

**Housing and Transit Reinvestment Zone Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: James A. Dunnigan

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**LONG TITLE****General Description:**

This bill amends provisions relating to a housing and transit reinvestment zone.

**Highlighted Provisions:**

This bill:

- redefines the term "base year";
- defines the term "extraterritorial affordable housing";
- amends terms;
- amends certain requirements and exceptions for boundary adjustments for certain investment zones;
- modifies provisions regarding approval of certain investment zone proposals;
- amends certain provisions regarding an existing community reinvestment project; and
- makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63N-3-602**, as last amended by Laws of Utah 2025, Chapter 29

**63N-3-603**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

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

**63N-3-604.1**, as enacted by Laws of Utah 2025, Chapter 29

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

**63N-3-607**, as last amended by Laws of Utah 2025, Chapter 404

**63N-3-608**, as last amended by Laws of Utah 2025, Chapter 29

**63N-3-611**, as last amended by Laws of Utah 2025, Chapter 29

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

31       **63N-3-1609**, as enacted by Laws of Utah 2024, Chapter 537

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

34             Section 1. Section **63N-3-602** is amended to read:

35             **63N-3-602 . Definitions.**

36             As used in this part:

- 37       (1) "Affordable housing" means housing occupied or reserved for occupancy by households  
38             with a gross household income:
- 39             (a) equal to or less than 80% of the county median gross income for households of the  
40                 same size, in certain circumstances as provided in this part; or
- 41             (b) equal to or less than 60% of the county median gross income for households of the  
42                 same size, in certain circumstances as provided in this part.
- 43       (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 44       (3) "Base taxable value" means a property's taxable value as shown upon the assessment  
45             roll last equalized during the base year.
- 46       (4) "Base year" means, ~~[for each property tax increment collection period triggered within a~~  
47             ~~proposed housing and transit reinvestment zone or convention center reinvestment zone~~  
48             ~~project area, the calendar year prior to the calendar year the property tax increment~~  
49             ~~begins to be collected for the parcels that are in a project that is triggered for that~~  
50             ~~collection period]~~ for a proposed housing and transit reinvestment zone, convention  
51             center reinvestment zone project area, first home investment zone, or home ownership  
52             promotion zone, the calendar year immediately preceding the calendar year in which the  
53             first year of property tax increment collection is triggered.
- 54       (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and  
55             efficient service that may include dedicated lanes, busways, traffic signal priority,  
56             off-board fare collection, elevated platforms, and enhanced stations.
- 57       (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed  
58             station, stop, or terminal that is specifically identified as needed in phase one of a  
59             metropolitan planning organization's adopted long-range transportation plan~~[-and in~~  
60             ~~phase one of the relevant public transit district's adopted long-range transit plan]:~~
- 61             (a) along an existing bus rapid transit line; or
- 62             (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- 63       (7) "Capital city" means the same as that term is defined in Section 17D-4-102.
- 64       (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a

65 large public transit district.

66 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public  
67 transit district.

68 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed  
69 station, stop, or terminal, which has been specifically identified as needed in phase one  
70 of a metropolitan planning organization's adopted long-range transportation plan~~[-and in  
71 phase one of the relevant public transit district's adopted long-range transit plan]:~~

72 (a) along an existing commuter rail line;

73 (b) along an extension to an existing commuter rail line or new commuter rail line;

74 (c) along a fixed guideway extension from an existing commuter rail line; or

75 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an  
76 existing commuter rail station.

77 (10) "Convention center" means a convention center owned by a county of the first class  
78 within a city of the first class.

79 (11) "Convention center revitalization project" means a project within a city of the first  
80 class within a county of the first class for the revitalization, activation, and  
81 modernization of a convention center and the surrounding area, including projects  
82 meeting the objectives described in Section 63N-3-603.1.

83 (12) "Convention center reinvestment zone" means a convention center reinvestment zone  
84 created under this part.

85 (13)(a) "Developable area" means the portion of land within a housing and transit  
86 reinvestment zone available for development and construction of business and  
87 residential uses.

88 (b) "Developable area" does not include portions of land within a housing and transit  
89 reinvestment zone that are allocated to:

90 (i) parks;

91 (ii) recreation facilities;

92 (iii) open space;

93 (iv) trails;

94 (v) publicly-owned roadway facilities; or

95 (vi) other public facilities.

96 (14) "Dwelling unit" means one or more rooms arranged for the use of one or more  
97 individuals living together, as a single housekeeping unit normally having cooking,  
98 living, sanitary, and sleeping facilities.

