

Housing and Transit Reinvestment Zone Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: James A. Dunnigan

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

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

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

34 **63N-3-602 . Definitions.**

35 As used in this part:

36 (1) "Affordable housing" means housing occupied or reserved for occupancy by households with a gross household income:

37 (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

38 (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.

39 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

40 (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.

41 (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, the calendar year prior to 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] for a proposed housing and transit reinvestment zone, convention center reinvestment zone project area, first home investment zone, or home ownership promotion zone, the calendar year immediately preceding the calendar year in which the first year of property tax increment collection is triggered.

42 (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.

43 (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]:

44 (a) along an existing bus rapid transit line; or

45 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

46 (7) "Capital city" means the same as that term is defined in Section 17D-4-102.

47 (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.

99 (15) "Eligible municipality" means a city that:

100 (a)(i) is the county seat of a county of the first class; or

101 (ii) a city of the first class located in a county of the first class; and

102 (b) has a convention center within the boundary of the city.

103 (16) "Enhanced development" means the construction of mixed uses including housing,

104 commercial uses, and related facilities.

105 (17) "Enhanced development costs" means extra costs associated with structured parking

106 costs, vertical construction costs, horizontal construction costs, life safety costs,

107 structural costs, conveyor or elevator costs, and other costs incurred due to the increased

108 height of buildings or enhanced development.

109 (18) "First home investment zone" means the same as that term is defined in Section

110 63N-3-1601.

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

112 (20) "Horizontal construction costs" means the additional costs associated with earthwork,

113 over excavation, utility work, transportation infrastructure, and landscaping to achieve

114 enhanced development in the housing and transit reinvestment zone.

115 (21) "Housing and transit reinvestment zone" means a housing and transit reinvestment

116 zone created [pursuant to] in accordance with this part.

117 (22) "Housing and transit reinvestment zone committee" means a housing and transit

118 reinvestment zone committee created [pursuant to] in accordance with Section 63N-3-605.

119 (23) "Large public transit district" means the same as that term is defined in Section

120 17B-2a-802.

121 (24) "Light rail" means a passenger rail public transit system with right-of-way and fixed

122 rails:

123 (a) dedicated to exclusive use by light-rail public transit vehicles;

124 (b) that may cross streets at grade; and

125 (c) that may share parts of surface streets.

126 (25) "Light rail station" means an existing station, stop, or terminal or a proposed station,

127 stop, or terminal, which has been specifically identified as needed in phase one of a

128 metropolitan planning organization's adopted long-range transportation plan~~[and in~~

129 ~~phase one of the relevant public transit district's adopted long-range plan]~~:

130 (a) along an existing light rail line; or

131 (b) along an extension to an existing light rail line or new light rail line.

132 (26) "Metropolitan planning organization" means the same as that term is defined in

133 Section 72-1-208.5.

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

135 (a) multi-family residential use; and

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

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

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

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

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

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

145 (i) the amount of property tax revenue generated each tax year by a taxing entity from
146 the area within a housing and transit reinvestment zone or convention center
147 reinvestment zone designated in the applicable reinvestment zone proposal as the
148 area from which tax increment is to be collected, using the current assessed value
149 and each taxing entity's current certified tax rate as defined in Section 59-2-924;
150 and

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

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

155 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
156 (ii) a county additional property tax described in Subsection 59-2-1602(4); or
157 (iii) a public library fund levy described in Subsection 9-7-501(2).

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

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

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

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

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

167 year specified in the approved proposal for a convention center reinvestment zone,
168 pertaining to the taxes:
169 (i) imposed under Section 59-12-103;
170 (ii) imposed by a city of the first class in a county of the first class under Title 59,
171 Chapter 12, Part 2, Local Sales and Use Tax Act;
172 (iii) imposed by a city of the first class in a county of the first class under Section
173 59-12-402.1;
174 (iv) imposed by a county of the first class under Section 59-12-1102; and
175 (v) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local
176 Option Sales and Use Taxes for Transportation Act.

177 (36) "Sales and use tax boundary" means:

- 178 (a) for a housing and transit reinvestment zone, a boundary created as described in
179 Section 63N-3-604, based on state sales and use tax collection boundaries that
180 correspond as closely as reasonably practicable to the housing and transit
181 reinvestment zone boundary; or
- 182 (b) for a convention center reinvestment zone, a boundary created as described in
183 Section 63N-3-604.1, based on state sales and use tax collection boundaries that
184 correspond as closely as reasonably practicable to the convention center reinvestment
185 zone boundary.

