved convention center reinvestment zone.
- (b) The notice described in Subsection (5)(a) shall include:
- (i) a statement that the convention center [~~revitalization~~] reinvestment zone will be established under this part;
  - (ii) the approval date and effective date of the convention center [~~revitalization~~] reinvestment zone; and
  - (iii) the definitions of the sales and use tax boundary and sales and use tax base year.
- (6) The State Tax Commission may retain and deposit an administrative charge in accordance with Section 59-1-306 from sales and use tax revenues the State Tax Commission collects and administers under this section.

Section 44. Section **63N-23-307** is enacted to read:

**63N-23-307 (Effective 05/06/26). Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a convention center reinvestment zone, the Governor's Office of Economic Opportunity may make corresponding adjustments to the boundary of the convention center reinvestment zone.

Section 45. Section **63N-23-401** is enacted to read:

**Part 4. Convention Center Reinvestment Zone in a Capital City**

**63N-23-401 (Effective 05/06/26). Applicability, requirements, and limitations on a convention center reinvestment zone in a capital city.**

- (1) A convention center reinvestment zone in a capital city proposal created under this part shall demonstrate how the proposal addresses the following objectives:
- (a) redevelopment of a convention center and the surrounding area's infrastructure and assets;
  - (b) activation of unrealized economic opportunities related to the convention center and surrounding infrastructure and assets;
  - (c) modernization of infrastructure and design of the convention center and surrounding area and related public spaces;
  - (d) encouragement of transformative development and investment, including parking

- 5844 improvements;
- 5845 (e) promotion of economic development and employment opportunities;
- 5846 (f) improvement of the aesthetic, functionality, and walkability of the convention center
- 5847 and surrounding area;
- 5848 (g) enhancement of tourism opportunities; and
- 5849 (h) creation of an outdoor event space to accommodate events or festivals open to the
- 5850 public.
- 5851 (2) A convention center reinvestment zone in a capital city proposal created under this part
- 5852 shall also demonstrate how the proposal addresses the following objectives:
- 5853 (a) redevelopment of a convention center and surrounding infrastructure and assets that
- 5854 directly serve the convention center, including parking facilities;
- 5855 (b) modernization of infrastructure and design of the convention center; and
- 5856 (c) improvement of the aesthetic, functionality, and walkability of the convention center.
- 5857 (3) The Governor's Office of Economic Opportunity shall propose a convention center
- 5858 reinvestment zone in a capital city to accomplish the objectives described in Subsections
- 5859 (1) and (2).
- 5860 (4)(a) A convention center reinvestment zone in a capital city proposal may propose the
- 5861 capture of 100% of the property tax increment and 100% of the sales and use tax
- 5862 increment described in Subsection 63N-23-101(40)(b)(ii) for a period of 30 years.
- 5863 (b) In addition to the proposed capture of property tax increment and sales and use tax
- 5864 increment described in Subsection (4)(a), the convention center reinvestment zone in
- 5865 a capital city may propose the capture of 50% of the sales and use tax increment
- 5866 described in Subsection 63N-23-101(40)(b)(ii).
- 5867 (c) The convention center reinvestment zone in a capital city proposal shall include the
- 5868 respective start date and base year date from which to calculate:
- 5869 (i) the 30-year period of property tax increment; and
- 5870 (ii) the 30-year period of the sales and use tax increment.
- 5871 (d) The convention center reinvestment zone in a capital city proposal may not stagger
- 5872 the collection periods for the parcels within the convention center reinvestment zone
- 5873 boundary and the parcels within the convention center reinvestment zone boundary
- 5874 shall have the same 30-year collection period.
- 5875 (e) The convention center reinvestment zone in a capital city proposal start date for the
- 5876 30-year period described in this Subsection (4), shall be no sooner than January 1 of
- 5877 the year of the identified tax collection year.

(f) The revenue from the property tax increment and sales and use tax increment for a convention center reinvestment zone in a capital city shall be distributed directly to a convention center public infrastructure district in a capital city created under Section 63N-23-403.

(g) The convention center public infrastructure district described in Subsection (4)(f) shall be created by an eligible municipality that is a capital city infrastructure district.

(5) The Governor's Office of Economic Opportunity may only propose a convention center reinvestment zone:

(a) within the boundary of the eligible municipality;

(b) consisting of a total area:

(i) not to exceed 50 acres; or

(ii) if greater than 50 acres, approved by the relevant eligible municipality;

(c) consisting only of contiguous parcels; and

(d) in an area that includes any portion of an existing convention center and any city block that is bordered by an existing convention center.

(6) The Governor's Office of Economic Opportunity shall propose a convention center reinvestment zone in a capital city on or before April 15, 2025.

(7) A convention center reinvestment zone in a capital city does not count toward the maximum of eight housing and transit reinvestment zones in a given county as provided in Subsection 63N-23-201(7)(a).

Section 46. Section **63N-23-402** is enacted to read:

**63N-23-402 (Effective 05/06/26). Process for proposing a convention center reinvestment zone in a capital city.**

(1) To create a convention center reinvestment zone in a capital city under this part, the Governor's Office of Economic Opportunity shall, after consulting with and giving notice to the related eligible municipality and county, provide a proposal for a convention center reinvestment zone in a capital city to the housing and transit reinvestment zone committee.

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

(i) defines the boundary of the proposed convention center reinvestment zone in a capital city;

(ii) describes generally the proposed development plan;

- 5912            (iii) identifies a base year and collection period to calculate the property tax  
5913            increment within the convention center reinvestment zone in a capital city;  
5914            (iv) specifies a sales and use tax base year to calculate the sales and use tax increment  
5915            within the convention center reinvestment zone in a capital city in accordance  
5916            with Section 63N-23-406;  
5917            (v) provides estimated project and investment objectives for the convention center  
5918            reinvestment zone in a capital city; and  
5919            (vi) outlines generally the impacts on transportation in and around the proposed  
5920            convention center reinvestment zone in a capital city.  
5921            (b) The proposal described in Subsection (2)(a) shall also provide estimated budgets and  
5922            construction costs, anticipated revenue, financing, expenses, and other sources and  
5923            uses of funds for the project area.  
5924            (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:  
5925            (i) a convention center;  
5926            (ii) a publicly owned entertainment venue;  
5927            (iii) parking; and  
5928            (iv) infrastructure related to the project.  
5929            (3) A proposal by the Governor's Office of Economic Opportunity for a convention center  
5930            reinvestment zone in a capital city shall demonstrate how the information and data  
5931            provided in the proposal described in Subsection (2) furthers the objectives described in  
5932            Section 63N-23-401 and is in the public interest.  
5933            (4) After submitting the proposal as described in Subsection (2), the Governor's Office of  
5934            Economic Opportunity shall provide notice of the proposal to all affected taxing entities,  
5935            including the State Tax Commission, cities, counties, school districts, metropolitan  
5936            planning organizations, and the county assessor and county auditor of the county in  
5937            which the convention center reinvestment zone is located.  
5938            (5) After receiving notice from the Governor's Office of Economic Opportunity of a  
5939            proposed convention center reinvestment zone in a capital city as described in  
5940            Subsection (4), the State Tax Commission shall, within 14 days:  
5941            (a) evaluate the feasibility of administering the tax implications of the proposal; and  
5942            (b) provide a letter to the Governor's Office of Economic Opportunity describing any  
5943            challenges in the administration of the proposal, or indicating that the State Tax  
5944            Commission can feasibly administer the proposal.  
5945            Section 47. Section **63N-23-403** is enacted to read:

**63N-23-403 (Effective 05/06/26). Payment, use, and administration of revenue from a convention center reinvestment zone in a capital city.**

**(1) In accordance with this part:**

**(a) a public infrastructure district shall use the funds from a convention center reinvestment zone in a capital city within or for the benefit of a convention center reinvestment zone in a capital city; and**

**(b) funds from a convention center reinvestment zone in a capital city may be used outside of the capital city convention center reinvestment zone if the use meets the objectives described in Section 63N-23-401 and is determined by the board of the public infrastructure district to be a direct benefit to the convention center reinvestment zone in a capital city.**

**(2)(a) A county that collects property tax on property located within a convention center reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the relevant public infrastructure district created by the eligible municipality any property tax increment the public infrastructure district is authorized to receive up to the amounts approved by the housing and transit reinvestment zone committee.**

**(b) Property tax increment paid to the public infrastructure district are convention center reinvestment zone funds and shall be administered by the public infrastructure district within which the convention center reinvestment zone is located.**

**(c) Property tax increment distributed to a public infrastructure district in accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality.**

**(d) A public infrastructure district shall use convention center reinvestment zone funds to achieve the purposes described in Section 63N-23-401.**

**(3) Convention center reinvestment zone funds may be used to pay all of the costs of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.**

**(4) An eligible municipality that is a capital city shall create one or more public infrastructure districts within the convention center reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and the convention center reinvestment zone funds may be used to pay all or any portion of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.**

Section 48. Section **63N-23-404** is enacted to read:

**63N-23-404 (Effective 05/06/26). Applicability to an existing community reinvestment project.**



For a convention center reinvestment zone in a capital city created under this part that overlaps any portion of an existing community reinvestment project area created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

(1) if the community reinvestment project area captures less than 100% of the property tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area, the convention center reinvestment zone in a capital city may capture the difference between:

(a) 100%; and

(b) the percentage of property tax increment captured in accordance with the community reinvestment project area for each taxing entity; and

(2) if a community reinvestment project area plan expires before the convention center reinvestment zone, the convention center reinvestment zone may capture the property tax increment allocated to the community reinvestment project area for any remaining portion of the term of the convention center reinvestment zone with the base year relating back to the base year established by the community reinvestment project area.

Section 49. Section **63N-23-405** is enacted to read:

**63N-23-405 (Effective 05/06/26). Property tax increment protections.**

(1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a housing and transit reinvestment zone or convention center reinvestment zone, a housing and transit reinvestment zone or convention center reinvestment zone may suspend or terminate the collection of property tax increment in a housing and transit reinvestment zone or convention center reinvestment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

(a) a substantial portion of the property tax increment collected in the convention center reinvestment zone has not or will not be used for the purposes provided in Section 63N-23-403; and

(b)(i) the convention center reinvestment zone and related public infrastructure district has no indebtedness secured by funds provided for in this chapter; or  
 (ii) the convention center reinvestment zone and related public infrastructure district has no binding financial obligations secured by this chapter.

(2) A convention center reinvestment zone may not collect property tax increment in excess

6014 of the property tax increment projections or limitations set forth in the convention center  
6015 reinvestment zone proposal.

6016 (3) The public infrastructure district administering the property tax increment collected in a  
6017 convention center reinvestment zone under Section 63N-23-403, shall have standing in a  
6018 court with proper jurisdiction to enforce provisions of the convention center  
6019 reinvestment zone proposal, participation agreements, and other agreements for the use  
6020 of the property tax increment collected.

6021 (4) The public infrastructure district administering the property tax increment collected in a  
6022 convention center reinvestment zone under Section 63N-23-403 that is collecting  
6023 property tax increment shall follow the reporting requirements described in Section  
6024 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.

6025 (5) For each convention center reinvestment zone collecting tax increment within a county,  
6026 the county auditor shall follow the reporting requirement found in Section 17C-1-606.

6027 Section 50. Section **63N-23-406** is enacted to read:

6028 **63N-23-406 (Effective 05/06/26). Sales and use tax increment in a convention**  
6029 **center reinvestment zone in a capital city.**

6030 (1) A convention center reinvestment zone in a capital city proposal shall, in consultation  
6031 with the State Tax Commission:

6032 (a) create a sales and use tax boundary as described in Subsection (2); and

6033 (b) establish a sales and use tax base year to calculate and transfer the sales and use tax  
6034 increment within the convention center reinvestment zone in a capital city 90 days  
6035 after the date of the notice described in Subsection (5).

6036 (2)(a) The Governor's Office of Economic Opportunity, in consultation with the State  
6037 Tax Commission, shall establish a sales and use tax boundary that:

6038 (i) is based on state sales and use tax collection boundaries, which are determined  
6039 using the ZIP Code as defined in Section 59-12-102, including the four digit  
6040 delivery route extension;

6041 (ii) follows as closely as reasonably practicable the boundary of the convention  
6042 center reinvestment zone; and

6043 (iii) is one contiguous area that includes at least the entire boundary of the convention  
6044 center reinvestment zone.

6045 (b) If a state sales and use tax boundary is intersected by the boundary of the convention  
6046 center reinvestment zone, the convention center reinvestment zone may include the  
6047 entire state sales and use tax boundary.

(c) The Governor's Office of Economic Opportunity shall include the sales and use tax boundary in the convention center reinvestment zone proposal as described in Section 63N-23-401.

(3) Beginning no sooner than January 1, 2026, and on the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone in a capital city is established, the State Tax Commission shall, at least annually, transfer an amount equal to 50% of the state sales and use tax increment and 100% of any local sales and use tax increment within an established sales and use tax boundary to the public infrastructure district created in accordance with Section 63N-23-403.

(4) The Governor's Office of Economic Opportunity may only propose one sales and use tax increment period and one sales and use tax base year for a convention center reinvestment zone established under this part.

(5)(a) The distribution of the sales and use tax increment shall begin:

(i) on the first day of a calendar quarter;

(ii) after a 90-day waiting period, beginning on the date the State Tax Commission receives notice from the Governor's Office of Economic Opportunity meeting the requirements of Subsection (5)(b); and

(iii) no earlier than January 1, 2026, after the year set in the proposal of the approved convention center reinvestment zone.

(b) The notice described in Subsection (5)(a) shall include:

(i) a statement that the convention center reinvestment zone will be established under this part;

(ii) the approval date and effective date of the convention center reinvestment zone; and

(iii) the definitions of the sales and use tax boundary and sales and use tax base year.

(6) The State Tax Commission may retain and deposit an administrative charge in accordance with Section 59-1-306 from sales and use tax revenues the State Tax Commission collects and administers under this section.

Section 51. Section **63N-23-407** is enacted to read:

**63N-23-407 (Effective 05/06/26). Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a convention center reinvestment zone in a capital city, the Governor's Office of Economic Opportunity may make corresponding adjustments to the boundary of the convention center

reinvestment zone in a capital city.

Section 52. Section **63N-23-501** is enacted to read:

**Part 5. Home Ownership Promotion Zone for Municipalities**

**63N-23-501 (Effective 05/06/26). Definitions.**

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (5) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with this part.
- (6) "Participant" means the same as that term is defined in Section 17C-1-102.
- (7) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- (8) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- (9) "System improvements" means the same as that term is defined in Section 11-36a-102.
- (10) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- (11)(a) "Tax increment" means the difference between:
  - (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a home ownership promotion zone, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
  - (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.
- (b) "Tax increment" does not include property revenue from:
  - (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);  
or
  - (ii) a county additional property tax described in Subsection 59-2-1602(4).
- (c) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

Section 53. Section **63N-23-502**, which is renumbered from Section 10-21-501 is renumbered

and amended to read:

**[~~10-21-501~~] 63N-23-502 (Effective 05/06/26). Municipal designation of a home ownership promotion zone.**

- (1) Subject to the requirements of Sections [~~10-21-502~~] 63N-23-503 and [~~10-21-503~~] 63N-23-504, a municipality may create a home ownership promotion zone as described in this section.
- (2) A home ownership promotion zone created under this section:
  - (a) is an area:
    - (i) of 10 contiguous acres or less located entirely within the boundaries of the municipality, zoned for fewer than six housing units per acre before the creation of the home ownership promotion zone; or
    - (ii) within one-quarter of a mile from the boundaries of a school facility;
  - (b) shall be re-zoned for at least six housing units per acre; and
  - (c) may not be encumbered by any residential building permits as of the day on which the home ownership promotion zone is created.
- (3)(a) The municipality shall designate the home ownership promotion zone by resolution of the legislative body of the municipality, passed or adopted in a public meeting of the legislative body of the municipality, following:
  - (i) the recommendation of the municipality planning commission; and
  - (ii) the notification requirements described in Section [~~10-21-503~~] 63N-23-504.
- (b) The resolution described in Subsection (3)(a) shall describe how the home ownership promotion zone created in accordance with this section meets the objectives and requirements in Section [~~10-21-502~~] 63N-23-503.
- (c) The home ownership promotion zone is created on the effective date of the resolution described in Subsection (3)(a).
- (4) If a home ownership promotion zone is created as described in this section:
  - (a) affected local taxing entities are required to participate according to the requirements of the home ownership promotion zone established by the municipality; and
  - (b) each affected taxing entity is required to participate at the same rate.
- (5) A home ownership promotion zone may be modified by the same manner it is created as described in Subsection (3).
- (6) Within 30 days after the day on which the municipality creates the home ownership promotion zone as described in Subsection (3), the municipality shall:
  - (a) record with the recorder of the county in which the home ownership promotion zone

is located a document containing:

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

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

(b) transmit a copy of the description of the land within the home ownership promotion zone and an accurate map or plat indicating the boundaries of the home ownership promotion zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and

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

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

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

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

(iv) the tax commission; and

(v) the State Board of Education.