- (15) "Eligible municipality" means a city that:
- (a)(i) is the county seat of a county of the first class; or
  - (ii) a city of the first class located in a county of the first class; and
  - (b) has a convention center within the boundary of the city.
- (16) "Enhanced development" means the construction of mixed uses including housing, commercial uses, and related facilities.
- (17) "Enhanced development costs" means extra costs associated with structured parking costs, vertical construction costs, horizontal construction costs, life safety costs, structural costs, conveyor or elevator costs, and other costs incurred due to the increased height of buildings or enhanced development.
- (18) "First home investment zone" means the same as that term is defined in Section 63N-3-1601.
- (19) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- (20) "Horizontal construction costs" means the additional costs associated with earthwork, over excavation, utility work, transportation infrastructure, and landscaping to achieve enhanced development in the housing and transit reinvestment zone.
- (21) "Housing and transit reinvestment zone" means a housing and transit reinvestment zone created ~~[pursuant to]~~ in accordance with this part.
- (22) "Housing and transit reinvestment zone committee" means a housing and transit reinvestment zone committee created ~~[pursuant to]~~ in accordance with Section 63N-3-605.
- (23) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.
- (24) "Light rail" means a passenger rail public transit system with right-of-way and fixed rails:
- (a) dedicated to exclusive use by light-rail public transit vehicles;
  - (b) that may cross streets at grade; and
  - (c) that may share parts of surface streets.
- (25) "Light rail station" means an existing station, stop, or terminal or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan~~[-and in phase one of the relevant public transit district's adopted long-range plan]:~~
- (a) along an existing light rail line; or
  - (b) along an extension to an existing light rail line or new light rail line.
- (26) "Metropolitan planning organization" means the same as that term is defined in

Section 72-1-208.5.

(27) "Mixed use development" means development with a mix of:

(a) multi-family residential use; and

(b) at least one additional land use, which shall be a significant part of the overall development.

(28) "Municipality" means the same as that term is defined in Section 10-1-104.

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

(30) "Participation agreement" means the same as that term is defined in Section 17C-1-102, except that the agency may not provide and the person may not receive a direct subsidy.

(31) "Project" means a housing and transit reinvestment zone or convention center reinvestment zone created under this part.

(32)(a) "Property 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 housing and transit reinvestment zone or convention center reinvestment zone designated in the applicable reinvestment zone proposal as the area from which tax increment is to be collected, 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) "Property tax increment" does not include property tax revenue from:

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

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

(iii) a public library fund levy described in Subsection 9-7-501(2).

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

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

(35) "Sales and use tax base year" means:

(a) for a housing and transit reinvestment zone, a sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a housing and transit reinvestment zone is established; or

(b) for a convention center reinvestment zone, a sales and use tax year determined by the

year specified in the approved proposal for a convention center reinvestment zone, 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) "Sales and use tax boundary" means:

- (a) for a housing and transit reinvestment zone, a boundary created as described in Section 63N-3-604, 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, based on state sales and use tax collection boundaries that correspond as closely as reasonably practicable to the convention center reinvestment zone boundary.

(37) "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

- 201 during the sales and use tax base year.
- 202 (38) "Sales and use tax revenue" means:
- 203 (a) for a housing and transit reinvestment zone, revenue that is generated from the tax
- 204 imposed under Section 59-12-103; or
- 205 (b) for a convention center reinvestment zone, revenue that is generated from:
- 206 (i) the sales and use taxes imposed under Section 59-12-103; and
- 207 (ii) the sales and use taxes:
- 208 (A) imposed by a city of the first class in a county of the first class under Title 59,
- 209 Chapter 12, Part 2, Local Sales and Use Tax Act;
- 210 (B) imposed by a city of the first class in a county of the first class under Section
- 211 59-12-402.1;
- 212 (C) imposed by a county of the first class under Section 59-12-1102; and
- 213 (D) imposed by a county of the first class under Title 59, Chapter 12, Part 22,
- 214 Local Option Sales and Use Taxes for Transportation Act.
- 215 (39) "Small public transit district" means the same as that term is defined in Section
- 216 17B-2a-802.
- 217 (40) "Tax Commission" means the State Tax Commission created in Section 59-1-201.
- 218 (41) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 219 (42) "Vertical construction costs" means the additional costs associated with construction
- 220 above four stories and structured parking to achieve enhanced development in the
- 221 housing and transit reinvestment zone.
- 222 Section 2. Section **63N-3-603** is amended to read:
- 223 **63N-3-603 . Applicability, requirements, and limitations on a housing and transit**
- 224 **reinvestment zone.**
- 225 (1) A housing and transit reinvestment zone proposal created under this part shall
- 226 demonstrate how the proposal addresses the following objectives:
- 227 (a) higher utilization of public transit;
- 228 (b) increasing availability of housing, including affordable housing, and fulfillment of
- 229 moderate income housing plans;
- 230 (c) promoting and encouraging development of owner-occupied housing;
- 231 (d) improving efficiencies in parking and transportation, including walkability of
- 232 communities near public transit facilities;
- 233 (e) overcoming development impediments and market conditions that render a
- 234 development cost prohibitive absent the proposal and incentives;