186 (37) "Sales and use tax increment" means:

- 187 (a) for a housing and transit reinvestment zone, the difference between:
 - 188 (i) the amount of state sales and use tax revenue generated each year following the
189 sales and use tax base year by the sales and use tax from the area within a housing
190 and transit reinvestment zone designated in the housing and transit reinvestment
191 zone proposal as the area from which sales and use tax increment is to be
192 collected; and
 - 193 (ii) the amount of state sales and use tax revenue that was generated from that same
194 area during the sales and use tax base year; or
- 195 (b) for a convention center reinvestment zone, the difference between:
 - 196 (i) the amount of sales and use tax revenue generated each year following the sales
197 and use tax base year by the sales and use tax from the area within a convention
198 center reinvestment zone designated in the convention center reinvestment zone
199 proposal as the area from which sales and use tax increment is to be collected; and
 - 200 (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) "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.

"[] public transit district" means the same as that term is defined in

17B-2a-802.

(48) "Tax Commission" means the State Tax Commission created in Section 33-1-281.

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

(+2) "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 2. Section **63N-3-603** is amended to read:

63N-3-603 . 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;

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

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

247 (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units
248 within the housing and transit reinvestment zone are affordable housing units,
249 with:
250 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy
251 by households with a gross household income equal to or less than 80% of the
252 county median gross income for households of the same size; and
253 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy
254 by households with a gross household income equal to or less than 60% of the
255 county median gross income for households of the same size;

256 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone
257 shall include:
258 (A) at least 51% of the developable area within a housing and transit reinvestment
259 zone as residential uses; and
260 (B) an average of at least 50 dwelling units per acre within the acreage of the
261 housing and transit reinvestment zone dedicated to residential uses;

262 (iii) mixed-use development; and
263 (iv) a mix of dwelling units to ensure that at least 25% of the dwelling units have
264 more than one bedroom.

265 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public
266 transit county shall ensure that a housing and transit reinvestment zone is phased
267 and developed to provide the required 12% of affordable housing units in each
268 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

371 be included as part of the housing and transit reinvestment zone area and will not
372 count against the limitations described in Subsection (4)(b)(i).

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

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

378 (i) the State Tax Commission;

379 (ii) the State Board of Education;

380 (iii) the state auditor;

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

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

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

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

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

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

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

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

398 (i) a land use application;

399 (ii) a rezone petition; or

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

401 (A) enact or approve a development agreement; or

402 (B) to amend or modify a development agreement.

403 (b) This Subsection (8) applies to a specified county, as defined in Section 17-80-101,
404 that has created a small public transit district on or before January 1, 2022.

405 (c) To accomplish the objectives described in Subsection (1), an owner of undeveloped
406 property within an unincorporated county shall have the right to develop and build a
407 mixed-use development if:

408 (i) the owner has submitted an entitlement agreement to the county on or before
409 December 31, 2022, and is within a [1/3] one-third mile radius of a public transit
410 hub in a county described in Subsection (8)(b), including parcels that are
411 intersected by the [1/3] one-third mile radius; and

412 (ii) the county described in Subsection (8)(b) has failed to approve the entitlement
413 agreement described in Subsection (8)(c)(i) by ordinance before December 31,
414 2022.

415 (d) The mixed use development described in Subsection (8)(c) shall include the
416 following:

417 (i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the
418 total acres of developable area within the mixed-use development dedicated
419 exclusively to residential use; or

420 (II) a maximum number of dwelling units equal to 15 multiplied by the total
421 acres of the mixed-use development; and

422 (B) at least 33% of the dwelling units as affordable housing;

423 (ii) commercial uses, including office, retail, educational, and healthcare in support of
424 the mixed-use development constituting no more than [1/3] one-third of the total
425 planned gross building square footage of the subject parcels; and

426 (iii) any other infrastructure element necessary or reasonable to support the
427 mixed-use development, including:

428 (A) parking infrastructure;

429 (B) streets;

430 (C) sidewalks;

431 (D) parks; and

432 (E) trails.

433 (e)(i) The mixed-use development described in this Subsection (8) may qualify for a
434 housing and transit reinvestment zone described in Subsection (4)(a).

435 (ii) The county described in Subsection (8)(b) may propose a housing and transit
436 reinvestment zone in accordance with this part, if the housing and transit
437 reinvestment zone includes:

438 (A)(I) an average of at least 30 dwelling units per acre within the acreage of the

439 housing and transit reinvestment zone dedicated to residential use; or
440 (II) a minimum number of 14 dwelling units per acre on average within the
441 acreage of the housing and transit reinvestment zone; and
442 (B) at least 33% of the dwelling units as affordable housing units.