(7) A municipality may receive tax increment and use home ownership promotion zone funds as described in Section ~~[10-21-504]~~ 63N-23-505.

Section 54. Section **63N-23-503**, which is renumbered from Section 10-21-502 is renumbered and amended to read:

**~~[10-21-502]~~ 63N-23-503 (Effective 05/06/26). Applicability, requirements, and limitations.**

(1) A home ownership promotion zone shall promote the following objectives:

(a) increasing availability of housing, including affordable housing;

(b) promotion of home ownership;

(c) overcoming development impediments and market conditions that render an affordable housing development cost prohibitive absent the incentives resulting from a home ownership promotion zone; and

(d) conservation of water resources through efficient land use.

(2) In order to accomplish the objectives described in Subsection (1), a municipality shall ensure that:

(a) land inside the proposed home ownership promotion zone is zoned as residential,

- 6184 with at least six planned housing units per acre;
- 6185 (b) at least 60% of the proposed housing units within the home ownership promotion
- 6186 zone are affordable housing units; and
- 6187 (c) all of the proposed housing units within the home ownership promotion zone are
- 6188 deed restricted to require owner occupation for at least five years.
- 6189 (3) A municipality may restrict short term rentals in a home ownership promotion zone.
- 6190 (4) A municipality may not create a home ownership promotion zone if:
- 6191 (a) the proposed home ownership promotion zone would overlap with a school district
- 6192 and:
- 6193 (i)(A) the school district has more than one municipality within the school
- 6194 district's boundaries; and
- 6195 (B) the school district already has 100 acres designated as home ownership
- 6196 promotion zone within the school district's boundaries; or
- 6197 (ii)(A) the school district has one municipality within the school district's
- 6198 boundaries; and
- 6199 (B) the school district already has 50 acres designated as home ownership
- 6200 promotion zone within the school district's boundaries; or
- 6201 (b) the area in the proposed home ownership zone would overlap with:
- 6202 (i) a project area, as that term is defined in Section 17C-1-102, and created under
- 6203 Title 17C, Chapter 1, Agency Operations, until the project area is dissolved in
- 6204 accordance with Section 17C-1-702; or
- 6205 (ii) an existing housing and transit reinvestment zone.
- 6206 Section 55. Section **63N-23-504**, which is renumbered from Section 10-21-503 is renumbered
- 6207 and amended to read:
- 6208 **[10-21-503] 63N-23-504 (Effective 05/06/26). Notification before creation of a**
- 6209 **home ownership promotion zone.**
- 6210 (1)(a) As used in this section, "hearing" means a public meeting in which the legislative
- 6211 body of a municipality:
- 6212 (i) considers a resolution creating a home ownership promotion zone; and
- 6213 (ii) takes public comment on a proposed home ownership promotion zone.
- 6214 (b) A hearing under this section may be combined with any other public meeting of a
- 6215 legislative body of a municipality.
- 6216 (2) Before a municipality creates a home ownership promotion zone as described in Section [
- 6217 10-21-501] **63N-23-502**, the municipality shall provide notice of a hearing as described

in this section.

(3) The notice required by Subsection (2) shall be given by:

(a) publishing notice for the municipality, as a class A notice under Section 63G-30-102, for at least 14 days before the day on which the legislative body of the municipality intends to have a hearing;

(b) at least 30 days before the hearing, mailing notice to:

(i) each record owner of property located within the proposed home ownership promotion zone;

(ii) the State Tax Commission;

(iii) the Governor's Office of Economic Opportunity;

~~[(iii)]~~ (iv) the assessor and auditor of the county in which the proposed home ownership promotion zone is located; and

~~[(iv)]~~ (v)(A) if the proposed home ownership promotion zone is subject to a taxing entity committee, each member of the taxing entity committee and the State Board of Education; or

(B) if the proposed home ownership promotion zone is not subject to a taxing entity committee, the legislative body or governing board of each taxing entity within the boundaries of the proposed home ownership promotion zone.

(4) The mailing of the notice to record property owners required under Subsection (3)(b) shall be conclusively considered to have been properly completed if:

(a) the agency mails the notice to the property owners as shown in the records, including an electronic database, of the county recorder's office and at the addresses shown in those records; and

(b) the county recorder's office records used by the agency in identifying owners to whom the notice is mailed and ~~[their]~~ the property owners' addresses were obtained or accessed from the county recorder's office no earlier than 30 days before the mailing.

(5) The municipality shall include in each notice required under this section:

(a)(i) a boundary description of the proposed home ownership promotion zone; or

(ii)(A) a mailing address or telephone number where a person may request that a copy of the boundary description of the proposed home ownership promotion zone be sent at no cost to the person by mail, email, or facsimile transmission; and

(B) if the agency or community has an ~~[Internet]~~ internet website, an ~~[Internet]~~ internet address where a person may gain access to an electronic, printable



copy of the boundary description of the proposed home ownership promotion zone;

(b) a map of the boundaries of the proposed home ownership promotion zone;

(c) an explanation of the purpose of the hearing; and

(d) a statement of the date, time, and location of the hearing.

(6) The municipality shall include in each notice under Subsection (3)(b):

(a) a statement that property tax revenue resulting from an increase in valuation of property within the proposed home ownership promotion zone will be paid to the municipality for proposed home ownership promotion zone development rather than to the taxing entity to which the tax revenue would otherwise have been paid; and

(b) an invitation to the recipient of the notice to submit to the municipality comments concerning the subject matter of the hearing before the date of the hearing.

(7) A municipality may include in a notice under Subsection (2) any other information the municipality considers necessary or advisable, including the public purpose achieved by the proposed home ownership promotion zone.

Section 56. Section **63N-23-505**, which is renumbered from Section 10-21-504 is renumbered and amended to read:

**[10-21-504] 63N-23-505 (Effective 05/06/26). Payment, use, and administration of revenue from a home ownership promotion zone.**

(1)(a) A municipality may receive tax increment and use home ownership promotion zone funds in accordance with this section.

(b) The maximum amount of time that a municipality may receive and use tax increment in accordance with a home ownership promotion zone is 15 consecutive years.

(2) A county that collects property tax on property located within a home ownership promotion zone shall, in accordance with Section 59-2-1365, distribute 60% of the tax increment collected from property within the home ownership promotion zone to the municipality over the home ownership promotion zone to be used as described in this section.

(3)(a) Tax increment distributed to a municipality in accordance with Subsection (2) is not revenue of the taxing entity or municipality, but home ownership promotion zone funds.

(b) Home ownership promotion zone funds may be administered by an agency created by the municipality within which the home ownership promotion zone is located.

(c) Before an agency may receive home ownership promotion zone funds from a

6286 municipality, the agency shall enter into an interlocal agreement with the  
6287 municipality.

6288 (4)(a) A municipality or agency shall use home ownership promotion zone funds within,  
6289 or for the direct benefit of, the home ownership promotion zone.

6290 (b) If any home ownership promotion zone funds will be used outside of the home  
6291 ownership promotion zone, the legislative body of the municipality shall make a  
6292 finding that the use of the home ownership promotion zone funds outside of the home  
6293 ownership promotion zone will directly benefit the home ownership promotion zone.

6294 (5) A municipality or agency shall use home ownership promotion zone funds to achieve  
6295 the purposes described in Section ~~[10-21-502]~~ 63N-23-503 by paying all or part of the  
6296 costs of any of the following:

6297 (a) project improvement costs;

6298 (b) systems improvement costs;

6299 (c) water exaction costs;

6300 (d) street lighting costs;

6301 (e) environmental remediation costs; or

6302 (f) the costs of the municipality or agency to create and administer the home ownership  
6303 promotion zone, which may not exceed 3% of the total home ownership promotion  
6304 zone funds.

6305 (6) Home ownership promotion zone funds may be paid to a participant, if the municipality  
6306 and participant enter into a participation agreement which requires the participant to  
6307 utilize the home ownership promotion zone funds as allowed in this section.

6308 (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds  
6309 issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency  
6310 Bonds, including the cost to issue and repay the bonds including interest.

6311 (8) A municipality may:

6312 (a) create one or more public infrastructure districts within a home ownership promotion  
6313 zone under Title 17D, Chapter 4, Public Infrastructure District Act; and

6314 (b) pledge and utilize the home ownership promotion zone funds to guarantee the  
6315 payment of public infrastructure bonds issued by a public infrastructure district.

6316 Section 57. Section **63N-23-601** is enacted to read:

6317 **Part 6. Home Ownership Promotion Zone for Counties**

6318 **63N-23-601 (Effective 05/06/26). Definitions.**

6319 As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (5) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with this part.
- (6) "Participant" means the same as that term is defined in Section 17C-1-102.
- (7) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- (8) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- (9) "System improvements" means the same as that term is defined in Section 11-36a-102.
- (10) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- (11)(a) "Tax increment" means the difference between:
- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a home ownership promotion zone, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
  - (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.
- (b) "Tax increment" does not include property revenue from:
- (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
  - or
  - (ii) a county additional property tax described in Subsection 59-2-1602(4).
- (12) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- Section 58. Section **63N-23-602**, which is renumbered from Section 17-80-501 is renumbered and amended to read:
- [17-80-501] 63N-23-602 (Effective 05/06/26). County designation of a home ownership promotion zone.**
- (1) Subject to Sections [17-80-502] 63N-23-603 and [17-80-503] 63N-23-604, a county may create a home ownership promotion zone as described in this section.

- 6354 (2) A home ownership promotion zone created under this section:
- 6355 (a) is an area:
- 6356 (i) of 10 contiguous unincorporated acres or less located entirely within the
- 6357 boundaries of the county, zoned for fewer than six housing units per acre before
- 6358 the creation of the home ownership promotion zone; or
- 6359 (ii) within one-quarter of a mile from the boundaries of a school facility;
- 6360 (b) shall be re-zoned for at least six housing units per acre; and
- 6361 (c) may not be encumbered by any residential building permits as of the day on which
- 6362 the home ownership promotion zone is created.
- 6363 (3)(a) The county shall designate the home ownership promotion zone by resolution of
- 6364 the legislative body of the county following:
- 6365 (i) the recommendation of the county planning commission; and
- 6366 (ii) the notification requirements described in Section ~~[17-80-503]~~ 63N-23-604.
- 6367 (b) The resolution described in Subsection (3)(a) shall describe how the home ownership
- 6368 promotion zone created in accordance with this section meets the objectives and
- 6369 requirements of Section ~~[17-80-502]~~ 63N-23-603.
- 6370 (c) The home ownership promotion zone is created on the effective date of the resolution
- 6371 described in Subsection (3)(a).
- 6372 (4) If a home ownership promotion zone is created as described in this section:
- 6373 (a) affected local taxing entities are required to participate according to the requirements
- 6374 of the home ownership promotion zone established by the county; and
- 6375 (b) each affected taxing entity is required to participate at the same rate.
- 6376 (5) A home ownership promotion zone may be modified by the same manner it is created as
- 6377 described in Subsection (3).
- 6378 (6) Within 30 days after the day on which the county creates the home ownership
- 6379 promotion zone as described in Subsection (3), the county shall:
- 6380 (a) record with the recorder a document containing:
- 6381 (i) a description of the land within the home ownership promotion zone; and
- 6382 (ii) the date of creation of the home ownership promotion zone;
- 6383 (b) transmit a copy of the description of the land within the home ownership promotion
- 6384 zone and an accurate map or plat indicating the boundaries of the home ownership
- 6385 promotion zone to the Utah Geospatial Resource Center created under Section
- 6386 63A-16-505; and
- 6387 (c) transmit a map and description of the land within the home ownership promotion

- 6388 zone to:
- 6389 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
- 6390 part of the home ownership promotion zone is located;
- 6391 (ii) the officer or officers performing the function of auditor or assessor for each
- 6392 taxing entity that does not use the county assessment roll or collect the taxing
- 6393 entity's taxes through the county;
- 6394 (iii) the legislative body or governing board of each taxing entity impacted by the
- 6395 home ownership promotion zone;
- 6396 (iv) the tax commission; and
- 6397 (v) the State Board of Education.

6398 (7) A county may receive tax increment and use home ownership promotion zone funds as

6399 described in Section [17-80-504] 63N-23-605.

6400 Section 59. Section **63N-23-603**, which is renumbered from Section 17-80-502 is renumbered

6401 and amended to read:

6402 **[17-80-502] 63N-23-603 (Effective 05/06/26). Applicability, requirements, and**

6403 **limitations.**

- 6404 (1) A home ownership promotion zone shall promote the following objectives:
- 6405 (a) increasing availability of housing, including affordable housing;
- 6406 (b) promotion of home ownership;
- 6407 (c) overcoming development impediments and market conditions that render an
- 6408 affordable housing development cost prohibitive absent the incentives resulting from
- 6409 a home ownership promotion zone; and
- 6410 (d) conservation of water resources through efficient land use.
- 6411 (2) In order to accomplish the objectives described in Subsection (1), a county shall ensure
- 6412 that:
- 6413 (a) land inside the proposed home ownership promotion zone is zoned as residential,
- 6414 with at least six planned housing units per acre;
- 6415 (b) at least 60% of the proposed housing units within the home ownership promotion
- 6416 zone are affordable housing units; and
- 6417 (c) all of the proposed housing units within the home ownership promotion zone are
- 6418 deed restricted to require owner occupation for at least five years.
- 6419 (3) A county may restrict short term rentals in a home ownership promotion zone.
- 6420 (4) A county may not create a home ownership promotion zone if:
- 6421 (a) the proposed home ownership promotion zone would overlap with a school district

6422 and:

6423 (i)(A) the school district has more than one municipality within the school  
6424 district's boundaries; and

6425 (B) the school district already has 100 acres designated as home ownership  
6426 promotion zone within the school district's boundaries; or

6427 (ii)(A) the school district has one municipality within the school district's  
6428 boundaries; and

6429 (B) the school district already has 50 acres designated as home ownership  
6430 promotion zone within the school district's boundaries; or

6431 (b) the area in the proposed home ownership promotion zone would overlap with:

6432 (i) a project area, as that term is defined in Section 17C-1-102, and created under  
6433 Title 17C, Chapter 1, Agency Operations, until the project area is dissolved in  
6434 accordance with Section 17C-1-702; or

6435 (ii) an existing housing and transit reinvestment zone.

6436 Section 60. Section **63N-23-604**, which is renumbered from Section 17-80-503 is renumbered  
6437 and amended to read:

6438 **[~~17-80-503~~] 63N-23-604 (Effective 05/06/26). Notification before creation of a**  
6439 **home ownership promotion zone.**

6440 (1)(a) As used in this section, "hearing" means a public meeting in which the legislative  
6441 body of a county:

6442 (i) considers a resolution creating a home ownership promotion zone; and

6443 (ii) takes public comment on a proposed home ownership promotion zone.

6444 (b) A hearing under this section may be combined with any other public meeting of a  
6445 legislative body of a county.

6446 (2) Before a county creates a home ownership promotion zone as described in Section [  
6447 ~~17-80-501~~] 63N-23-602, the county shall provide notice of a hearing as described in this  
6448 section.