- (f) conserving water resources through efficient land use;
- (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- (h) encouraging transformative mixed-use development and investment in transportation and public transit infrastructure in strategic areas;
- (i) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-20-404(2);
- (j) increasing access to employment and educational opportunities; and
- (k) increasing access to child care.

(2)(a) In order to accomplish the objectives described in Subsection (1), a municipality or public transit county that initiates the process to create a housing and transit reinvestment zone as described in this part shall ensure that the proposal for a housing and transit reinvestment zone includes:

- (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units within the housing and transit reinvestment zone are affordable housing units, with:

- (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the county median gross income for households of the same size; and

- (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 60% of the county median gross income for households of the same size;

- (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone shall include:

- (A) at least 51% of the developable area within a housing and transit reinvestment zone as residential uses; and

- (B) an average of at least 50 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential uses;

- (iii) mixed-use development; and

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

(b)(i) If a housing and transit reinvestment zone is phased, a municipality or public transit county shall ensure that a housing and transit reinvestment zone is phased and developed to provide the required 12% of affordable housing units in each phase of development.



- 269 (ii) A municipality or public transit county may allow a housing and transit  
270 reinvestment zone to be phased and developed in a manner to provide more of the  
271 required affordable housing units in early phases of development.
- 272 (iii) A municipality or public transit county shall include in a housing and transit  
273 reinvestment zone proposal an affordable housing plan, which may include deed  
274 restrictions, to ensure the affordable housing required in the proposal will continue  
275 to meet the definition of affordable housing at least throughout the entire term of  
276 the housing and transit reinvestment zone.
- 277 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
278 public transit hub, or for a housing and transit reinvestment zone proposed by a  
279 municipality at a bus rapid transit station, the housing and transit reinvestment zone  
280 shall include:
- 281 (i) at least 51% of the developable area within a housing and transit reinvestment  
282 zone as residential uses; and
- 283 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing  
284 and transit reinvestment zone dedicated to residential uses.
- 285 (3) A municipality or public transit county that, at the time the housing and transit  
286 reinvestment zone proposal is approved by the housing and transit reinvestment zone  
287 committee, meets the affordable housing guidelines of the United States Department of  
288 Housing and Urban Development at 60% area median income is exempt from the  
289 requirement described in Subsection (2)(a).
- 290 (4)(a) A municipality may only propose a housing and transit reinvestment zone at a  
291 commuter rail station, and a public transit county may only propose a housing and  
292 transit reinvestment zone at a public transit hub, that:
- 293 (i) subject to Subsection (5)(a):
- 294 (A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality,  
295 does not exceed a ~~[1/3]~~ one-third mile radius of a commuter rail station;
- 296 (II) for a municipality that is a city of the first or second class that is within a  
297 county of the first or second class, with an opportunity zone created in  
298 accordance with Section 1400Z-1, Internal Revenue Code, does not exceed  
299 a ~~[1/2]~~ one-half mile radius of a commuter rail station located within the  
300 opportunity zone; or
- 301 (III) for a public transit county, does not exceed a ~~[1/3]~~ one-third mile radius of  
302 a public transit hub; and