443 (f) A county may not take an action or enforce an agreement, ordinance, regulation, or
444 requirement that prevents or creates development impediments to the development of
445 a mixed-use development as described in this Subsection (8).
446 (g) A county action to approve or implement the development of a mixed-use
447 development as described in this Subsection (8) shall constitute an administrative
448 action taken by the county and does not require county legislative action.

449 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.

452 (1) Subject to approval of the housing and transit reinvestment zone committee as described
453 in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a
454 municipality or public transit county that has general land use authority over the housing
455 and transit reinvestment zone area, shall:
456 (a) prepare a proposal for the housing and transit reinvestment zone that:
457 (i) demonstrates that the proposed housing and transit reinvestment zone will meet
458 the objectives described in Subsection 63N-3-603(1);
459 (ii) explains how the municipality or public transit county will achieve the
460 requirements of Subsection 63N-3-603(2)(a)(i);
461 (iii) defines the specific transportation infrastructure needs, if any, and proposed
462 improvements and estimated budgets;
463 (iv) defines the boundaries of:
464 (A) the housing and transit reinvestment zone; and
465 (B) the sales and use tax boundary corresponding to the housing and transit
466 reinvestment zone boundary, as described in Section 63N-3-610;
467 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
468 (A) the proposed boundary and radius from a public transit hub;
469 (B) proposed housing density within the housing and transit reinvestment zone;
470 and
471 (C) existing zoning and proposed zoning changes related to the housing and transit
472 reinvestment zone;

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

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

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

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

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

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

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

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

492 (xiv) provides a pro-forma for the planned development that:
493 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
494 (B) includes data showing the cost difference between what type of development
495 could feasibly be developed absent the housing and transit reinvestment zone
496 property tax increment and the type of development that is proposed to be
497 developed with the housing and transit reinvestment zone property tax
498 increment; and

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

502 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
503 station, or bus rapid transit station that is proposed and not in public transit service
504 operation as of the date of submission of the proposal, demonstrates that the
505 proposed station is:
506 (A) included ~~[as needed in phase one of a]~~ in a metropolitan planning

507 organization's adopted long-range transportation plan[and in phase one of the
508 relevant public transit district's adopted long-range plan]; and
509 (B) reasonably anticipated to be constructed in the near future; and
510 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
511 of Economic Opportunity.

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

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

517 (i) within 14 days after the date on which the Governor's Office of Economic
518 Opportunity receives the proposal described in Subsection (1)(b), provide notice
519 of the proposal to all affected taxing entities, including the State Tax Commission,
520 cities, counties, school districts, metropolitan planning organizations, and the [
521 ~~county assessor and~~] county auditor of the county in which the housing and transit
522 reinvestment zone is located; and
523 (ii) at the expense of the proposing municipality or public transit county as described
524 in Subsection (5), contract with an independent entity to perform the financial gap
525 analysis described in Subsection (3)(b).

526 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:

527 (i) a description of the planned development;

528 (ii) a market analysis relative to other comparable project developments included in
529 or adjacent to the municipality or public transit county absent the proposed
530 housing and transit reinvestment zone;

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

533 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
534 development costs associated with the housing and transit reinvestment zone
535 proposal and enable the proposed development to occur; and

536 (v) based on the market analysis and other findings, an opinion relative to the
537 appropriate amount of potential public financing reasonably determined to be
538 necessary to achieve the objectives described in Subsection 63N-3-603(1).

539 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
540 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),

541 the State Tax Commission shall:

542 (i) evaluate the feasibility of administering the tax implications of the proposal; and
543 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
544 challenges in the administration of the proposal, or indicating that the State Tax
545 Commission can feasibly administer the proposal.

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

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

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

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

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

563 **63N-3-604.1 . Process for proposing a convention center reinvestment zone.**

564 (1) To create a convention center reinvestment zone under this part, the Governor's Office
565 of Economic Opportunity shall, after consulting with and giving notice to the related
566 eligible municipality and county, provide a proposal for a convention center
567 reinvestment zone to the housing and transit reinvestment zone committee.

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

571 (i) defines the boundary of the proposed convention center reinvestment zone;
572 (ii) describes generally the proposed development plan;
573 (iii) identifies a base year and collection period to calculate the property tax
574 increment within the convention center reinvestment zone;

575 (iv) specifies a sales and use tax base year to calculate the sales and use tax increment
576 within the convention center reinvestment zone in accordance with Section
577 63N-3-610.1;
578 (v) provides estimated project and investment objectives for the convention center
579 reinvestment zone; and
580 (vi) outlines generally the impacts on transportation in and around the proposed
581 convention center reinvestment zone.