6449 (3) The notice required by Subsection (2) shall be given by:

6450 (a) publishing notice for the county, as a class A notice under Section 63G-30-102, for at  
6451 least 14 days before the day on which the legislative body of the county intends to  
6452 have a hearing;

6453 (b) at least 30 days before the hearing, mailing notice to:

6454 (i) each record owner of property located within the proposed home ownership  
6455 promotion zone;

- 6456 (ii) the State Tax Commission;
- 6457 (iii) the Governor's Office of Economic Opportunity; and
- 6458 [~~(iii)~~] (iv)(A) if the proposed home ownership promotion zone is subject to a
- 6459 taxing entity committee, each member of the taxing entity committee and the
- 6460 State Board of Education; or
- 6461 (B) if the proposed home ownership promotion zone is not subject to a taxing
- 6462 entity committee, the legislative body or governing board of each taxing entity
- 6463 within the boundaries of the proposed home ownership promotion zone.
- 6464 (4) The mailing of the notice to record property owners required under Subsection (3)(b)
- 6465 shall be conclusively considered to have been properly completed if:
- 6466 (a) the county mails the notice to the property owners as shown in the records, including
- 6467 an electronic database, of the county recorder's office and at the addresses shown in
- 6468 those records; and
- 6469 (b) the county recorder's office records used by the agency in identifying owners to
- 6470 whom the notice is mailed and their addresses were obtained or accessed from the
- 6471 county recorder's office no earlier than 30 days before the mailing.
- 6472 (5) The county shall include in each notice required under this section:
- 6473 (a)(i) a boundary description of the proposed home ownership promotion zone; or
- 6474 (ii)(A) a mailing address or telephone number where a person may request that a
- 6475 copy of the boundary description of the proposed home ownership promotion
- 6476 zone be sent at no cost to the person by mail, email, or facsimile transmission;
- 6477 and
- 6478 (B) if the agency or community has an Internet website, an Internet address where
- 6479 a person may gain access to an electronic, printable copy of the boundary
- 6480 description of the proposed home ownership promotion zone;
- 6481 (b) a map of the boundaries of the proposed home ownership promotion zone;
- 6482 (c) an explanation of the purpose of the hearing; and
- 6483 (d) a statement of the date, time, and location of the hearing.
- 6484 (6) The county shall include in each notice under Subsection (3)(b):
- 6485 (a) a statement that property tax revenue resulting from an increase in valuation of
- 6486 property within the proposed home ownership promotion zone will be paid to the
- 6487 county for proposed home ownership promotion zone development rather than to the
- 6488 taxing entity to which the tax revenue would otherwise have been paid; and
- 6489 (b) an invitation to the recipient of the notice to submit to the county comments

6490 concerning the subject matter of the hearing before the date of the hearing.

6491 (7) A county may include in a notice under Subsection (2) any other information the county  
6492 considers necessary or advisable, including the public purpose achieved by the proposed  
6493 home ownership promotion zone.

6494 Section 61. Section **63N-23-605**, which is renumbered from Section 17-80-504 is renumbered  
6495 and amended to read:

6496 **[17-80-504] 63N-23-605 (Effective 05/06/26). Payment, use, and administration**  
6497 **of revenue from a home ownership promotion zone.**

6498 (1)(a) A county may receive tax increment and use home ownership promotion zone  
6499 funds in accordance with this section.

6500 (b) The maximum amount of time that a county may receive and use tax increment  
6501 collected from a home ownership promotion zone is 15 consecutive years.

6502 (2) A county that collects property tax on property located within a home ownership  
6503 promotion zone shall, in accordance with Section 59-2-1365, retain 60% of the tax  
6504 increment collected from property within the home ownership promotion zone to be  
6505 used as described in this section.

6506 (3)(a) Tax increment retained by a county in accordance with Subsection (2) is not  
6507 revenue of the taxing entity or county, but home ownership promotion zone funds.

6508 (b) Home ownership promotion zone funds may be administered by an agency created  
6509 by the county within which the home ownership promotion zone is located.

6510 (c) Before an agency may receive home ownership promotion zone funds from a county,  
6511 the agency shall enter into an interlocal agreement with the county.

6512 (4)(a) A county or agency shall use home ownership promotion zone funds within, or for  
6513 the direct benefit of, the home ownership promotion zone.

6514 (b) If any home ownership promotion zone funds will be used outside of the home  
6515 ownership promotion zone, the legislative body of the county shall make a finding  
6516 that the use of the home ownership promotion zone funds outside of the home  
6517 ownership promotion zone will directly benefit the home ownership promotion zone.

6518 (5) A county or agency shall use home ownership promotion zone funds to achieve the  
6519 purposes described in Section [17-80-502] 63N-23-603 by paying all or part of the costs  
6520 of any of the following:

6521 (a) project improvement costs;

6522 (b) systems improvement costs;

6523 (c) water exaction costs;



- 6524 (d) street lighting costs;
- 6525 (e) environmental remediation costs; or
- 6526 (f) the costs of the county to create and administer the home ownership promotion zone,
- 6527 which may not exceed 3% of the total home ownership promotion zone funds.
- 6528 (6) Home ownership promotion zone funds may be paid to a participant, if the county and
- 6529 participant enter into a participation agreement which requires the participant to utilize
- 6530 the home ownership promotion zone funds as allowed in this section.
- 6531 (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds
- 6532 issued by the county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds,
- 6533 including the cost to issue and repay the bonds including interest.
- 6534 (8) A county may:
- 6535 (a) create one or more public infrastructure districts within home ownership promotion
- 6536 zone under Title 17D, Chapter 4, Public Infrastructure District Act; and
- 6537 (b) pledge and utilize the home ownership promotion zone funds to guarantee the
- 6538 payment of public infrastructure bonds issued by a public infrastructure district.
- 6539 Section 62. Section **63N-23-701**, which is renumbered from Section 63N-3-1601 is renumbered
- 6540 and amended to read:

#### 6541 **Part 7. First Home Investment Zone**

6542 **[63N-3-1601] 63N-23-701 (Effective 05/06/26). Definitions.**

6543 **[(4)] As used in this part:**

6544 **(1) "Affordable housing" means:**

- 6545 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy
- 6546 by households with a gross household income equal to or less than 80% of the county
- 6547 median gross income for households of the same size; or
- 6548 (b)(i) for homes that are owner occupied, housing that is priced at 80% of the county
- 6549 median home price; or
- 6550 (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code
- 6551 median home price if:
- 6552 (A) the proposal described in Section ~~[63N-3-1603]~~ 63N-23-703 demonstrates
- 6553 that a deviation from the county median home price will achieve the objectives
- 6554 described in Subsection ~~[63N-3-1602(1)]~~ 63N-23-702(1); and
- 6555 (B) the ~~[zip]~~ ZIP code median home price is based upon county property tax
- 6556 assessment data.
- 6557 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

- 6558 (3) "Base taxable value" means the same as that term is defined in Section [63N-3-602]  
6559 63N-23-101.
- 6560 (4) "Base year" means, for each tax increment collection period triggered within a proposed  
6561 first home investment zone area, the calendar year [~~prior to~~] before the calendar year the  
6562 tax increment begins to be collected for those parcels triggered for that collection period.
- 6563 (5)(a) "Developable area" means the portion of land within a first home investment zone  
6564 available for development and construction of business and residential uses.
- 6565 (b) "Developable area" does not include portions of land within a first home investment  
6566 zone that are allocated to:
- 6567 (i) parks;
- 6568 (ii) recreation facilities;
- 6569 (iii) open spaces;
- 6570 (iv) trails;
- 6571 (v) parking;
- 6572 (vi) roadway facilities; or
- 6573 (vii) other public facilities.
- 6574 (6) "Dwelling unit" means the same as that term is defined in Section [63N-3-602]  
6575 63N-23-101.
- 6576 (7) "Extraterritorial home" means a dwelling unit that is included as part of the first home  
6577 investment zone proposal that:
- 6578 (a) is located within the municipality proposing the first home investment zone but  
6579 outside the boundary of the first home investment zone;
- 6580 (b) is part of a development with a density of at least six units per acre;
- 6581 (c) is not located within an existing housing and transit reinvestment zone or an area that  
6582 could be included in a housing and transit reinvestment zone;
- 6583 (d) has not been issued a building permit by the municipality as of the date of the  
6584 approval of the first home investment zone; and
- 6585 (e) is required to be owner occupied for no less than 25 years.
- 6586 (8) "First home investment zone" means a first home investment zone created in accordance  
6587 with this part.
- 6588 (9) "Home" means a dwelling unit.
- 6589 (10) "Housing and transit reinvestment zone" means the same as that term is defined in  
6590 Section [~~63N-3-602~~] 63N-23-101.
- 6591 (11) "Housing and transit reinvestment zone committee" means the housing and transit

- 6592 reinvestment zone committee described in Section [~~63N-3-605~~] 63N-23-102.
- 6593 (12) "Metropolitan planning organization" means the same as that term is defined in  
6594 Section 72-1-208.5.
- 6595 (13) "Mixed use development" means the same as that term is defined in Section [  
6596 ~~63N-3-603~~] 63N-23-101.
- 6597 (14) "Moderate income housing plan" means the same as that term is defined in Section  
6598 11-41-102.
- 6599 (15) "Municipality" means the same as that term is defined in Section 10-1-104.
- 6600 (16) "Owner occupied" means private real property that is:  
6601 (a) used for a single-family residential purpose; and  
6602 (b) required to be occupied by the owner of the real property for no less than 25 years.
- 6603 (17) "Project area" means the same as that term is defined in Section 17C-1-102.
- 6604 (18)(a) "Project improvements" means site improvements and facilities that are:  
6605 (i) planned and designed to provide service for development resulting from a  
6606 development activity;  
6607 (ii) necessary for the use and convenience of the occupants or users of development  
6608 resulting from a development activity; and  
6609 (iii) not identified or reimbursed as a system improvement.
- 6610 (b) "Project improvements" does not mean system improvements.
- 6611 (19) "State Tax Commission" means the State Tax Commission created in Section 59-1-201.
- 6612 (20)(a) "System improvements" means existing and future public facilities that are  
6613 designed to provide services to service areas within the community at large.
- 6614 (b) "System improvements" does not mean project improvements.
- 6615 (21)(a) "Tax increment" means the difference between:  
6616 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
6617 the area within a first home investment zone designated in the first home  
6618 investment zone proposal as the area from which tax increment is to be collected,  
6619 using the current assessed value and each taxing entity's current certified tax rate  
6620 as defined in Section 59-2-924; and  
6621 (ii) the amount of property tax revenue that would be generated from that same area  
6622 using the base taxable value and each taxing entity's current certified tax rate as  
6623 defined in Section 59-2-924.
- 6624 (b) "Tax increment" does not include property tax revenue from:  
6625 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);

6626 or

6627 (ii) a county additional property tax described in Subsection 59-2-1602(4).

6628 (22) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

6629 (23) "Unencumbered annual community reinvestment agency revenue" means tax  
6630 increment revenue received by the agency for purposes identified in Title 17C, Limited  
6631 Purpose Local Government Entities - Community Reinvestment Agency Act, that:

6632 (a) have not been designated or restricted for future qualified uses as approved by the  
6633 agency board related to a specific project area; and

6634 (b) do not have a date certain by which the tax increment revenues will be used.

6635 Section 63. Section **63N-23-702**, which is renumbered from Section 63N-3-1602 is renumbered  
6636 and amended to read:

6637 **[63N-3-1602] 63N-23-702 (Effective 05/06/26). Applicability, requirements, and**  
6638 **limitations on a first home investment zone.**

6639 (1) A first home investment zone created in accordance with this part shall promote the  
6640 following objectives:

6641 (a) encouraging efficient development and opportunities for home ownership by  
6642 providing a variety of housing options, including affordable housing and for sale,  
6643 owner-occupied housing;

6644 (b) improving availability of housing options;

6645 (c) overcoming development impediments and market conditions that render a  
6646 development cost prohibitive absent the proposal and incentives;

6647 (d) conserving water resources through efficient land use;

6648 (e) improving air quality by reducing fuel consumption and motor vehicle trips;

6649 (f) encouraging transformative mixed-use development;

6650 (g) strategic land use and municipal planning in major transit investment corridors as  
6651 described in Subsection 10-20-404(2);

6652 (h) increasing access to employment and educational opportunities;

6653 (i) increasing access to child care; and

6654 (j) improving efficiencies in parking and transportation, including walkability of  
6655 communities, street and path interconnectivity within the proposed development and  
6656 connections to surrounding communities, and access to roadways, public  
6657 transportation, and active transportation.

6658 (2) In order to accomplish the objectives described in Subsection (1), a municipality or  
6659 county that initiates the process to create a first home investment zone as described in

- 6660 this part shall ensure that the proposal for a first home investment zone includes:
- 6661 (a) subject to Subsection (3), a minimum of 30 housing units per acre:
- 6662 (i) in at least 51% of the developable area within the first home investment zone; and
- 6663 (ii) of which 50% [~~must~~] shall be owner occupied;
- 6664 (b) a mixed use development;
- 6665 (c) a requirement that at least 25% of homes within the first home investment zone
- 6666 remain owner occupied for at least 25 years from the date of original purchase;
- 6667 (d) for homes inside the first home investment zone, a requirement that at least 12% of
- 6668 the owner occupied homes and 12% of the homes that are not owner occupied are
- 6669 affordable housing;
- 6670 (e) a requirement that at least 20% of the extraterritorial homes are affordable housing;
- 6671 and
- 6672 (f) except for extraterritorial homes, the number of homes that result from multiplying
- 6673 the number of housing units described in Subsection (2)(a) by the developable area
- 6674 described in Subsection (2)(a)(i) may be intermingled with other mixed uses within
- 6675 the first home investment zone.
- 6676 (3)(a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection
- 6677 (2)(a), a first home investment zone may include an extraterritorial home to count
- 6678 toward the required density and owner-occupancy of the first home investment zone
- 6679 by:
- 6680 (i) adding the total number of extraterritorial homes related to the first home
- 6681 investment zone to the total number of homes within the first home investment
- 6682 zone; and
- 6683 (ii) dividing the sum described in Subsection (3)(a)(i) by a number equal to 51% of
- 6684 the total number of developable acres within the first home investment zone.
- 6685 (b) Extraterritorial homes may account for no more than half of the total homes to
- 6686 calculate density within a first home investment zone.
- 6687 (4)(a) If a municipality proposes a first home investment zone, the proposal shall comply
- 6688 with the limitations described in this Subsection (4).
- 6689 (b) A first home investment zone may not be less than 10 acres and no more than 100
- 6690 acres of developable area in size.
- 6691 (c)(i) Except as provided in Subsection (4)(c)(ii), a first home investment zone is
- 6692 required to be one contiguous area.
- 6693 (ii) While considering a first home investment zone proposal as described in Section [

6694 ~~63N-3-1605]~~ 63N-23-704, the housing and transit reinvestment zone committee  
6695 may consider and approve a first home investment zone that is not one contiguous  
6696 area if:

6697 (A) the municipality provides evidence in the proposal showing that the deviation  
6698 from the contiguity requirement will enhance the ability of the first home  
6699 investment zone to achieve the objectives described in Subsection (1); and

6700 (B) the housing and transit reinvestment zone committee determines that the  
6701 deviation is reasonable and circumstances justify deviation from the contiguity  
6702 requirement.

6703 (iii) The first home investment zone area contiguity is not affected by roads or other  
6704 rights-of-way.

6705 (d)(i) A first home investment zone proposal may propose the capture of a maximum  
6706 of 60% of each taxing entity's tax increment above the base year for a term of no  
6707 more than 25 consecutive years within a 45-year period not to exceed the tax  
6708 increment amount approved in the first home investment zone proposal.

6709 (ii) A first home investment zone proposal may not propose or include triggering  
6710 more than three tax increment collection periods during the applicable 25-year  
6711 period.

6712 (iii) Subject to Subsection (4)(d)(iv), a municipality shall ensure that the required  
6713 affordable housing units are included proportionally in each phase of the first  
6714 home investment zone development.

6715 (iv) A municipality may allow a first home investment zone to be phased and  
6716 developed in a manner to provide more of the required affordable housing units in  
6717 early phases of development.

6718 (e) If a municipality proposes a first home investment zone, commencement of the  
6719 collection of tax increment, for all or a portion of the first home investment zone, is  
6720 triggered by providing notice as described in Subsection (5).

6721 (f) A municipality may restrict homes within a first home investment zone and related  
6722 extraterritorial homes from being used as a short-term rental.

6723 (g) A municipality shall ensure that affordable housing within a first home investment  
6724 zone and related extraterritorial homes that are reserved as affordable housing are  
6725 spread throughout the overall development.

6726 (h) A municipality shall ensure that at least 80% of extraterritorial homes included in a  
6727 first home investment zone proposal are single-family detached homes.