- 303 (B) has a total area of no more than 125 noncontiguous acres;
- 304 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
- 305 taxing entity's property tax increment above the base year for a term of no more
- 306 than 25 consecutive years on each parcel within a 45-year period not to exceed the
- 307 property tax increment amount approved in the housing and transit reinvestment
- 308 zone proposal; and
- 309 (iii) the commencement of collection of property tax increment, for all or a portion of
- 310 the housing and transit reinvestment zone project area, shall be triggered by
- 311 providing notice as described in Subsection (6), but a housing and transit
- 312 reinvestment zone proposal may not propose or include triggering more than ~~[three]~~
- 313 five property tax increment collection periods for the same project during the
- 314 applicable 45-year period.
- 315 (b) A municipality or public transit county may only propose a housing and transit
- 316 reinvestment zone at a light rail station or bus rapid transit station that:
- 317 (i) subject to Subsection (5):
- 318 (A) does not exceed:
- 319 (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a ~~[1/4]~~
- 320 one-quarter mile radius of a bus rapid transit station or light rail station;
- 321 (II) for a municipality that is a city of the first class with a population greater than 150,000 that
- 322 is within a county of the first class, a ~~[1/2]~~ one-half mile radius of a light rail station located in
- 323 an opportunity zone created in accordance with Section 1400Z-1, Internal Revenue Code; or
- 324 ~~[1400Z-1, Internal Revenue Code; or]~~
- 325 (III) a ~~[1/2]~~ one-half mile radius of a light rail station located within a
- 326 master-planned development of 500 acres or more; and
- 327 (B) has a total area of no more than 100 noncontiguous acres;
- 328 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
- 329 maximum of 80% of each taxing entity's property tax increment above the base
- 330 year for a term of no more than 15 consecutive years on each parcel within a
- 331 30-year period not to exceed the property tax increment amount approved in the
- 332 housing and transit reinvestment zone proposal; and
- 333 (iii) the commencement of collection of property tax increment, for all or a portion of
- 334 the housing and transit reinvestment zone project area, shall be triggered by
- 335 providing notice as described in Subsection (6), but a housing and transit
- 336 reinvestment zone proposal may not propose or include triggering more than [

- 337                   ~~three-~~ five property tax increment collection periods for the same project during  
338                   the applicable 30-year period.
- 339       (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
340           public transit hub, or for a housing and transit reinvestment zone proposed by a  
341           municipality at a bus rapid transit station, if the proposed housing density within the  
342           housing and transit reinvestment zone is between 39 and 49 dwelling units per acre,  
343           the maximum capture of each taxing entity's property tax increment above the base  
344           year is 60%.
- 345       (d) A municipality that is a city of the first class with a population greater than 150,000  
346           in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and  
347           (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within  
348           an opportunity zone.
- 349       (e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection  
350           (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to  
351           an area between two light rail stations located within a city of the third class if the  
352           two light rail stations are within a .95 mile distance on the same light rail line.
- 353       (ii) If a housing and transit reinvestment zone is extended to accommodate two light  
354           rail stations as described in Subsection (4)(e)(i):
- 355           (A) the housing and transit reinvestment zone is limited to a total area not to  
356           exceed 100 noncontiguous acres; and
- 357           (B) the housing and transit reinvestment zone may not exceed a [~~1/4~~] one-quarter  
358           mile radius from the light rail stations or any point on the light rail line  
359           between the two stations.
- 360       (f) If a parcel within the housing and transit reinvestment zone is included as an area that  
361           is part of a project area, as that term is defined in Section 17C-1-102, and created  
362           under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for  
363           collection unless the project area funds collection period, as that term is defined in  
364           Section 17C-1-102, has expired.
- 365       (5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel  
366           is intersected by the relevant radius limitation, the full parcel may be included as part  
367           of the housing and transit reinvestment zone area and will not count against the  
368           limitations described in Subsection (4)(a)(i).
- 369       (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit  
370           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)(b)(i).

(c) A housing and transit reinvestment zone may not be smaller than 10 acres.

(6)(a) The notice of commencement of collection of property tax increment required in Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the following entities no later than December 31 of the year before the year for which the property tax increment collection is proposed to commence:

(i) the State Tax Commission;

(ii) the State Board of Education;

(iii) the state auditor;

(iv) the auditor of the county in which the housing and transit reinvestment zone is located;

(v) each taxing entity affected by the collection of property tax increment from the housing and transit reinvestment zone; and

(vi) the Governor's Office of Economic Opportunity.

(b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until the date on which the housing and transit reinvestment zone proposal is approved by the housing and transit reinvestment zone committee.

(7)(a) The maximum number of housing and transit reinvestment zones at light rail stations, not including a convention center reinvestment zone, is eight in any given county.

(b) Within a county of the first class, the maximum number of housing and transit reinvestment zones at bus rapid transit stations is three.

(c) Within a county of the first class, the maximum total combined number of housing and transit reinvestment zones described in Subsections (7)(a) and (b) and first home investment zones created under Part 16, First Home Investment Zone Act, is 11.