- 6728 (i) A municipality shall include in a first home investment zone proposal:
- 6729 (i) an affordable housing plan, which may include deed restrictions, to ensure the
- 6730 affordable housing required in the proposal will continue to meet the definition of
- 6731 affordable housing at least throughout the entire term of the first home investment
- 6732 zone; and
- 6733 (ii) an owner occupancy plan, which may include deed restrictions, to ensure the
- 6734 owner occupancy requirements in the proposal will continue to meet the definition
- 6735 of owner occupancy at least throughout the entire term of the first home
- 6736 investment zone.
- 6737 (j) A municipality shall include in the first home investment zone proposal evidence to
- 6738 demonstrate how the first home investment zone proposal complies with the
- 6739 municipality's moderate income housing plan and general plan.
- 6740 (5) Notice of commencement of collection of tax increment shall be sent by mail or
- 6741 electronically to the following entities no later than January 1 of the year for which the
- 6742 tax increment collection is proposed to commence:
- 6743 (a) the State Tax Commission;
- 6744 (b) the State Board of Education;
- 6745 (c) the state auditor;
- 6746 (d) the auditor of the county in which the first home investment zone is located;
- 6747 (e) each taxing entity affected by the collection of tax increment from the first home
- 6748 investment zone;
- 6749 (f) the assessor of the county in which the first home investment zone is located; and
- 6750 (g) the Governor's Office of Economic Opportunity.
- 6751 (6) A first home investment zone proposal may not include a proposal to capture sales and
- 6752 use tax increment.
- 6753 (7) A municipality may not propose a first home investment zone in a county of the first
- 6754 class if the limitation described in Subsection [~~63N-3-603(7)(e)~~] 63N-23-201(7)(c) has
- 6755 been reached.
- 6756 (8) A municipality may not propose a first home investment zone in a location that is
- 6757 eligible for a housing and transit reinvestment zone.
- 6758 (9) A municipality may not propose a first home investment zone if the municipality's
- 6759 community reinvestment agency, based on the most recent annual comprehensive
- 6760 financial report, retains cash and cash equivalent assets of more than 20% of ongoing
- 6761 and unencumbered annual community reinvestment agency revenue.

6762 Section 64. Section **63N-23-703**, which is renumbered from Section 63N-3-1603 is renumbered  
6763 and amended to read:

6764 **[~~63N-3-1603~~] 63N-23-703 (Effective 05/06/26). Process for a proposal of a first**  
6765 **home investment zone.**

6766 (1) Subject to approval of the housing and transit reinvestment zone committee as described  
6767 in Section [~~63N-3-1604~~] 63N-23-704, in order to create a first home investment zone, a  
6768 municipality that has general land use authority over the first home investment zone  
6769 area, shall:

6770 (a) prepare a proposal for the first home investment zone that:

- 6771 (i) demonstrates that the proposed first home investment zone will meet the  
6772 objectives described in Subsection [~~63N-3-1602(1)~~] 63N-23-702(1);
- 6773 (ii) explains how the municipality will achieve the requirements of Subsection [  
6774 ~~63N-3-1602(2)~~] 63N-23-702(2);
- 6775 (iii) defines the specific infrastructure needs, if any, and proposed improvements;
- 6776 (iv) demonstrates how the first home investment zone will ensure:
- 6777 (A) sufficient pedestrian access to schools and other areas of community; and  
6778 (B) inclusion of child care facilities and access;
- 6779 (v) defines the boundaries of the first home investment zone;
- 6780 (vi) includes maps of the proposed first home investment zone to illustrate:
- 6781 (A) proposed housing density within the first home investment zone;  
6782 (B) extraterritorial homes relevant to the first home investment zone, including  
6783 density of the development of extraterritorial homes; and  
6784 (C) existing zoning and proposed zoning changes related to the first home  
6785 investment zone;
- 6786 (vii) identifies any development impediments that prevent the development from  
6787 being a market-rate investment and proposed strategies for addressing each one;
- 6788 (viii) describes the proposed development plan, including the requirements described  
6789 in Subsections [~~63N-3-1602(2) and (4)~~] 63N-23-702(2) and (4);
- 6790 (ix) establishes the collection period or periods to calculate the tax increment;
- 6791 (x) describes projected maximum revenues generated and the amount of tax  
6792 increment capture from each taxing entity and proposed expenditures of revenue  
6793 derived from the first home investment zone;
- 6794 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources  
6795 of revenue that can be used to reduce the finance gap;



- 6796 (xii) proposes a finance schedule to align expected revenue with required financing  
6797 costs and payments;
- 6798 (xiii) evaluates possible benefits to active transportation, public transportation  
6799 availability and utilization, street connectivity, and air quality; and
- 6800 (xiv) provides a pro forma for the planned development that:
- 6801 (A) satisfies the requirements described in Subsections [63N-3-1602(2) and (4)]  
6802 63N-23-702(2) and (4); and
- 6803 (B) includes data showing the cost difference between what type of development  
6804 could feasibly be developed absent the first home investment zone tax  
6805 increment and the type of development that is proposed to be developed with  
6806 the first home investment zone tax increment;
- 6807 (b) submit the proposal to the relevant school district to discuss the requirements of the  
6808 proposal and whether the proposal provides the benefits and achieves the objectives  
6809 described in this part; and
- 6810 (c) submit the first home investment zone proposal to the Governor's Office of  
6811 Economic Opportunity.
- 6812 (2) As part of the proposal described in Subsection (1), a municipality shall:
- 6813 (a) study and evaluate possible impacts of a proposed first home investment zone on  
6814 parking and efficient use of land within the municipality and first home investment  
6815 zone; and
- 6816 (b) include in the first home investment zone proposal the findings of the study  
6817 described in Subsection (2)(a) and proposed strategies to efficiently address parking  
6818 impacts.
- 6819 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's  
6820 Office of Economic Opportunity shall:
- 6821 (i) within 14 days after the date on which the Governor's Office of Economic  
6822 Opportunity receives the proposal described in Subsection (1)(c), provide notice  
6823 of the proposal to all affected taxing entities, including the State Tax Commission,  
6824 cities, counties, school districts, metropolitan planning organizations, and the  
6825 county assessor and county auditor of the county in which the first home  
6826 investment zone is located; and
- 6827 (ii) at the expense of the proposing municipality as described in Subsection (5),  
6828 contract with an independent entity to:
- 6829 (A) perform the gap analysis described in Subsection (3)(b); and

(B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B) and the feasibility of the proposed development absent the tax increment.

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

(i) a description of the planned development;

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

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

(iv) an evaluation of the proposed tax increment capture needed to cover the system improvements and project improvements associated with the first home investment zone proposal and enable the proposed development to occur, and for the benefit of affordable housing projects; and

(v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection [63N-3-1602(1)] 63N-23-702(1).

(c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed first home investment zone as described in Subsection (3)(a)(i), the municipality, in consultation with the county assessor and the State Tax Commission, shall:

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

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

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

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

(b) request that the Governor's Office of Economic Opportunity submit the original first home investment zone proposal to the housing and transit reinvestment zone committee.

(5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated

credit, up to \$20,000 from a municipality for the costs of the gap analysis described in Subsection (3)(b).

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

Section 65. Section **63N-23-704**, which is renumbered from Section 63N-3-1604 is renumbered and amended to read:

**[63N-3-1604] 63N-23-704 (Effective 05/06/26). Consideration of proposals by housing and transit reinvestment zone committee.**

(1) A first home investment zone proposed under this part is subject to approval by the housing and transit reinvestment zone committee.

(2) After the Governor's Office of Economic Opportunity receives the results of the analysis described in Section ~~[63N-3-1603]~~ 63N-23-703, and after the Governor's Office of Economic Opportunity has received a request from the submitting municipality to submit the first home investment zone proposal to the housing and transit reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each of the relevant entities of the formation of the housing and transit reinvestment zone committee as described in Section ~~[63N-3-605]~~ 63N-23-102.

(3)(a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed first home investment zone in the same manner as described in Section ~~[63N-3-605]~~ 63N-23-102.

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

(4)(a) The proposing municipality shall present the first home investment zone proposal to the housing and transit reinvestment zone committee in a public meeting.

(b) The housing and transit reinvestment zone committee shall:

(i) evaluate and verify whether the objectives and elements of a first home investment zone described in Subsections ~~[63N-3-1502(1), (2), and (4)]~~ 63N-23-702(1), (2), and (4) have been met; and

(ii) evaluate the proposed first home investment zone relative to the analysis described in Subsection ~~[63N-3-1603(2)]~~ 63N-23-703(2).

(5)(a) Subject to Subsection (5)(b), the housing and transit reinvestment zone committee may:

(i) request changes to the first home investment zone proposal based on the analysis,

characteristics, and criteria described in Section ~~[63N-3-1603]~~ 63N-23-703; or

(ii) vote to approve or deny the proposal.

(b) Before the housing and transit reinvestment zone committee may approve the first home investment zone proposal, the municipality proposing the first home investment zone shall ensure that the area of the proposed first home investment zone is zoned in such a manner to accommodate the requirements of a first home investment zone described in this section and the proposed development.

(6) If a first home investment zone is approved by the committee:

(a) the proposed first home investment zone is established according to the terms of the first home investment zone proposal;

(b) affected local taxing entities are required to participate according to the terms of the first home investment zone proposal; and

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

(7) A first home investment zone proposal may be amended by following the same procedure as approving a first home investment zone proposal.

Section 66. Section **63N-23-705**, which is renumbered from Section 63N-3-1605 is renumbered and amended to read:

**[63N-3-1605] 63N-23-705 (Effective 05/06/26). Notice requirements.**

(1) In approving a first home investment zone proposal, the housing and transit reinvestment zone committee shall follow the hearing and notice requirements for proposing a first home investment zone as described in this section.

(2) Within 30 days after the housing and transit reinvestment zone committee approves a proposed first home investment zone, the municipality shall:

(a) record with the recorder of the county in which the first home investment zone is located a document containing:

(i) a description of the land within the first home investment zone;

(ii) a statement that the proposed first home investment zone has been approved; and

(iii) the date of adoption;

(b) transmit a copy of the description of the land within the first home investment zone and an accurate map or plat indicating the boundaries of the first home investment zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and

(c) transmit a copy of the approved first home investment zone proposal, map, and description of the land within the first home investment zone, to:

(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any

part of the first home investment zone is located;

(ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing

entity's taxes through the county;

(iii) the legislative body or governing board of each taxing entity;

(iv) the State Tax Commission; and

(v) the State Board of Education.

Section 67. Section **63N-23-706**, which is renumbered from Section 63N-3-1606 is renumbered and amended to read:

**[~~63N-3-1606~~] 63N-23-706 (Effective 05/06/26). Payment, use, and administration of tax increment from a first home investment zone.**

(1) A municipality may receive and use tax increment and first home investment zone funds in accordance with this part.

(2)(a) A county that collects property tax on property located within a first home investment zone shall, in accordance with Section 59-2-1365, distribute to the municipality any tax increment the municipality is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.

(b)(i) Except as provided in Subsection (2)(b)(ii), tax increment paid to the municipality are first home investment zone funds and shall be administered by the municipality within which the first home investment zone is located.

(ii) A municipality may contract with an agency, county, or a housing authority to administer tax increment and the first home investment zone, ensure compliance with first home investment zone requirements, and administer deed restrictions.

(iii) Before an agency may receive first home investment zone funds from the municipality, the municipality and the agency shall enter into an interlocal agreement with terms that:

(A) are consistent with the approval of the housing and transit reinvestment zone committee; and

(B) meet the requirements of Section [~~63N-3-1502~~] 63N-23-702.

(3)(a) A municipality and the agency shall use first home investment zone funds for the benefit of the first home investment zone and related extraterritorial housing.

(b) If any first home investment zone funds will be used outside of the first home investment zone there ~~[must]~~ shall be a finding in the approved proposal for a first home investment zone that the use of the first home investment zone funds outside of

6966 the first home investment zone will directly benefit the first home investment zone or  
6967 related extraterritorial homes.

6968 (4) In accordance with Subsection [~~63N-3-1502(4)(e)~~] 63N-23-702(4)(e), a municipality  
6969 shall use the first home investment zone funds to achieve the purposes described in  
6970 Subsections [~~63N-3-1502(1) and (2)~~] 63N-23-702(1) and (2), by paying all or part of the  
6971 costs associated with the first home investment zone and extraterritorial homes,  
6972 including:

6973 (a) project improvements;

6974 (b) system improvements; and

6975 (c) the costs of the municipality to create and administer the first home investment zone,  
6976 which may not exceed 2% of the total first home investment zone funds, plus the  
6977 costs to complete the gap analysis described in [~~Subsection 63N-3-1603(2)~~] Section  
6978 63N-23-703.

6979 (5) First home investment zone funds may be paid to a participant, if the agency and  
6980 participant enter into a participation agreement which requires the participant to utilize  
6981 the first home investment zone funds as allowed in this section.

6982 (6) First home investment zone funds may be used to pay all of the costs of bonds issued by  
6983 the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds,  
6984 including the cost to issue and repay the bonds including interest.

6985 (7) A municipality may create one or more public infrastructure districts within the city  
6986 under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the  
6987 first home investment zone funds to guarantee the payment of public infrastructure  
6988 bonds issued by a public infrastructure district.

6989 Section 68. Section **63N-23-707**, which is renumbered from Section 63N-3-1607 is renumbered  
6990 and amended to read:

6991 **[~~63N-3-1607~~] 63N-23-707 (Effective 05/06/26). Applicability to an existing first**  
6992 **home investment zone or community reinvestment project.**

6993 If a parcel within a first home investment zone is included as an area that is part of a  
6994 project area, as that term is defined in Section 17C-1-102, and created under Title 17C,  
6995 Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the  
6996 project area funds collection period, as that term is defined in Section 17C-1-102, has expired.

6997 Section 69. Section **63N-23-708**, which is renumbered from Section 63N-3-1608 is renumbered  
6998 and amended to read:

6999 **[~~63N-3-1608~~] 63N-23-708 (Effective 05/06/26). Tax increment protections.**

(1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a first home investment zone, a first home investment zone may suspend or terminate the collection of tax increment in a first home investment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

- (a) a substantial portion of the tax increment collected in the first home investment zone has not or will not be used for the purposes provided in Section ~~[63N-3-1606]~~ 63N-23-706; and
- (b)(i) the first home investment zone has no indebtedness; or
- (ii) the first home investment zone has no binding financial obligations.

(2) A first home investment zone may not collect tax increment in excess of the tax increment projections or limitations set forth in the first home investment zone proposal.

(3) The agency administering the tax increment collected in a first home investment zone under Subsection ~~[63N-3-1606(2)]~~ 63N-23-706(2), shall have standing in a court with proper jurisdiction to enforce provisions of the first home investment zone proposal, participation agreements, and other agreements for the use of the tax increment collected.

(4) The agency administering tax increment from a first home investment zone under Subsection ~~[63N-3-1606(2)]~~ 63N-23-706(2) shall follow the reporting requirements described in Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.

(5) For each first home investment zone collecting tax increment within a county, the county auditor shall follow the reporting requirement found in Section 17C-1-606.

Section 70. Section **63N-23-709**, which is renumbered from Section 63N-3-1609 is renumbered and amended to read:

**[63N-3-1609] 63N-23-709 (Effective 05/06/26). Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a first home investment zone, the municipality administering the tax increment collected in the first home investment zone may make corresponding adjustments to the boundary of the first home investment zone.

Section 71. Section **63N-23-801**, which is renumbered from Section 63N-3-1401 is renumbered and amended to read:

**Part 8. Capital City Revitalization Zone**

**[63N-3-1401] 63N-23-801 (Effective 05/06/26). Definitions.**

As used in this part:

(1) "Committee" means the Revitalization Zone Committee created in Section [63N-3-1407] 63N-23-807.

(2) "Franchise agreement" means a legally binding and valid agreement under which:

(a) a major professional sports league has awarded a franchise to a franchise recipient;

and

(b) the major professional sports league team that is the subject of the agreement is playing, or will play, home games in a qualified stadium that exists or will be constructed within the project area.

(3) "Local government" means the municipality in which the project area is located.

(4) "Major professional sports league" means the National Basketball Association or the National Hockey League.

(5) "Project area" means the area created and designated to receive funds and revenue according to the terms and requirements of this part.

(6) "Project participant" means a person that is approved to participate in the use of public funds in a project area according to the procedures and requirements of this part.

(7) "Qualified stadium" means a sports facility that:

- (a) provides seating for spectators in a number that is reasonably consistent with the capacity of other stadiums used by other teams in the major professional sports league;
- (b) is located within the project area; and
- (c)(i) is in active use as the home venue of a major professional sports league team; or
- (ii) in the case of a stadium that is proposed to be constructed or remodeled, will be the home venue of a major professional sports league.

(8) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

Section 72. Section **63N-23-802**, which is renumbered from Section 63N-3-1402 is renumbered and amended to read:

**[63N-3-1402] 63N-23-802 (Effective 05/06/26). Project area.**

(1) A local government may, according to the requirements and procedures of this part, create a project area for the use of revenue authorized under Section 59-12-402.5, which revenue shall be used only for the allowed purposes [under] described in Section [ 63N-3-1403] 63N-23-803.