(8)(a) For purposes of this Subsection (8), "entitlement agreement" means:

(i) a land use application;

(ii) a rezone petition; or

(iii) a request, petition, or application to:

(A) enact or approve a development agreement; or

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

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

**Analysis.**

(1) Subject to approval of the housing and transit reinvestment zone committee as described  
in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a  
municipality or public transit county that has general land use authority over the housing  
and transit reinvestment zone area, shall:

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

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

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

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

(iv) defines the boundaries of:

(A) the housing and transit reinvestment zone; and

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

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

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

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

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

- (vi) identifies any development impediments that prevent the development from being a market-rate investment, including proposed strategies and estimated budgets for addressing each one;
- (vii) describes the proposed development plan and estimated budgets, including the requirements described in Subsections 63N-3-603(2) and (4);
- (viii) establishes a base year and collection period to calculate the property tax increment within the housing and transit reinvestment zone;
- (ix) establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610;
- (x) describes projected maximum revenues generated and the amount of property tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;
- (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
- (xii) estimates budgets and evaluates possible benefits to active and public transportation availability and impacts on air quality;
- (xiii) proposes a finance schedule to align expected revenue with required financing costs and payments;
- (xiv) provides a pro-forma for the planned development that:
- (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
  - (B) includes data showing the cost difference between what type of development could feasibly be developed absent the housing and transit reinvestment zone property tax increment and the type of development that is proposed to be developed with the housing and transit reinvestment zone property tax increment; and
  - (C) provides estimated budgets and construction costs, anticipated revenue, financing, expenses, and other sources and uses of funds for the project area; and
- (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail station, or bus rapid transit station that is proposed and not in public transit service operation as of the date of submission of the proposal, demonstrates that the proposed station is:
- (A) included ~~[as needed in phase one of a]~~ in 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 State 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
  - (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).
- (c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),



the State Tax Commission shall:

- (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 State Tax Commission can feasibly administer the proposal.

(4) After receiving the results from the analysis described in Subsection (3)(b), the municipality or public transit county proposing the housing and transit reinvestment zone may:

- (a) amend the housing and transit reinvestment zone proposal based on the findings of the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity submit the amended housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee; or
- (b) request that the Governor's Office of Economic Opportunity submit the original housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee.

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

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

Section 4. Section **63N-3-604.1** is amended to read:

**63N-3-604.1 . 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) defines the boundary of the proposed convention center reinvestment zone;
- (ii) describes generally the proposed development plan;
- (iii) identifies a base year and collection period to calculate the property tax increment within the convention center reinvestment zone;

- (iv) 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;
- (v) provides estimated project and investment objectives for the convention center reinvestment zone; and
- (vi) 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
  - (iv) infrastructure related to the project.
- (3) A proposal by the Governor's Office of Economic Opportunity for a convention center reinvestment zone shall demonstrate how the information and data provided in the proposal ~~[pursuant to]~~ described in Subsection (2) furthers the objectives described in Section 63N-3-603.1 and is in the public interest.
- (4) After submitting the proposal as described in Subsection (2), the Governor's Office of Economic Opportunity shall provide notice of the proposal to all affected taxing entities, including the State Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the ~~[county assessor and]~~ county auditor of the county in which the convention center reinvestment zone is located.
- (5) After receiving notice from the Governor's Office of Economic Opportunity of a proposed convention center reinvestment zone as described in Subsection (4), the State Tax Commission shall, within 14 days:
- (a) evaluate the feasibility of administering the tax implications of the proposal; and
  - (b) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the State Tax Commission can feasibly administer the proposal.
- Section 5. Section **63N-3-605** is amended to read:
- 63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

- (1) For any housing and transit reinvestment zone proposed under this part, or for a first home investment zone proposed in accordance with Part 16, First Home Investment Zone Act, 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 committee.
- (b) An action by a majority of a quorum of the housing and transit reinvestment zone committee is an action of the housing and transit reinvestment zone committee.
- (5)(a) After the Governor's Office of Economic Opportunity receives the results of the analysis described in Section 63N-3-604, and after the Governor's Office of

Economic Opportunity has received a request from the submitting municipality or public transit county to submit the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each of the entities described in Subsection (2) of the formation of the housing and transit reinvestment zone committee.

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

(6)(a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed housing and transit reinvestment zone.

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

(7)(a) The proposing municipality or public transit county shall present the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee in a public meeting.

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

(i) evaluate and verify whether the elements of a housing and transit reinvestment zone described in Subsections 63N-3-603(2) and (4) have been met; and

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

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

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

(i)(A) for a housing and transit reinvestment zone, request changes to the housing and transit reinvestment zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-604; or

(B) for a convention center reinvestment zone, request changes to the convention center reinvestment zone proposal based on the characteristics and criteria described in Sections 63N-3-603.1 and 63N-3-604.1; or

(ii) vote to approve or deny the proposal.

(b) Before the housing and transit reinvestment zone committee may approve the

housing and transit reinvestment zone proposal, the municipality or public transit county proposing the housing and transit reinvestment zone shall ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate the requirements of a housing and transit reinvestment zone described in this section and the proposed development.