(2) A project area created under this part shall:

- (a) be located entirely within the boundaries of the local government;



- (b) be no greater than 100 acres in area;
- (c) be roughly centered around, and include the entire property footprint of a currently existing qualified stadium;
- (d) include the entire property footprint of any qualified stadium that is planned to be built;
- (e) be contiguous; and
- (f) have boundaries that are reasonably compact in relation to ~~[their]~~ the project area distance from the currently existing qualified stadium.

Section 73. Section **63N-23-803**, which is renumbered from Section 63N-3-1403 is renumbered and amended to read:

**[63N-3-1403] 63N-23-803 (Effective 05/06/26). Allowable uses of funds.**

- (1) A local government shall use any funds or revenue provided under Section 59-12-402.5 within and for the direct benefit of the project area, and subject to the requirements of this section.
- (2) In addition to the requirements of Subsection (1), the allowable uses for the funds and revenue collected as authorized under this part are:
  - (a) costs for, including debt service or the costs of bonds issued by the local government or state:
    - (i) paid to or for the benefit of a project participant for the construction or remodel of a qualified stadium within the project area in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay bonds and interest; and
    - (ii) the construction, demolition, modification, or realignment of infrastructure or structures within the project area for the purpose of:
      - (A) complementing a qualified stadium and ~~[its]~~ the qualified stadium's associated uses, including entertainment and recreational uses on land within the project area; and
      - (B) improvement, demolition, modification, realignment, or restoration of areas within the project area for pedestrian and traffic flow, and for aesthetic, entertainment, recreational, and safety purposes;
  - (b) infrastructure and roads, including state roads, within the project area;
  - (c) traffic mitigation costs within the project area;
  - (d) law enforcement or public security needs within the project area;
  - (e) land acquisition costs;

- 7102 (f) commercial development, housing development, and parking infrastructure within  
7103 the project area; and  
7104 (g) costs of the local government to create a project area or participation agreement and  
7105 to administer the funds, which cost may not exceed 1% of the tax revenue collected  
7106 under Section 59-12-402.5.

7107 (3)(a) The amount of funds and revenue used for, or for the benefit of, the project  
7108 participant shall be limited to a maximum dollar amount that shall be explicitly stated  
7109 in the participation agreement.

7110 (b) A project participant may not receive the benefit of funds or revenue in an amount  
7111 greater than the maximum dollar amount referred to in Subsection (3)(a).

7112 Section 74. Section **63N-23-804**, which is renumbered from Section 63N-3-1404 is renumbered  
7113 and amended to read:

7114 **[~~63N-3-1404~~] 63N-23-804 (Effective 05/06/26). Application for approval as a**  
7115 **project participant in a project area.**

7116 A person that seeks to have a local government create a project area under this part, and  
7117 to be a project participant within that project area, shall provide a local government with a  
7118 written application that certifies that the applicant:

- 7119 (1) is a party to a franchise agreement;  
7120 (2) is or will be operating the team that is subject to the franchise agreement:  
7121 (a) in an existing qualified stadium located within the project area to be created; or  
7122 (b) in a new qualified stadium that will be located within the project area;  
7123 (3) shows the existing and, as applicable, the proposed location and footprint of the  
7124 qualified stadium;  
7125 (4) lists any public funds that are currently being received by, or are authorized to be  
7126 received by:  
7127 (a) the applicant; or  
7128 (b) any major professional sports league team that is owned or operated by the applicant;  
7129 and  
7130 (5) any proposals or information related to the application, including specific details about  
7131 the franchise agreement or plans for a qualified stadium, a proposed boundary for the  
7132 project area, proposals for land or stadium ownership arrangements or stadium  
7133 revenue-sharing arrangements, or plans or requests for urban renewal or reconstruction.

7134 Section 75. Section **63N-23-805**, which is renumbered from Section 63N-3-1405 is renumbered  
7135 and amended to read:

**[63N-3-1405] 63N-23-805 (Effective 05/06/26). Local government review -- Participation agreement requirements -- Proposed project area and proposed participation agreement -- Zoning -- Deadline.**

- (1) Upon receipt of an application described in Section [63N-3-1404] 63N-23-804, a local government shall review the application and, if the application is complete, may negotiate with the applicant to develop:
- (a) a description of a proposed project area that meets the requirements of Section [63N-3-1402] 63N-23-802; and
  - (b) a proposed participation agreement with the applicant, which agreement shall contain:
    - (i) a map or description of the project area;
    - (ii) a description of the type and extent of each type of tax or other revenue that would be available to the applicant within the project area if the applicant is approved as a project participant;
    - (iii) the location and footprint of the qualified stadium, and if applicable, the location, footprint, and design of any proposed future or remodeled qualified stadium;
    - (iv) if a qualified stadium is to be constructed, remodeled, or replaced, requirements and plans for the design, remodel, operation, and other terms related to the existing or new qualified stadium;
    - (v) a master plan that:
      - (A) provides an overview of challenges and issues to be addressed within the project area, including land use, infrastructure, economic issues, and public safety issues;
      - (B) provides a 30-year plan for the physical development and the ongoing management of the project area, including maps, plats, charts, drawings, time lines, and descriptive, explanatory, and other related information that supports and demonstrates the plan; and
      - (C) provides a specific plan for each of the following subject areas, each of which shall include, to the extent possible, detailed and specific information on projects and time lines for the named subject area, and where specific details cannot be provided, provides a list of specific goals, planned outcomes, and time lines for achieving those goals and outcomes:
        - (I) a financial plan, including the planned sources, uses, distribution, and time lines for the use of funds and revenue;

- 7170 (II) a land use plan, including designs, ownership, demolition, construction,  
 7171 and time lines, including plans for modification of roads and infrastructure  
 7172 layout, removal or construction of buildings, and creation of new spaces,  
 7173 facilities, and landmarks;
- 7174 (III) a public asset plan, including plans for modifications, renovations, and use  
 7175 scenarios for existing buildings and public assets within the project area,  
 7176 including buildings owned by a city or county, features, and other public  
 7177 assets that will be affected by revitalization of the project area;
- 7178 (IV) a public safety plan, including plans for mitigating crime and ensuring  
 7179 safety and physical security within the project area;
- 7180 (V) a homelessness mitigation plan, including plans to provide resources for  
 7181 homeless individuals and to mitigate and manage camping and other related  
 7182 social issues within the project area;
- 7183 (VI) a transportation plan, including plans to enable access to and from, and  
 7184 public transportation, vehicle, and pedestrian traffic flow within the project  
 7185 area; and
- 7186 (VII) a parking plan, including estimates for parking needs and plans for  
 7187 accommodating those needs within the project area;
- 7188 (vi) a provision that the local government may not provide, and that a project  
 7189 participant may not receive, a direct subsidy;
- 7190 (vii)(A) the maximum dollar amount that may be used for, or for the benefit of,  
 7191 the project participant, as required under Subsection [63N-3-1403(3)]  
 7192 63N-23-803(3); and
- 7193 (B) a clear description of what fund and revenue uses will or will not be  
 7194 considered for the benefit of the project participant and therefore subject to the  
 7195 limit required under Subsection [63N-3-1403(3)] 63N-23-803(3);
- 7196 (viii) terms, procedures, and remedies related to breach of a participation agreement,  
 7197 which shall contain:
- 7198 (A) specific descriptions of what constitutes breach of the participation agreement;
- 7199 (B) a requirement that access to funds ceases and that a project participant shall  
 7200 repay to the local government the full amount of revenue or funds received  
 7201 subject to Subsection [63N-3-1403(3)] 63N-23-803(3) if the major professional  
 7202 sports league team leaves or ceases to use a qualified stadium as [its] the major  
 7203 professional sports league team's exclusive home stadium, subject to any

- 7204 additional terms agreed to in the participation agreement;
- 7205 (C) a description of all remedies available to the local government in association
- 7206 with a breach; and
- 7207 (D) designation of a guarantor, security interests, or other measures to ensure
- 7208 repayment of revenue and funds [~~in the event of~~] if a breach occurs;
- 7209 (ix) procedures and penalties that apply [~~in the event that~~] if the local government or
- 7210 project participant fails to meet the requirements, goals, or objectives [set]
- 7211 described under Subsection (1)(b)(v);
- 7212 (x) an acknowledgment that the parties to the agreement are subject to the
- 7213 requirements of this part;
- 7214 (xi) any additional obligations, terms, or conditions mutually agreed upon by the
- 7215 local government and the project participant; and
- 7216 (xii) may contain:
- 7217 (A) any terms and conditions that affect a project participant's ability to receive or
- 7218 use project area funds;
- 7219 (B) any terms or agreements regarding the qualified stadium and [its] the qualified
- 7220 stadium's associated property, including ownership, management, maintenance,
- 7221 operation, revenue sharing, or other agreements;
- 7222 (C) terms, procedures, or remedies related to breach of a participation agreement;
- 7223 and
- 7224 (D) any other relevant agreement between the applicant and the local government.
- 7225 (2) Before finalizing a proposed project area under Subsection (3), a local government shall
- 7226 ensure that any zoning modifications or requirements within the project area are
- 7227 complete.
- 7228 (3) If the applicant and the local government develop a proposed project area and a
- 7229 proposed participation agreement as described in Subsection (1), the local government
- 7230 shall, no later than September 1, 2024, provide notice of the proposed agreement and
- 7231 provide a copy of the application, the proposed project area, and the proposed
- 7232 participation agreement to:
- 7233 (a) the legislative body of the local government; and
- 7234 (b) the Revitalization Zone Committee.

7235 Section 76. Section **63N-23-806**, which is renumbered from Section 63N-3-1406 is renumbered

7236 and amended to read:

7237 **[63N-3-1406] 63N-23-806 (Effective 05/06/26). Local government endorsement --**

**Revitalization Zone Committee approval -- Final approval by local government --  
Imposition of tax.**

- (1)(a) The legislative body of the local government shall, no later than ~~[the date that is]~~  
14 calendar days after the date ~~[that]~~ on which a notice of a proposed project area and  
proposed participation agreement is provided under Subsection ~~[63N-3-1405(2)]~~  
63N-23-805(3), in a public meeting by a majority vote:
- (i) endorse the application by:
    - (A) endorsing the proposed project area, with or without amendment; and
    - (B) endorsing the proposed participation agreement, with or without amendment;or
  - (ii) reject the application.
- (b) If the legislative body of the local government endorses the application, the  
legislative body shall provide notice of the endorsement to the Revitalization Zone  
Committee, and provide the committee with any amended project area or amended  
participation agreement.
- (c) If the legislative body of the local government rejects the application:
- (i) the legislative body shall provide notice of the rejection to the mayor of the local  
government; and
  - (ii) the applicant and the local government may develop another proposed project  
area and proposed participation agreement and present those documents according  
to the procedures and requirements of Section ~~[63N-3-1405]~~ 63N-23-805.
- (2)(a) If the legislative body of the local government endorses the application under  
Subsection (1)~~[:]~~ ,
- ~~[(a) The]~~ the Revitalization Zone Committee shall, no later than 30 calendar days after  
the date ~~[that]~~ on which a notice of the local government's endorsement of an  
application is provided under Subsection (1)(b), in a public meeting by a majority  
vote:
- (i) approve or reject the endorsed project area; and
  - (ii) approve or reject the endorsed project participation agreement.
- (b) If the committee approves the endorsed project area and the endorsed participation  
agreement:
- (i) the committee shall give notice of the approval to the mayor and the legislative  
body of the local government; and
  - (ii) the legislative body of the local government may meet to consider final approval

as provided under Subsection (3).

(c) If the committee fails to approve the endorsed project area, the endorsed participation agreement, or both the project area and participation agreement:

(i) the committee may adopt a statement or findings as to why the committee failed to provide [its] the committee's approval;

(ii) the committee shall give notice of the failure to approve to the mayor and the legislative body of the local government; and

(iii) the local government may:

(A) develop another proposed project area and proposed participation agreement according to the procedures and requirements of Section ~~[63N-3-1405]~~ 63N-23-805;

(B) in a public meeting of the legislative body of the local government, review, amend, or endorse another project area or participation agreement according to the procedures and requirements of Subsection (1); or

(C) take no further action on the application.

(3) If the Revitalization Zone Committee approves the endorsed project area and the endorsed ~~[public]~~ project participation agreement under Subsection (2), the legislative body of the local government may, by a majority vote in a public meeting:

(a) give final approval to the application by:

(i) approving the project area in the form approved by the committee;

(ii) approving the proposed participation agreement in the form approved by the committee; and

(iii) designating the applicant as a project participant; or

(b) reject the application.

(4) After giving final approval to the application, the local government shall:

(a) impose taxes or revenue sources that may be used within the project area, including taxes or funds authorized under Section 59-12-402.5; and

(b) provide reports to the committee as required under ~~[Subsection 63N-3-1408(2)]~~ Section 63N-23-808.

Section 77. Section **63N-23-807**, which is renumbered from Section 63N-3-1407 is renumbered and amended to read:

**~~[63N-3-1407]~~ 63N-23-807 (Effective 05/06/26). Revitalization Zone Committee -- Creation -- Membership -- Staff.**

(1) There is created the Revitalization Zone Committee to review the activities of, and

advise a local government and project participants in a project area created under this part.

(2) The committee consists of the following members:

(a) two members of the Senate, appointed by the president of the Senate;

(b) two members of the House of Representatives, appointed by the speaker of the House of Representatives; and

(c) one individual appointed by the governor.

(3)(a) The president of the Senate shall designate a member of the Senate appointed under Subsection (2) as cochair of the committee.

(b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (2) as cochair of the committee.

(4)(a) A majority of the members of the committee constitutes a quorum.

(b) The action of a majority of a quorum constitutes action of the Revitalization Zone Committee.

(5) The committee shall meet to review an endorsed application as provided under Section [ ~~63N-3-1406~~] 63N-23-806.

(6) The committee may meet, upon the agreement of both cochairs:

(a) to review a report provided under [~~Subsection 63N-3-1408(2)~~] Section 63N-23-808;

(b) at the discretion of the cochairs; and

(c) at the request of a local government.

(7) A legislative member of the committee shall be paid salary and expenses in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, [~~Legislative~~] Legislator Compensation.

(8) A member who is not a legislator may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses as allowed in:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(9) The Office of Legislative Research and General Counsel shall:

(a) provide staff support to the committee; and

(b) consult with the Office of the Legislative Fiscal Analyst on fiscal issues reviewed by the committee.

Section 78. Section **63N-23-808**, which is renumbered from Section 63N-3-1408 is renumbered



and amended to read:

**[~~63N-3-1408~~] 63N-23-808 (Effective 05/06/26). Revitalization Zone Committee -- Duties -- Reporting requirements of local government -- Executive Appropriations Committee.**

(1) The Revitalization Zone Committee shall have the following duties:

- (a) to approve or reject an endorsed project area and an endorsed project participation agreement according to the procedures and requirements of Section [~~63N-3-1406~~] 63N-23-806;
- (b) to review reports that are issued by a local government in accordance with Subsection (2);
- (c) to review the financial activities of a local government and project participants in relation to a project area; and
- (d) to make recommendations to the Legislature regarding a project area and participation agreement, requirements or procedures related to a project area, taxes or public funds, or other matters relating to a project area or participation agreement.

(2) A local government shall, after giving final approval to an application under Section [~~63N-3-1406~~] 63N-23-806, and each six months thereafter, or upon a request of the committee, provide a report to the committee that contains:

- (a) a summary of the projects and uses that are currently underway or planned in relation to the project area;
- (b) if not previously provided, or if modified, a copy of the project area and participation agreement;
- (c) a detailed accounting of:
  - (i) all public funds collected within the project area since the last report;
  - (ii) all public funds provided to each project participant since the last report; and
  - (iii) all public funds committed or spent, and a description of [~~their~~] the public funds' use, since the last report;
- (d) the projected budget and time line for each project or use that is currently underway or planned in relation to the project area; and
- (e) an accounting or a detailed summary of the financial impact of the project area on the state and [~~its~~] the project area's residents.

(3) At the discretion of the Executive Appropriations Committee of the Legislature, the local government and the Revitalization Zone Committee shall provide an in-person report to the Executive Appropriations Committee:

- 7374 (a) at least once per calendar year, that shall contain at least the following information:
- 7375 (i) a summary of the projects and uses that are currently underway or planned in
- 7376 relation to the project area;
- 7377 (ii) a detailed accounting of:
- 7378 (A) all public funds collected within the project area since the last report;
- 7379 (B) all public funds provided to each project participant since the last report; and
- 7380 (C) all public funds committed or spent, and a description of ~~[their]~~ the public
- 7381 funds' use, since the last report;
- 7382 (iii) the projected budget and time line for each project or use that is currently
- 7383 underway or planned in relation to the project area;
- 7384 (iv) an accounting or a detailed summary of the financial impact of the project area
- 7385 on the state and ~~[its]~~ the project area's residents;
- 7386 (v) any recommendations or requests from the local government; and
- 7387 (vi) any recommendations or requests from the Revitalization Zone Committee;
- 7388 (b) after the local government provides a proposed project area and proposed
- 7389 participation agreement under Section ~~[63N-3-1405]~~ 63N-23-805; and
- 7390 (c) after the local government gives final approval to an application under Section [
- 7391 ~~63N-3-1406]~~ 63N-23-806.
- 7392 (4)(a) As used in this Subsection (4), "replacement prosecutor" means a prosecutor pro
- 7393 tempore that the Utah Supreme Court is authorized to appoint under Utah ~~[4-109]~~
- 7394 Constitution, Article VIII, Section 16.
- 7395 (b) The committee may, by majority vote in a public meeting, adopt a recommendation
- 7396 to the Utah Supreme Court that the Utah Supreme Court appoint a replacement
- 7397 prosecutor in a county of the first class to prosecute crimes within the project area in
- 7398 the place of the district attorney if the committee determines that the district attorney
- 7399 has failed or refused to adequately prosecute crimes within the project area.
- 7400 (c) If the Utah Supreme Court appoints a replacement prosecutor in response to a
- 7401 recommendation under this Subsection (4), the temporary prosecutor shall prosecute
- 7402 crimes within the project area in the place of the district attorney until the temporary
- 7403 prosecutor's appointment expires.
- 7404 Section 79. Section **63N-23-901**, which is renumbered from Section 11-13-227 is renumbered
- 7405 and amended to read:

#### Part 9. Transportation Reinvestment Zone

7407 ~~[11-13-227]~~ **63N-23-901** (Effective 05/06/26). Transportation reinvestment zones.

- (1) Subject to the provisions of this part, any two or more public agencies may enter into an agreement ~~[with one another]~~ to create a transportation reinvestment zone as described in this section.
- (2) To create a transportation reinvestment zone, two or more public agencies, at least one of which has land use authority over the transportation reinvestment zone area, shall:
- (a) define the transportation infrastructure need and proposed improvement;
  - (b) define the boundaries of the zone;
  - (c) establish terms for sharing sales tax revenue among the members of the agreement;
  - (d) establish a base year to calculate the increase of property tax revenue within the zone;
  - (e) establish terms for sharing any increase in property tax revenue within the zone; and
  - (f) before an agreement is approved as required in Section 11-13-202.5, hold a public hearing regarding the details of the proposed transportation reinvestment zone.
- (3) Any agreement to establish a transportation reinvestment zone is subject to the requirements of Sections 11-13-202, 11-13-202.5, 11-13-206, and 11-13-207.
- (4)(a) Each public agency that is party to an agreement under this section shall annually publish a report including a statement of the increased tax revenue and the expenditures made in accordance with the agreement.
- (b) Each public agency that is party to an agreement under this section shall transmit a copy of the report described in Subsection (4)(a) to the state auditor.
- (5) If any surplus revenue remains in a tax revenue account created as part of a transportation reinvestment zone agreement, the parties may use the surplus for other purposes as determined by agreement of the parties.
- (6)(a) An action taken under this section is not subject to:
- (i) Section 10-8-2;
  - (ii) Title 10, Chapter 20, Municipal Land Use, Development, and Management Act;
  - (iii) Title 17, Chapter 79, County Land Use, Development, and Management Act; or
  - (iv) Section 17-78-103.
- (b) An ordinance, resolution, or agreement adopted under this title is not a land use regulation as defined in Sections 10-20-102 and 17-79-102.
- Section 80. Section **72-1-102** is amended to read:
- 72-1-102 (Effective 05/06/26). Definitions.**
- As used in this title:
- (1) "Circulator alley" means a publicly owned passageway:
- (a) with a right-of-way width of 20 feet or greater;

- 7442 (b) located within a master planned community;
- 7443 (c) established by the city having jurisdictional authority as part of the street network for
- 7444 traffic circulation that may also be used for:
- 7445 (i) garbage collection;
- 7446 (ii) access to residential garages; or
- 7447 (iii) access rear entrances to a commercial establishment; and
- 7448 (d) constructed with a bituminous or concrete pavement surface.
- 7449 (2) "Commission" means the Transportation Commission created under Section 72-1-301.
- 7450 (3) "Construction" means the construction, reconstruction, replacement, and improvement
- 7451 of the highways, including the acquisition of rights-of-way and material sites.
- 7452 (4) "Department" means the Department of Transportation created in Section 72-1-201.
- 7453 (5) "Executive director" means the executive director of the department appointed under
- 7454 Section 72-1-202.
- 7455 (6) "Farm tractor" ~~[has the meaning set forth]~~ means the same as that term is defined in
- 7456 Section 41-1a-102.
- 7457 (7) "Federal aid primary highway" means that portion of connected main highways located
- 7458 within this state officially designated by the department and approved by the United
- 7459 States Secretary of Transportation under Title 23, Highways, U.S.C.
- 7460 (8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 7461 (9)(a) "Fixed guideway capital development" means a project to construct or reconstruct
- 7462 a public transit fixed guideway facility that will add capacity to a fixed guideway
- 7463 public transit facility.
- 7464 (b) "Fixed guideway capital development" includes:
- 7465 (i) a project to strategically double track commuter rail lines; and
- 7466 (ii) a project to develop and construct public transit facilities and related
- 7467 infrastructure pertaining to the Point of the Mountain State Land Authority created
- 7468 in Section 11-59-201.
- 7469 (10) "Greenfield" means the same as that term is defined in Section 17C-1-102.
- 7470 (11) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,
- 7471 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned
- 7472 to the public, or made public in an action for the partition of real property, including the
- 7473 entire area within the right-of-way.
- 7474 (12) "Highway authority" means the department or the legislative, executive, or governing
- 7475 body of a county or municipality.

- 7476 (13) "Housing and transit reinvestment zone" means the same as that term is defined in  
7477 Section ~~[63N-3-602]~~ 63N-23-101.
- 7478 (14) "Implement of husbandry" ~~[has the meaning set forth]~~ means the same as that term is  
7479 defined in Section 41-1a-102.
- 7480 (15) "Interstate system" means any highway officially designated by the department and  
7481 included as part of the national interstate and defense highways, as provided in the  
7482 Federal Aid Highway Act of 1956 and any supplemental acts or amendments.
- 7483 (16) "Large public transit district" means the same as that term is defined in Section  
7484 17B-2a-802.
- 7485 (17) "Limited-access facility" means a highway especially designated for through traffic,  
7486 and over, from, or to which neither owners nor occupants of abutting lands nor other  
7487 persons have any right or easement, or have only a limited right or easement of access,  
7488 light, air, or view.
- 7489 (18) "Master planned community" means a land use development:  
7490 (a) designated by the city as a master planned community; and  
7491 (b) comprised of a single development agreement for a development larger than 500  
7492 acres.
- 7493 (19) "Motor vehicle" ~~[has the same meaning set forth]~~ means the same as that term is defined  
7494 in Section 41-1a-102.
- 7495 (20) "Municipality" ~~[has the same meaning set forth]~~ means the same as that term is defined  
7496 in Section 10-1-104.
- 7497 (21) "National highway systems highways" means that portion of connected main highways  
7498 located within this state officially designated by the department and approved by the  
7499 United States Secretary of Transportation under Title 23, Highways, U.S.C.
- 7500 (22)(a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and  
7501 maintained by the department where drivers, vehicles, and vehicle loads are checked  
7502 or inspected for compliance with state and federal laws as specified in Section  
7503 72-9-501.
- 7504 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.
- 7505 (23) "Port-of-entry agent" means a person employed at a port-of-entry to perform the duties  
7506 specified in Section 72-9-501.
- 7507 (24) "Public transit" means the same as that term is defined in Section 17B-2a-802.
- 7508 (25) "Public transit facility" means a fixed guideway, transit vehicle, transit station, depot,  
7509 passenger loading or unloading zone, parking lot, or other facility:

- 7510 (a) leased by or operated by or on behalf of a public transit district; and  
7511 (b) related to the public transit services provided by the district, including:  
7512 (i) railway or other right-of-way;  
7513 (ii) railway line; and  
7514 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled  
7515 by a transit vehicle.
- 7516 (26) "Right-of-way" means real property or an interest in real property, usually in a strip,  
7517 acquired for or devoted to state transportation purposes.
- 7518 (27) "Sealed" does not ~~[preclude]~~ prevent the acceptance of electronically sealed and  
7519 submitted bids or proposals in addition to bids or proposals manually sealed and  
7520 submitted.
- 7521 (28) "Semitrailer" ~~[has the meaning set forth]~~ means the same as that term is defined in  
7522 Section 41-1a-102.
- 7523 (29) "SR" means state route and has the same meaning as state highway, as that term is  
7524 defined in this section.
- 7525 (30) "State highway" means those highways designated as state highways in ~~[Title 72,~~  
7526 ~~Chapter 4, Designation of State Highways Act]~~ Chapter 4, Designation of State  
7527 Highways Act.
- 7528 (31) "State transportation purposes" ~~[has the meaning set forth]~~ means the same as that term  
7529 is defined in Section 72-5-102.
- 7530 (32) "State transportation systems" means all streets, alleys, roads, highways, pathways, and  
7531 thoroughfares of any kind, including connected structures, airports, aerial corridor  
7532 infrastructure, spaceports, public transit facilities, and all other modes and forms of  
7533 conveyance used by the public.
- 7534 (33) "Trailer" ~~[has the meaning set forth]~~ means the same as that term is defined in Section  
7535 41-1a-102.
- 7536 (34)(a) "Transportation corridor" means the path or proposed path of a transportation  
7537 facility that exists or that may exist in the future.
- 7538 (b) "Transportation corridor" may include:  
7539 (i) the land occupied or that may be occupied by a transportation facility; and  
7540 (ii) any other land that may be needed for expanding, operating, or controlling access  
7541 to the transportation facility.
- 7542 (35) "Transportation facility" means:  
7543 (a) a highway; or

(b) a fixed guideway.

(36) "Transportation reinvestment zone" means a transportation reinvestment zone created [pursuant to ~~Section 11-13-227~~] in accordance with Section 63N-23-901.

(37) "Truck tractor" [~~has the meaning set forth~~] means the same as that term is defined in Section 41-1a-102.

(38) "UDOT" means the Utah Department of Transportation.

(39) "Vehicle" [~~has the same meaning set forth~~] means the same as that term is defined in Section 41-1a-102.

Section 81. Section **72-1-304** is amended to read:

**72-1-304 (Effective 05/06/26). Written project prioritization process for new transportation capacity projects -- Rulemaking.**

(1)(a) The Transportation Commission, in consultation with the department and the metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written prioritization process for the prioritization of:

- (i) new transportation capacity projects that are or will be part of the state highway system under Chapter 4, Part 1, State Highways;
- (ii) paved pedestrian or paved nonmotorized transportation projects described in Section 72-2-124;
- (iii) public transit projects that directly add capacity to the public transit systems within the state, not including facilities ancillary to the public transit system; and
- (iv) pedestrian or nonmotorized transportation projects that provide connection to a public transit system.

(b)(i) A local government or public transit district may nominate a project for prioritization in accordance with the process established by the commission in rule.

(ii) If a local government or public transit district nominates a project for prioritization by the commission, the local government or public transit district shall provide data and evidence to show that:

- (A) the project will advance the purposes and goals described in Section 72-1-211;
- (B) for a public transit project, the local government or public transit district has an ongoing funding source for operations and maintenance of the proposed development; and
- (C) the local government or public transit district will provide the percentage of the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(10)(e).

- (2) The following shall be included in the written prioritization process under Subsection (1):
- (a) a description of how the strategic initiatives of the department adopted under Section 72-1-211 are advanced by the written prioritization process;
  - (b) a definition of the type of projects to which the written prioritization process applies;
  - (c) specification of a weighted criteria system that is used to rank proposed projects and how it will be used to determine which projects will be prioritized;
  - (d) specification of the data that is necessary to apply the weighted ranking criteria; and
  - (e) any other provisions the commission considers appropriate, which may include consideration of:
    - (i) regional and statewide economic development impacts, including improved local access to:
      - (A) employment;
      - (B) educational facilities;
      - (C) recreation;
      - (D) commerce; and
      - (E) residential areas, including moderate income housing as demonstrated in the local government's or public transit district's general plan in accordance with Section 10-20-404 or 17-79-403;
    - (ii) the extent to which local land use plans relevant to a project support and accomplish the strategic initiatives adopted under Section 72-1-211; and
    - (iii) any matching funds provided by a political subdivision or public transit district in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(10)(e).
- (3)(a) When prioritizing a public transit project that increases capacity, the commission:
- (i) may give priority consideration to projects that are part of a transit-oriented development or transit-supportive development as defined in Section 17B-2a-802; and
  - (ii) shall give priority consideration to projects that are within the boundaries of a housing and transit reinvestment zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- (b) When prioritizing a transportation project that increases capacity, the commission may give priority consideration to projects that are:
- (i) part of a transportation reinvestment zone created under Section ~~[11-13-227]~~ 63N-23-901 if:



- 7612 (A) the state is a participant in the transportation reinvestment zone; or  
7613 (B) the commission finds that the transportation reinvestment zone provides a  
7614 benefit to the state transportation system; or  
7615 (ii) within the boundaries of a housing and transit reinvestment zone created [  
7616 pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone  
7617 Act] in accordance with Title 63N, Chapter 23, Part 2, Housing and Transit  
7618 Reinvestment Zone.
- 7619 (c) If the department receives a notice of prioritization for a municipality as described in  
7620 Subsection 10-21-202(5), or a notice of prioritization for a county as described in  
7621 Subsection 17-80-202(5), the commission may give priority consideration to  
7622 transportation projects that are within the boundaries of the municipality or the  
7623 unincorporated areas of the county until the department receives notification from the  
7624 Housing and Community Development Division within the Department of Workforce  
7625 Services that the municipality or county no longer qualifies for prioritization under  
7626 this Subsection (3)(c).
- 7627 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),  
7628 the commission may give priority consideration to projects that improve connectivity  
7629 in accordance with Section 10-8-87.
- 7630 (4) In developing the written prioritization process, the commission:
- 7631 (a) shall seek and consider public comment by holding public meetings at locations  
7632 throughout the state; and
- 7633 (b) may not consider local matching dollars as provided under Section 72-2-123 unless  
7634 the state provides an equal opportunity to raise local matching dollars for state  
7635 highway improvements within each county.
- 7636 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
7637 Transportation Commission, in consultation with the department, shall make rules  
7638 establishing the written prioritization process under Subsection (1).
- 7639 (6) The commission shall submit the proposed rules under this section to the Transportation  
7640 Interim Committee for review before taking final action on the proposed rules or any  
7641 proposed amendment to the rules described in Subsection (5).
- 7642 Section 82. Section **72-2-124** is amended to read:
- 7643 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26). Transportation Investment**  
7644 **Fund of 2005.**
- 7645 (1) There is created a capital projects fund entitled the Transportation Investment Fund of

7646 2005.

7647 (2) The fund consists of money generated from the following sources:

7648 (a) any voluntary contributions received for the maintenance, construction,  
7649 reconstruction, or renovation of state and federal highways;

7650 (b) appropriations made to the fund by the Legislature;

7651 (c) registration fees designated under Section 41-1a-1201;

7652 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
7653 59-12-103;

7654 (e) revenues transferred to the fund in accordance with Section 72-2-106;

7655 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

7656 (g) revenue from bond proceeds described in Section 63B-34-101.

7657 (3)(a) The fund shall earn interest.

7658 (b) All interest earned on fund money shall be deposited into the fund.