(9) If a housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone is approved by the housing and transit reinvestment zone committee:

(a) the proposed housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone is established according to the terms of the housing and transit reinvestment zone proposal;

(b) the municipality or public transit county proposing the housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone:

(i) shall enter into an entitlement agreement, interlocal agreement, development agreement, or participation agreement that is necessary or required to implement the approved housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal; and

(ii) may not reduce the density or alter other zoning uses that are permitted at the time the housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal is approved, unless, in accordance with Subsection (10):

(A) the municipality or public transit district presents an amendment to the housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal to the housing and transit reinvestment zone committee that demonstrates a compelling public interest to alter the approved zoning; and

(B) the housing and transit reinvestment zone committee approves to amend the housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal;

(c) ~~[affected-]~~ each affected local taxing [entities are] entity is required to participate according to the terms of the housing and transit reinvestment zone proposal; and

~~[(e)]~~ (d) each affected taxing entity is required to participate at the same rate.

(10) A housing and transit reinvestment zone, convention center reinvestment zone, or first

home investment zone proposal may be amended by following the same procedure as approving a housing and transit reinvestment zone proposal.

(11) The housing and transit reinvestment zone committee may amend an established housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone if:

(a) the municipality or public transit county fails to meet the objectives of the approved housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal; or

(b) the developer fails to meet the objectives of the approved housing and transit reinvestment zone, convention center reinvestment zone, or first home investment zone proposal within four years from the day the proposal is approved by the housing and transit reinvestment zone committee.

~~[(11)]~~ (12)(a) The approval for a convention center reinvestment zone in a capital city may be completed with a condition that the relevant municipality also create a public infrastructure district as provided in Subsection 63N-3-607(8)(b).

(b) The approval described in Subsection ~~[(11)(a)]~~ (12)(a) shall verify that the requirements and limitations on use of funds is limited to the conditions described under Subsections 63N-3-604.1(2)(b) and (c).

Section 6. Section **63N-3-607** is amended to read:

**63N-3-607 . Payment, use, and administration of revenue from a housing and transit reinvestment zone.**

(1) In accordance with this part:

(a) a municipality or public transit county may receive and use property tax increment 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

(c) 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 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 or, for a convention center reinvestment zone, the requirements of Section 63N-3-603.1.

(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)(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 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)(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), 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); or
- (viii) subject to Subsection (5)(b), costs for the construction or expansion of child care facilities within the boundary of the housing and transit reinvestment zone.

(b) A municipality or public transit county may not use more than 1% of the total housing and transit reinvestment zone funds to pay costs described in Subsection (5)(a)(viii).

(c) A public infrastructure district shall use convention center reinvestment zone funds to achieve the purposes described in Section 63N-3-603.1.

(d)(i) As used in this Subsection (5)(d), "extraterritorial affordable housing" means affordable housing, as that term is defined in Section 63N-3-1601, that:

(A) is located within the municipality proposing the housing and transit reinvestment zone but outside the boundary of the housing and transit reinvestment zone;

(B) is part of a development with a density of at least six units per acre;

(C) is required to be owner occupied for no less than 25 years; and



- (D) has not been issued a building permit by the municipality as of the date of the approval of the housing and transit reinvestment zone.
- (ii) A municipality or public district county may use housing and transit reinvestment zone funds on extraterritorial affordable housing costs if the municipality or public transit county satisfies the requirement described under Subsection (4)(b).
- (iii) One hundred percent of extraterritorial affordable housing shall meet the affordable housing requirements described in Section 63N-3-1601.
- (6) Housing and transit reinvestment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement that requires the participant to utilize the housing and transit reinvestment zone funds as allowed in this section.
- (7)(a) Housing and transit reinvestment zone funds may be used to pay all of the costs of bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.
- (b) 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.
- (8)(a) A municipality or public transit county may create one or more public infrastructure districts within the housing and transit reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing and transit reinvestment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.
- (b) 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 7. Section **63N-3-608** is amended to read:
- 63N-3-608 . Applicability to an existing community reinvestment project.**
- (1) For a housing and transit reinvestment zone created under this part that overlaps any portion of an existing inactive industrial site community reinvestment project area plan created in accordance with Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

- (a) 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) 80%; and
  - (ii) the percentage of property tax increment captured [~~pursuant to~~] in accordance with the community reinvestment project area plan; and
- (b) 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).

(2)(a) For a housing and transit reinvestment zone created under this part that overlaps any portion of an existing community reinvestment project area plan that includes a retail facility with a gross sales floor area greater than 140,000 square feet, and if the development includes at least one housing unit for every 1,250 square feet of retail space within the development, the housing and transit reinvestment zone may capture up to 80% of the property tax increment generated above a base year in accordance with Subsection 63N-3-602(4).

- (b) If a community reinvestment project area plan expires before the housing and transit reinvestment zone, the housing and transit reinvestment zone may not 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).

(3) 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~~] in accordance with

- 881 the community reinvestment project area for each taxing entity; and
- 882 (b) if a community reinvestment project area plan expires before the convention center
- 883 reinvestment zone, the convention center reinvestment zone may capture the property
- 884 tax increment allocated to the community reinvestment project area for any
- 885 remaining portion of the term of the convention center reinvestment zone with the
- 886 base year relating back to the base year established by the community reinvestment
- 887 project area.

888 Section 8. Section **63N-3-611** is amended to read:

889 **63N-3-611 . Boundary adjustments.**

890 [ ~~If the relevant county assessor or county auditor adjusts parcel boundaries relevant~~

- 891 ~~to a housing and transit reinvestment zone or a convention center reinvestment zone, the~~

- 892 ~~municipality administering the property tax increment collected in the housing and transit~~

- 893 ~~reinvestment zone, or for a convention center reinvestment zone, the Governor's Office of~~

- 894 ~~Economic Opportunity may make corresponding adjustments to the boundary of the housing~~

- 895 ~~and transit reinvestment zone.]~~

896 (1)(a) Subject to the requirements under this part, and after the housing and transit

897 reinvestment zone committee approves a housing and transit reinvestment zone or a

898 convention center reinvestment zone proposal in accordance with Section 63N-3-605,

899 the Governor's Office of Economic Opportunity shall consult with the relevant

900 county auditor to determine a boundary adjustment to a housing and transit

901 reinvestment zone or a convention center reinvestment zone.

902 (b) The Governor's Office of Economic Opportunity may approve a boundary

903 adjustment to the parcel list for purposes of the property tax increment collection.

904 (c) A boundary adjustment under this Subsection (1) shall occur before the newly

905 incorporated land within the adjusted boundary is triggered for the first year of

906 property tax increment collection.

907 (2) A boundary adjustment that results in an area that does not fall within or bisect the

908 radius requirements described in this part is allowed if:

909 (a) the Governor's Office of Economic Opportunity determines that including the parcel

910 in the housing and transit reinvestment zone or convention center reinvestment zone

911 has a reasonable nexus to the purposes described in the relevant housing and transit

912 reinvestment zone or convention center reinvestment zone proposal;

913 (b) the total number of acres within the housing and transit reinvestment zone or

914 convention center reinvestment zone are equal to or less than the maximum number

of acres allowed within a housing and transit reinvestment zone or convention center reinvestment zone described in this part; and

(c) the boundary adjustment does not create a parcel that is entirely located outside one-half mile from a transit station.

(3)(a) A housing and transit reinvestment zone or convention center reinvestment zone shall be governed by the law in effect on the date the application for the housing and transit reinvestment zone or convention center reinvestment zone was approved by the housing and transit reinvestment zone committee.

(b) Notwithstanding Subsection (3)(a), an approved housing and transit reinvestment zone proposal submitted before May 1, 2024, shall be governed by the base year defined in code before January 1, 2023.

(c) If a proposed boundary adjustment to a housing and transit reinvestment zone or convention center reinvestment zone made under this section creates a substantially different parcel list than the parcel list proposed in the approved housing and transit reinvestment zone or convention center reinvestment zone proposal, the Governor's Office of Economic Opportunity shall request approval of the proposed boundary adjustment from the housing and transit reinvestment zone committee before approving the boundary adjustment.

Section 9. Section **63N-3-1603** is amended to read:

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

(1) Subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-1604, in order to create a first home investment zone, a municipality that has general land use authority over the first home investment zone area, shall:

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

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

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

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

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

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

(B) inclusion of child care facilities and access;