7659 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund  
7660 money to pay:

7661 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
7662 federal highways prioritized by the Transportation Commission through the  
7663 prioritization process for new transportation capacity projects adopted under  
7664 Section 72-1-304;

7665 (ii) the costs of maintenance, construction, reconstruction, or renovation to the  
7666 highway projects described in Subsections 63B-18-401(2), (3), and (4);

7667 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in  
7668 Section 72-5-401;

7669 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
7670 minus the costs paid from the County of the First Class Highway Projects Fund in  
7671 accordance with Subsection 72-2-121(4)(e);

7672 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
7673 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the  
7674 amount certified by Salt Lake County in accordance with Subsection  
7675 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the  
7676 revenue bonds issued by Salt Lake County;

7677 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
7678 for projects prioritized in accordance with Section 72-2-125;

7679 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First

Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;

(viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:

(A) mitigate traffic congestion on the state highway system;

(B) are part of an active transportation plan approved by the department; and

(C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;

(ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:

(A) the connector road between Main Street and 1600 North in the city of Vineyard;

(B) Geneva Road from University Parkway to 1800 South;

(C) the SR-97 interchange at 5600 South on I-15;

(D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;

(E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;

(F) improvements to 1600 North in Orem from 1200 West to State Street;

(G) widening I-15 between mileposts 6 and 8;

(H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;

(I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon;

(J) I-15 northbound between mileposts 43 and 56;

(K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;

(L) east Zion SR-9 improvements;

(M) Toquerville Parkway;

(N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;

(O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangor Highway at 13400 South; and

(P) an environmental impact study for Kimball Junction in Summit County;

(x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project costs based upon a statement of cash flow that the local jurisdiction where the

- 7714 project is located provides to the department demonstrating the need for money  
7715 for the project, for the following projects in the following amounts:
- 7716 (A) \$5,000,000 for Payson Main Street repair and replacement;  
7717 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;  
7718 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and  
7719 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.  
7720 40 between mile markers 7 and 10;
- 7721 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way  
7722 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road  
7723 over the railroad and to U.S. Highway 6;
- 7724 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from  
7725 revenue deposited into the fund in accordance with Section 59-12-103, for the  
7726 following projects:
- 7727 (A) \$3,000,000 for the department to perform an environmental study for the I-15  
7728 Salem and Benjamin project; and
- 7729 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand  
7730 Dunes Road project; and
- 7731 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of  
7732 right-of-way acquisition and construction for improvements on SR-89 in a county  
7733 of the first class.
- 7734 (b) The executive director may use fund money to exchange for an equal or greater  
7735 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 7736 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may  
7737 not commence until a right-of-way not owned by a federal agency that is required  
7738 for the realignment and extension of U-111, as described in the department's 2023  
7739 environmental study related to the project, is dedicated to the department.
- 7740 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the  
7741 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the  
7742 department may proceed with the project, except that the project will be limited to  
7743 two lanes on U-111 from Herriman Parkway to 11800 South.
- 7744 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of  
7745 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive  
7746 director may not program fund money to a project prioritized by the commission  
7747 under Section 72-1-304, including fund money from the Transit Transportation

Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.

(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:

- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(8), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (6) no longer applies to the county.

(b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:

- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a project prioritized by the commission under Section 72-1-304;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- (iii) may program Transit Transportation Investment Fund money for a

multi-community fixed guideway public transportation project; and

(iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the department and the commission shall appear before the Executive Appropriations Committee of the Legislature and present the amount of bond proceeds that the department needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

(b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.

(8) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.

(9) The executive director may only use money in the fund for corridor preservation as described in Subsection (4)(a)(iii):

(a) if the project has been prioritized by the commission, including the use of fund money for corridor preservation; or

(b) for a project that has not been prioritized by the commission, if the commission:

(i) approves the use of fund money for the corridor preservation; and

(ii) finds that the use of fund money for corridor preservation will not result in any delay to a project that has been prioritized by the commission.

(10)(a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation Investment Fund.

(b) The fund shall be funded by:

(i) contributions deposited into the fund in accordance with Section 59-12-103;

(ii) appropriations into the account by the Legislature;

(iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as described in Section ~~63N-3-610~~ 63N-23-206;

- 7816 (iv) transfers of local option sales and use tax revenue as described in Subsection  
7817 59-12-2220(11)(b) or (c);
- 7818 (v) private contributions; and
- 7819 (vi) donations or grants from public or private entities.
- 7820 (c)(i) The fund shall earn interest.
- 7821 (ii) All interest earned on fund money shall be deposited into the fund.
- 7822 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 7823 (i) for public transit capital development of new capacity projects and fixed guideway  
7824 capital development projects to be used as prioritized by the commission through  
7825 the prioritization process adopted under Section 72-1-304;
- 7826 (ii) to the department for oversight of a fixed guideway capital development project  
7827 for which the department has responsibility; or
- 7828 (iii) up to \$500,000 per year, to be used for a public transit study.
- 7829 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize  
7830 money from the fund for a public transit capital development project or pedestrian  
7831 or nonmotorized transportation project that provides connection to the public  
7832 transit system if the public transit district or political subdivision provides funds of  
7833 equal to or greater than 30% of the costs needed for the project.
- 7834 (ii) A public transit district or political subdivision may use money derived from a  
7835 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide  
7836 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 7837 (A) the loan is approved by the commission as required in Part 2, State  
7838 Infrastructure Bank Fund; and
- 7839 (B) the proposed capital project has been prioritized by the commission [pursuant  
7840 to] in accordance with Section 72-1-303.
- 7841 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
7842 an agreement for a large public transit district to pay the department \$5,000,000 per  
7843 year for 15 years to be used to facilitate the purchase of zero emissions or low  
7844 emissions rail engines and trainsets for regional public transit rail systems.
- 7845 (g) For any revenue transferred into the fund in accordance with Subsection  
7846 59-12-2220(11)(b):
- 7847 (i) the commission may prioritize money from the fund for public transit projects,  
7848 operations, or maintenance within the county of the first class; and
- 7849 (ii) Subsection (10)(e) does not apply.

- 7850 (h) For any revenue transferred into the fund in accordance with Subsection  
7851 59-12-2220(11)(c):
- 7852 (i) the commission may prioritize public transit projects, operations, or maintenance  
7853 in the county from which the revenue was generated; and  
7854 (ii) Subsection (10)(e) does not apply.
- 7855 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for  
7856 the project described in Subsection (10)(e) does not apply to a public transit capital  
7857 development project or pedestrian or nonmotorized transportation project that the  
7858 department proposes.
- 7859 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may  
7860 prioritize money from the fund for public transit innovation grants, as defined in  
7861 Section 72-2-401, for public transit capital development projects requested by a  
7862 political subdivision within a public transit district.
- 7863 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood  
7864 Canyons Transportation Investment Fund.
- 7865 (b) The fund shall be funded by:
- 7866 (i) money deposited into the fund in accordance with Section 59-12-103;  
7867 (ii) appropriations into the account by the Legislature;  
7868 (iii) private contributions; and  
7869 (iv) donations or grants from public or private entities.
- 7870 (c)(i) The fund shall earn interest.  
7871 (ii) All interest earned on fund money shall be deposited into the fund.
- 7872 (d) The Legislature may appropriate money from the fund for public transit or  
7873 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 7874 (e) The department may use up to 2% of the revenue deposited into the account under  
7875 Subsection 59-12-103(7)(b) to contract with local governments as necessary for  
7876 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 7877 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any  
7878 sales and use tax growth over sales and use tax collections during the 2025 fiscal year  
7879 to fund projects to provide ingress and egress for a public transit hub, including  
7880 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 7881 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active  
7882 Transportation Investment Fund.
- 7883 (b) The fund shall be funded by:



- 7884 (i) money deposited into the fund in accordance with Section 59-12-103;  
7885 (ii) appropriations into the account by the Legislature; and  
7886 (iii) donations or grants from public or private entities.
- 7887 (c)(i) The fund shall earn interest.  
7888 (ii) All interest earned on fund money shall be deposited into the fund.
- 7889 (d) The executive director may only use fund money to pay the costs needed for:  
7890 (i) the planning, design, construction, maintenance, reconstruction, or renovation of  
7891 paved pedestrian or paved nonmotorized trail projects that:  
7892 (A) are prioritized by the commission through the prioritization process for new  
7893 transportation capacity projects adopted under Section 72-1-304;  
7894 (B) serve a regional purpose; and  
7895 (C) are part of an active transportation plan approved by the department or the  
7896 plan described in Subsection (12)(d)(ii);  
7897 (ii) the development of a plan for a statewide network of paved pedestrian or paved  
7898 nonmotorized trails that serve a regional purpose; and  
7899 (iii) the administration of the fund, including staff and overhead costs.
- 7900 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is  
7901 defined in Section ~~[63N-3-602]~~ 63N-23-101.
- 7902 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail  
7903 Subaccount.
- 7904 (c) The subaccount shall be funded by:  
7905 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;  
7906 (ii) appropriations into the subaccount by the Legislature;  
7907 (iii) private contributions; and  
7908 (iv) donations or grants from public or private entities.
- 7909 (d)(i) The subaccount shall earn interest.  
7910 (ii) All interest earned on money in the subaccount shall be deposited into the  
7911 subaccount.
- 7912 (e) As prioritized by the commission through the prioritization process adopted under  
7913 Section 72-1-304 or as directed by the Legislature, the department may only use  
7914 money from the subaccount for projects that improve the state's commuter rail  
7915 infrastructure, including the building or improvement of grade-separated crossings  
7916 between commuter rail lines and public highways.
- 7917 (f) Appropriations made in accordance with this section are nonlapsing in accordance

7918 with Section 63J-1-602.1.

7919 Section 83. Section **72-2-124** is amended to read:

7920 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

7921 (1) There is created a capital projects fund entitled the Transportation Investment Fund of  
7922 2005.

7923 (2) The fund consists of money generated from the following sources:

7924 (a) any voluntary contributions received for the maintenance, construction,

7925 reconstruction, or renovation of state and federal highways;

7926 (b) appropriations made to the fund by the Legislature;

7927 (c) registration fees designated under Section 41-1a-1201;

7928 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
7929 59-12-103;

7930 (e) revenues transferred to the fund in accordance with Section 72-2-106;

7931 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

7932 (g) revenue from bond proceeds described in Section 63B-34-201.

7933 (3)(a) The fund shall earn interest.

7934 (b) All interest earned on fund money shall be deposited into the fund.

7935 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund  
7936 money to pay:

7937 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
7938 federal highways prioritized by the Transportation Commission through the  
7939 prioritization process for new transportation capacity projects adopted under  
7940 Section 72-1-304;

7941 (ii) the costs of maintenance, construction, reconstruction, or renovation to the  
7942 highway projects described in Subsections 63B-18-401(2), (3), and (4);

7943 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in  
7944 Section 72-5-401;

7945 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
7946 minus the costs paid from the County of the First Class Highway Projects Fund in  
7947 accordance with Subsection 72-2-121(4)(e);

7948 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
7949 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the  
7950 amount certified by Salt Lake County in accordance with Subsection  
7951 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the

- 7952 revenue bonds issued by Salt Lake County;
- 7953 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 7954 for projects prioritized in accordance with Section 72-2-125;
- 7955 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 7956 Class Highway Projects Fund created in Section 72-2-121 to be used for the
- 7957 purposes described in Section 72-2-121;
- 7958 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 7959 the costs needed for construction, reconstruction, or renovation of paved
- 7960 pedestrian or paved nonmotorized transportation for projects that:
- 7961 (A) mitigate traffic congestion on the state highway system;
- 7962 (B) are part of an active transportation plan approved by the department; and
- 7963 (C) are prioritized by the commission through the prioritization process for new
- 7964 transportation capacity projects adopted under Section 72-1-304;
- 7965 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 7966 reconstruction, or renovation of or improvement to the following projects:
- 7967 (A) the connector road between Main Street and 1600 North in the city of
- 7968 Vineyard;
- 7969 (B) Geneva Road from University Parkway to 1800 South;
- 7970 (C) the SR-97 interchange at 5600 South on I-15;
- 7971 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
- 7972 South Jordan Parkway;
- 7973 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 7974 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 7975 (G) widening I-15 between mileposts 6 and 8;
- 7976 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 7977 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 7978 in Spanish Fork Canyon;
- 7979 (J) I-15 northbound between mileposts 43 and 56;
- 7980 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 7981 43 and 45.1;
- 7982 (L) east Zion SR-9 improvements;
- 7983 (M) Toquerville Parkway;
- 7984 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 7985 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,

7986 for construction of an interchange on Bangerter Highway at 13400 South; and

7987 (P) an environmental impact study for Kimball Junction in Summit County;

7988 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project

7989 costs based upon a statement of cash flow that the local jurisdiction where the  
7990 project is located provides to the department demonstrating the need for money  
7991 for the project, for the following projects in the following amounts:

7992 (A) \$5,000,000 for Payson Main Street repair and replacement;

7993 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;

7994 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and

7995 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.  
7996 40 between mile markers 7 and 10;

7997 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way  
7998 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road  
7999 over the railroad and to U.S. Highway 6;

8000 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from  
8001 revenue deposited into the fund in accordance with Section 59-12-103, for the  
8002 following projects:

8003 (A) \$3,000,000 for the department to perform an environmental study for the I-15  
8004 Salem and Benjamin project; and

8005 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand  
8006 Dunes Road project; and

8007 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of  
8008 right-of-way acquisition and construction for improvements on SR-89 in a county  
8009 of the first class.

8010 (b) The executive director may use fund money to exchange for an equal or greater  
8011 amount of federal transportation funds to be used as provided in Subsection (4)(a).

8012 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may  
8013 not commence until a right-of-way not owned by a federal agency that is required  
8014 for the realignment and extension of U-111, as described in the department's 2023  
8015 environmental study related to the project, is dedicated to the department.

8016 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the  
8017 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the  
8018 department may proceed with the project, except that the project will be limited to  
8019 two lanes on U-111 from Herriman Parkway to 11800 South.

- 8020 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of  
8021 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive  
8022 director may not program fund money to a project prioritized by the commission  
8023 under Section 72-1-304, including fund money from the Transit Transportation  
8024 Investment Fund, within the boundaries of the municipality until the department  
8025 receives notification from the Housing and Community Development Division within  
8026 the Department of Workforce Services that ineligibility under this Subsection (5) no  
8027 longer applies to the municipality.
- 8028 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive  
8029 director:
- 8030 (i) may program fund money in accordance with Subsection (4)(a) for a  
8031 limited-access facility or interchange connecting limited-access facilities;  
8032 (ii) may not program fund money for the construction, reconstruction, or renovation  
8033 of an interchange on a limited-access facility;  
8034 (iii) may program Transit Transportation Investment Fund money for a  
8035 multi-community fixed guideway public transportation project; and  
8036 (iv) may not program Transit Transportation Investment Fund money for the  
8037 construction, reconstruction, or renovation of a station that is part of a fixed  
8038 guideway public transportation project.
- 8039 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
8040 director before July 1, 2022, for projects prioritized by the commission under Section  
8041 72-1-304.
- 8042 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of  
8043 ineligibility for a county as described in Subsection 17-80-202(8), the executive  
8044 director may not program fund money to a project prioritized by the commission  
8045 under Section 72-1-304, including fund money from the Transit Transportation  
8046 Investment Fund, within the boundaries of the unincorporated area of the county until  
8047 the department receives notification from the Housing and Community Development  
8048 Division within the Department of Workforce Services that ineligibility under this  
8049 Subsection (6) no longer applies to the county.
- 8050 (b) Within the boundaries of the unincorporated area of a county described in Subsection  
8051 (6)(a), the executive director:
- 8052 (i) may program fund money in accordance with Subsection (4)(a) for a  
8053 limited-access facility to a project prioritized by the commission under Section

8054 72-1-304;

8055 (ii) may not program fund money for the construction, reconstruction, or renovation  
8056 of an interchange on a limited-access facility;

8057 (iii) may program Transit Transportation Investment Fund money for a  
8058 multi-community fixed guideway public transportation project; and

8059 (iv) may not program Transit Transportation Investment Fund money for the  
8060 construction, reconstruction, or renovation of a station that is part of a fixed  
8061 guideway public transportation project.

8062 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
8063 director before July 1, 2022, for projects prioritized by the commission under Section  
8064 72-1-304.

8065 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in  
8066 any fiscal year, the department and the commission shall appear before the Executive  
8067 Appropriations Committee of the Legislature and present the amount of bond  
8068 proceeds that the department needs to provide funding for the projects identified in  
8069 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current  
8070 or next fiscal year.

8071 (b) The Executive Appropriations Committee of the Legislature shall review and  
8072 comment on the amount of bond proceeds needed to fund the projects.

8073 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount  
8074 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
8075 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt  
8076 service or sinking fund.