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

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

- 949 (A) proposed housing density within the first home investment zone;
- 950 (B) extraterritorial homes relevant to the first home investment zone, including
- 951 density of the development of extraterritorial homes; and
- 952 (C) existing zoning and proposed zoning changes related to the first home
- 953 investment zone;
- 954 (vii) identifies any development impediments that prevent the development from
- 955 being a market-rate investment and proposed strategies for addressing each one;
- 956 (viii) describes the proposed development plan, including the requirements described
- 957 in Subsections 63N-3-1602(2) and (4);
- 958 (ix) establishes the collection period or periods to calculate the tax increment;
- 959 (x) describes projected maximum revenues generated and the amount of tax
- 960 increment capture from each taxing entity and proposed expenditures of revenue
- 961 derived from the first home investment zone;
- 962 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
- 963 of revenue that can be used to reduce the finance gap;
- 964 (xii) proposes a finance schedule to align expected revenue with required financing
- 965 costs and payments;
- 966 (xiii) evaluates possible benefits to active transportation, public transportation
- 967 availability and utilization, street connectivity, and air quality; and
- 968 (xiv) provides a pro forma for the planned development that:
- 969 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and
- 970 (B) includes data showing the cost difference between what type of development
- 971 could feasibly be developed absent the first home investment zone tax
- 972 increment and the type of development that is proposed to be developed with
- 973 the first home investment zone tax increment;
- 974 (b) submit the proposal to the relevant school district to discuss the requirements of the
- 975 proposal and whether the proposal provides the benefits and achieves the objectives
- 976 described in this part; and
- 977 (c) submit the first home investment zone proposal to the Governor's Office of
- 978 Economic Opportunity.
- 979 (2) As part of the proposal described in Subsection (1), a municipality shall:
- 980 (a) study and evaluate possible impacts of a proposed first home investment zone on
- 981 parking and efficient use of land within the municipality and first home investment
- 982 zone; and

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

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

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

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

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

(B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B) and the feasibility of the proposed development absent the tax increment.

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

(i) a description of the planned development;

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

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

(iv) an evaluation of the proposed tax increment capture needed to cover the system improvements and project improvements associated with the first home investment zone proposal and enable the proposed development to occur, and for the benefit of affordable housing projects; and

(v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-1602(1).

(c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed first home investment zone as described in Subsection (3)(a)(i), the municipality, in consultation with the county [ ~~assessor~~ ] auditor and the State Tax Commission, shall:

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

- 1017 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any  
 1018 challenges in the administration of the proposal, or indicating that the county  
 1019 assessor can feasibly administer the proposal.
- 1020 (4) After receiving the results from the analysis described in Subsection (3)(b), the  
 1021 municipality proposing the first home investment zone may:
- 1022 (a) amend the first home investment zone proposal based on the findings of the analysis  
 1023 described in Subsection (3)(b) and request that the Governor's Office of Economic  
 1024 Opportunity submit the amended first home investment zone proposal to the housing  
 1025 and transit reinvestment zone committee; or
- 1026 (b) request that the Governor's Office of Economic Opportunity submit the original first  
 1027 home investment zone proposal to the housing and transit reinvestment zone  
 1028 committee.
- 1029 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated  
 1030 credit, up to \$20,000 from a municipality for the costs of the gap analysis described  
 1031 in Subsection (3)(b).
- 1032 (b) The Governor's Office of Economic Opportunity may expend funds received from a  
 1033 municipality as dedicated credits to pay for the costs associated with the gap analysis  
 1034 described in Subsection (3)(b).

1035 Section 10. Section **63N-3-1609** is amended to read:

1036 **63N-3-1609 . Boundary adjustments.**

1037 [ If the relevant county assessor or county auditor adjusts parcel boundaries relevant  
 -1038 to a first home investment zone, the municipality administering the tax increment collected in  
 -1039 the first home investment zone may make corresponding adjustments to the boundary of the  
 -1040 first home investment zone.]

- 1041 (1)(a) Subject to the requirements under this part, and after the housing and transit  
 1042 reinvestment zone committee approves a first home investment zone proposal in  
 1043 accordance with Section 63N-3-605, the Governor's Office of Economic Opportunity  
 1044 shall consult with the relevant county auditor to determine a boundary adjustment to  
 1045 parcel boundaries relevant to a first home investment zone.
- 1046 (b) The Governor's Office of Economic Opportunity may approve a boundary  
 1047 adjustment to the parcel list for purposes of the property tax increment collection.
- 1048 (c) A boundary adjustment under this Subsection (1) shall occur before the newly  
 1049 incorporated land within the adjusted boundary is triggered for the first year of  
 1050 property tax increment collection.

- (2) A boundary adjustment that results in an area that does not fall within or bisect the radius requirements described in this part is allowed if:
- (a) the Governor's Office of Economic Opportunity determines that including the parcel in the first home investment zone has a reasonable nexus to the purposes described in the relevant first home investment zone proposal;
- (b) the total number of acres within the first home investment zone is equal to or less than the maximum number of acres allowed within a first home investment zone described in this part; and
- (c) the boundary adjustment does not create a parcel that is entirely located outside one-half mile from a transit station.

Section 11. **Effective Date.**

This bill takes effect on May 6, 2026.