8077 (9) The executive director may only use money in the fund for corridor preservation as  
8078 described in Subsection (4)(a)(iii):

8079 (a) if the project has been prioritized by the commission, including the use of fund  
8080 money for corridor preservation; or

8081 (b) for a project that has not been prioritized by the commission, if the commission:

8082 (i) approves the use of fund money for the corridor preservation; and

8083 (ii) finds that the use of fund money for corridor preservation will not result in any  
8084 delay to a project that has been prioritized by the commission.

8085 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit  
8086 Transportation Investment Fund.

8087 (b) The fund shall be funded by:

- 8088 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 8089 (ii) appropriations into the account by the Legislature;
- 8090 (iii) deposits of sales and use tax increment related to a housing and transit
- 8091 reinvestment zone as described in Section ~~[63N-3-610]~~ 63N-23-206;
- 8092 (iv) transfers of local option sales and use tax revenue as described in Subsection
- 8093 59-12-2220(11)(b) or (c);
- 8094 (v) private contributions; and
- 8095 (vi) donations or grants from public or private entities.
- 8096 (c)(i) The fund shall earn interest.
- 8097 (ii) All interest earned on fund money shall be deposited into the fund.
- 8098 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 8099 (i) for public transit capital development of new capacity projects and fixed guideway
- 8100 capital development projects to be used as prioritized by the commission through
- 8101 the prioritization process adopted under Section 72-1-304;
- 8102 (ii) to the department for oversight of a fixed guideway capital development project
- 8103 for which the department has responsibility; or
- 8104 (iii) up to \$500,000 per year, to be used for a public transit study.
- 8105 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
- 8106 money from the fund for a public transit capital development project or pedestrian
- 8107 or nonmotorized transportation project that provides connection to the public
- 8108 transit system if the public transit district or political subdivision provides funds of
- 8109 equal to or greater than 30% of the costs needed for the project.
- 8110 (ii) A public transit district or political subdivision may use money derived from a
- 8111 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
- 8112 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 8113 (A) the loan is approved by the commission as required in Part 2, State
- 8114 Infrastructure Bank Fund; and
- 8115 (B) the proposed capital project has been prioritized by the commission ~~[pursuant~~
- 8116 ~~to]~~ in accordance with Section 72-1-303.
- 8117 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 8118 an agreement for a large public transit district to pay the department \$5,000,000 per
- 8119 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 8120 emissions rail engines and trainsets for regional public transit rail systems.
- 8121 (g) For any revenue transferred into the fund in accordance with Subsection

- 8122 59-12-2220(11)(b):
- 8123 (i) the commission may prioritize money from the fund for public transit projects,
- 8124 operations, or maintenance within the county of the first class; and
- 8125 (ii) Subsection (10)(e) does not apply.
- 8126 (h) For any revenue transferred into the fund in accordance with Subsection
- 8127 59-12-2220(11)(c):
- 8128 (i) the commission may prioritize public transit projects, operations, or maintenance
- 8129 in the county from which the revenue was generated; and
- 8130 (ii) Subsection (10)(e) does not apply.
- 8131 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 8132 the project described in Subsection (10)(e) does not apply to a public transit capital
- 8133 development project or pedestrian or nonmotorized transportation project that the
- 8134 department proposes.
- 8135 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
- 8136 prioritize money from the fund for public transit innovation grants, as defined in
- 8137 Section 72-2-401, for public transit capital development projects requested by a
- 8138 political subdivision within a public transit district.
- 8139 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
- 8140 Canyons Transportation Investment Fund.
- 8141 (b) The fund shall be funded by:
- 8142 (i) money deposited into the fund in accordance with Section 59-12-103;
- 8143 (ii) appropriations into the account by the Legislature;
- 8144 (iii) private contributions; and
- 8145 (iv) donations or grants from public or private entities.
- 8146 (c)(i) The fund shall earn interest.
- 8147 (ii) All interest earned on fund money shall be deposited into the fund.
- 8148 (d) The Legislature may appropriate money from the fund for public transit or
- 8149 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 8150 (e) The department may use up to 2% of the revenue deposited into the account under
- 8151 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
- 8152 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 8153 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
- 8154 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
- 8155 to fund projects to provide ingress and egress for a public transit hub, including



- 8156 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 8157 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 8158 Transportation Investment Fund.
- 8159 (b) The fund shall be funded by:
- 8160 (i) money deposited into the fund in accordance with Section 59-12-103;
- 8161 (ii) appropriations into the account by the Legislature; and
- 8162 (iii) donations or grants from public or private entities.
- 8163 (c)(i) The fund shall earn interest.
- 8164 (ii) All interest earned on fund money shall be deposited into the fund.
- 8165 (d) The executive director may only use fund money to pay the costs needed for:
- 8166 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 8167 paved pedestrian or paved nonmotorized trail projects that:
- 8168 (A) are prioritized by the commission through the prioritization process for new
- 8169 transportation capacity projects adopted under Section 72-1-304;
- 8170 (B) serve a regional purpose; and
- 8171 (C) are part of an active transportation plan approved by the department or the
- 8172 plan described in Subsection (12)(d)(ii);
- 8173 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 8174 nonmotorized trails that serve a regional purpose; and
- 8175 (iii) the administration of the fund, including staff and overhead costs.
- 8176 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 8177 defined in Section [63N-3-602] 63N-23-101.
- 8178 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 8179 Subaccount.
- 8180 (c) The subaccount shall be funded by:
- 8181 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 8182 (ii) appropriations into the subaccount by the Legislature;
- 8183 (iii) private contributions; and
- 8184 (iv) donations or grants from public or private entities.
- 8185 (d)(i) The subaccount shall earn interest.
- 8186 (ii) All interest earned on money in the subaccount shall be deposited into the
- 8187 subaccount.
- 8188 (e) As prioritized by the commission through the prioritization process adopted under
- 8189 Section 72-1-304 or as directed by the Legislature, the department may only use

8190 money from the subaccount for projects that improve the state's commuter rail  
8191 infrastructure, including the building or improvement of grade-separated crossings  
8192 between commuter rail lines and public highways.

8193 (f) Appropriations made in accordance with this section are nonlapsing in accordance  
8194 with Section 63J-1-602.1.

8195 Section 84. Section **72-2-201** is amended to read:

8196 **72-2-201 (Effective 05/06/26). Definitions.**

8197 As used in this part:

8198 (1) "Fund" means the State Infrastructure Bank Fund created under Section 72-2-202.

8199 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan,  
8200 to provide financial assistance for transportation projects or publicly owned  
8201 infrastructure projects, including:

8202 (a) capital reserves and other security for bond or debt instrument financing; or

8203 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a  
8204 public entity to finance transportation projects.

8205 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project or  
8206 publicly owned infrastructure project.

8207 (4) "Public entity" means a state agency, county, municipality, special district, special  
8208 service district, an intergovernmental entity organized under state law, or the military  
8209 installation development authority created in Section 63H-1-201.

8210 (5) "Publicly owned infrastructure project" means a project to improve sewer or water  
8211 infrastructure that is owned by a public entity.

8212 (6) "Transportation project":

8213 (a) means a project:

8214 (i) to improve a state or local highway;

8215 (ii) to improve a public transportation facility or nonmotorized transportation facility;

8216 (iii) to construct or improve parking facilities;

8217 (iv) that is subject to a transportation reinvestment zone agreement [~~pursuant to~~

8218 ~~Section 11-13-227]~~ in accordance with Section 63N-23-901 if the state is party to  
8219 the agreement; or

8220 (v) that is part of a housing and transit reinvestment zone created [~~pursuant to Title~~

8221 ~~63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act]~~ in

8222 accordance with Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment

8223 Zone;

- 8224 (b) includes the costs of acquisition, construction, reconstruction, rehabilitation,  
 8225 equipping, and fixturing; and
- 8226 (c) may only include a project if the project is part of:
- 8227 (i) the statewide long range plan;
- 8228 (ii) a regional transportation plan of the area metropolitan planning organization if a  
 8229 metropolitan planning organization exists for the area; or
- 8230 (iii) a local government general plan or economic development initiative.

8231 Section 85. Section **72-2-301** is amended to read:

8232 **72-2-301 (Effective 05/06/26). Definitions.**

8233 As used in this part:

- 8234 (1) "Fund" means the County of the First Class Infrastructure Bank Fund created under  
 8235 Section 72-2-402.
- 8236 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan,  
 8237 to provide financial assistance for transportation projects or publicly owned  
 8238 infrastructure projects, including:
- 8239 (a) capital reserves and other security for bond or debt instrument financing; or
- 8240 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a  
 8241 public entity to finance transportation projects.
- 8242 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project or  
 8243 publicly owned infrastructure project.
- 8244 (4) "Public entity" means a county of the first class or any of the following located within a  
 8245 county of the first class:
- 8246 (a) a municipality;
- 8247 (b) a special district;
- 8248 (c) a special service district; or
- 8249 (d) an intergovernmental entity organized under state law.
- 8250 (5) "Publicly owned infrastructure project" means a project to improve sewer or water  
 8251 infrastructure that is owned by a public entity.
- 8252 (6) "Transportation project" means a project:
- 8253 (a) to improve a state or local highway;
- 8254 (b) to improve a public transportation facility or nonmotorized transportation facility;
- 8255 (c) to construct or improve parking facilities;
- 8256 (d) that is subject to a transportation reinvestment zone agreement [~~pursuant to Section~~  
 8257 ~~44-13-227~~] in accordance with Section 63N-23-901 if the state is party to the

8258 agreement; or  
8259 (e) that is part of a housing and transit reinvestment zone created [~~pursuant to Title 63N,~~  
8260 ~~Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act~~] in accordance with  
8261 Title 63N, Chapter 23, Part 2, Housing and Transit Reinvestment Zone.

8262 (7) "Transportation project" includes the costs of acquisition, construction, reconstruction,  
8263 rehabilitation, equipping, and fixturing.

8264 (8) "Transportation project" may only include a project if the project is part of:

8265 (a) the statewide long range plan;

8266 (b) a regional transportation plan of the area metropolitan planning organization if a  
8267 metropolitan planning organization exists for the area; or

8268 (c) a local government general plan or economic development initiative.

8269 Section 86. Section **72-5-117** is amended to read:

8270 **72-5-117 (Effective 05/06/26). Rulemaking for sale of real property -- Licensed**  
8271 **or certified appraisers -- Exceptions.**

8272 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the  
8273 department buys, sells, or exchanges real property, the department shall make rules to  
8274 ensure that the value of the real property is congruent with the proposed price and other  
8275 terms of the purchase, sale, or exchange.

8276 (2) The rules:

8277 (a) shall establish procedures for determining the value of the real property;

8278 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the  
8279 real property's value;

8280 (c) may require that the appraisal be completed by a state-certified general appraiser, as  
8281 defined under Section 61-2g-102;

8282 (d) may provide for the sale or exchange of real property, with or without charge, to a  
8283 large public transit district if the executive director enters into an agreement with the  
8284 large public transit district and determines that the real property:

8285 (i) is within the boundaries of a station area that has a station area plan certified by a  
8286 metropolitan planning organization in accordance with Section [~~10-21-203~~]  
8287 63N-23-104;

8288 (ii) is part of a transit-oriented development or transit-supportive development as  
8289 defined in Section 17B-2a-802;

8290 (iii) is adjacent to a completed fixed guideway capital development that was overseen  
8291 by the department; or

- (iv) will only be used by the large public transit district in a manner that the executive director determines will provide a benefit to the state transportation system; and
- (e) may provide for a sale of surplus real property to a state agency or an independent entity, as defined in Section 63E-1-102, that administers public interests in housing for a pre-entitlement appraised value the payment of which may be deferred until after the development of owner-occupied housing.
- (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to an interest in real property:
- (a) that is under a contract or other written agreement before May 5, 2008; or
- (b) with a value of less than \$100,000, as estimated by the state agency.
- Section 87. Section **72-6-112.5** is amended to read:
- 72-6-112.5 (Effective 05/06/26). Definitions -- Nighttime highway construction noise -- Exemptions -- Permits.**
- (1) As used in this section:
- (a) "Commuter rail" means the same as that term is defined in Section [63N-3-602] 63N-23-101.
- (b)(i) "Front row receptor" means a noise-sensitive residential receptor that is:
- (A) immediately adjacent to a transportation facility; or
- (B) within 800 feet of a transportation facility that is within a commercial or industrialized area.
- (ii) "Front row receptor" includes a residence that is contiguous to a property immediately adjacent to a transportation facility in a residential area.
- (c) "Nighttime construction" means highway or public transit facility construction occurring between the hours of 10:00 p.m. and 7:00 a.m.
- (d) "Nuisance" means the same as that term is defined in Section 78B-6-1101.
- (e)(i) "Permitted activities" means activities occurring between the hours of 7:00 p.m. and 7:00 a.m. that are related to and necessary for nighttime construction, whether occurring at the construction site or at a gravel pit or other site for production of raw materials, and includes:
- (A) loading and unloading of trucks;
- (B) asphalt mixing and hauling; and
- (C) concrete mixing and hauling.
- (ii) "Permitted activities" does not include:
- (A) blasting; or

8326 (B) crushing.

8327 (2) The following projects are exempt from any noise ordinance, regulation, or standard of  
8328 a local jurisdictional authority:

8329 (a) a state highway construction project conducted on a road where the normal posted  
8330 speed limit is 55 miles per hour or greater; or

8331 (b) a commuter rail construction project.

8332 (3) Except for a project described in Subsection (2), a state highway or a public transit  
8333 facility construction project is exempt from any noise ordinance, regulation, or standard  
8334 of a local jurisdictional authority if the department:

8335 (a) provides reasonable written notice at least 48 hours in advance of any required  
8336 nighttime construction to each residential dwelling located within front row receptors  
8337 of the activity;

8338 (b) determines a net community, including traveler community, benefit exists to conduct  
8339 nighttime highway construction after considering the following:

8340 (i) public health;

8341 (ii) project completion time;

8342 (iii) air quality;

8343 (iv) traffic;

8344 (v) economics;

8345 (vi) safety; and

8346 (vii) local jurisdiction concerns; and

8347 (c) institutes best management noise reduction practices, as determined by the  
8348 department, for front row receptors, in consultation with local government or the  
8349 local jurisdictional authority for all nighttime construction, which may include:

8350 (i) equipment maintenance;

8351 (ii) noise shielding;

8352 (iii) scheduling the most noise intrusive activities during the day; and

8353 (iv) other noise mitigation methods.

8354 (4)(a) Subject to Subsection (2) or (3), a state highway project or public transit facility  
8355 construction shall secure required noise permits from the local jurisdictional authority  
8356 to conduct nighttime construction.

8357 (b) To the extent practical, the department shall coordinate with the local jurisdictional  
8358 authority during the pre-construction phase of a project to address noise exemption  
8359 conditions.

- (5) A local jurisdictional authority shall issue a nighttime construction permit limited to permitted activities if:
- (a) the applicant provides evidence that the permitted activities are directly related to and necessary for a nighttime construction project for which the department has obtained a noise permit from a local jurisdictional authority [~~pursuant to~~] in accordance with Subsection (4); and
  - (b) the local jurisdictional authority determines that any nuisance that may be caused by the nighttime construction may be reasonably mitigated.
- (6) A local jurisdictional authority shall issue a nighttime construction noise permit without additional requirements to the department at the request of the department or the department's designated project agent if the requirements of Subsection (2) or (3) are met.
- (7)(a) A local jurisdictional authority may request adjustments to a nighttime construction permit to mitigate unreasonable noise disturbances caused by nighttime construction or permitted activities.
- (b) If adjustments are requested as described in Subsection (7)(a), the nighttime construction permit holder shall use best management noise reduction practices to mitigate unreasonable noise disturbances.
- (8)(a) For the exemption provided in Subsection (3) and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules establishing procedures:
- (i) for a local jurisdictional authority or local government to appeal the decision of the department to conduct nighttime construction; and
  - (ii) for the local jurisdictional authority to request that the department enforce the terms of a noise permit.
- (b) After review and upon receiving a written notice from a local jurisdictional authority that the conditions for the noise exemption permit are not met, the department shall take corrective action to ensure nighttime construction activities meet requirements of the local permit.
- Section 88. **Repealer.**  
This bill repeals:  
Section **63N-3-601, Title.**  
Section 89. **Effective Date.**  
(1) Except as provided in Subsection (2), this bill takes effect on May 6, 2026.

- 8394      (2) The actions affecting the following sections take effect on July 1, 2026:
- 8395          (a) Section 59-12-103(Effective 07/01/26); and
- 8396          (b) Section 72-2-124(Effective 07/01/26).