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

586 (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:
587 (i) a convention center;
588 (ii) a publicly owned entertainment venue;
589 (iii) parking; and
590 (iv) infrastructure related to the project.

591 (3) A proposal by the Governor's Office of Economic Opportunity for a convention center
592 reinvestment zone shall demonstrate how the information and data provided in the
593 proposal ~~[pursuant to]~~ described in Subsection (2) furthers the objectives described in
594 Section 63N-3-603.1 and is in the public interest.

595 (4) After submitting the proposal as described in Subsection (2), the Governor's Office of
596 Economic Opportunity shall provide notice of the proposal to all affected taxing entities,
597 including the State Tax Commission, cities, counties, school districts, metropolitan
598 planning organizations, and the ~~[e~~ounty assessor and]county auditor of the county in
599 which the convention center reinvestment zone is located.

600 (5) After receiving notice from the Governor's Office of Economic Opportunity of a
601 proposed convention center reinvestment zone as described in Subsection (4), the State
602 Tax Commission shall, within 14 days:
603 (a) evaluate the feasibility of administering the tax implications of the proposal; and
604 (b) provide a letter to the Governor's Office of Economic Opportunity describing any
605 challenges in the administration of the proposal, or indicating that the State Tax
606 Commission can feasibly administer the proposal.

607 Section 5. Section **63N-3-605** is amended to read:
608 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

609 (1) For any housing and transit reinvestment zone proposed under this part, or for a first
610 home investment zone proposed in accordance with Part 16, First Home Investment
611 Zone Act, there is created a housing and transit reinvestment zone committee with
612 membership described in Subsection (2).

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

615 (a) one representative from the Governor's Office of Economic Opportunity, designated
616 by the executive director of the Governor's Office of Economic Opportunity;

617 (b) one representative from each municipality that is a party to the proposed housing and
618 transit reinvestment zone or first home investment zone, designated by the chief
619 executive officer of each respective municipality;

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

621 (d) a member of the board of trustees of a large public transit district;

622 (e) one individual from the Office of the State Treasurer, designated by the state
623 treasurer;

624 (f) two members designated by the president of the Senate;

625 (g) two members designated by the speaker of the House of Representatives;

626 (h) one member designated by the chief executive officer of each county affected by the
627 housing and transit reinvestment zone or first home investment zone;

628 (i) two representatives designated by the school superintendent from the school district
629 affected by the housing and transit reinvestment zone or first home investment zone;
630 and

631 (j) one representative, representing the largest participating local taxing entity, after the
632 municipality, county, and school district.

633 (3) The individual designated by the Governor's Office of Economic Opportunity as
634 described in Subsection (2)(a) shall serve as chair of the housing and transit
635 reinvestment zone committee.

636 (4)(a) A majority of the members of the housing and transit reinvestment zone
637 committee constitutes a quorum of the housing and transit reinvestment zone
638 committee.

639 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
640 committee is an action of the housing and transit reinvestment zone committee.

641 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
642 analysis described in Section 63N-3-604, and after the Governor's Office of

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

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

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

652 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
653 52, Chapter 4, Open and Public Meetings Act.

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

657 (b) The housing and transit reinvestment zone committee shall, for a housing and transit
658 reinvestment zone proposal:
659 (i) evaluate and verify whether the elements of a housing and transit reinvestment
660 zone described in Subsections 63N-3-603(2) and (4) have been met; and
661 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
662 analysis described in Subsection 63N-3-604(2).

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

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

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

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

675 (ii) vote to approve or deny the proposal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

723 [(11)] (12)(a) The approval for a convention center reinvestment zone in a capital city
724 may be completed with a condition that the relevant municipality also create a public
725 infrastructure district as provided in Subsection 63N-3-607(8)(b).

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

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

730 **63N-3-607 . Payment, use, and administration of revenue from a housing and**
731 **transit reinvestment zone.**

732 (1) In accordance with this part:

733 (a) a municipality or public transit county may receive and use property tax increment
734 and housing and transit reinvestment zone funds;

735 (b)(i) a public infrastructure district shall use the funds from a convention center
736 reinvestment zone in a capital city within or for the benefit of a convention center
737 reinvestment zone in a capital city; and

738 (ii) funds from a convention center reinvestment zone in a capital city may be used
739 outside of the capital city convention center reinvestment zone if the use meets the
740 objectives described in Section 63N-3-603.1 and is determined by the board of the
741 public infrastructure district to be a direct benefit to the convention center
742 reinvestment zone in a capital city; and

743 (c) a municipality or a public infrastructure district may receive and use property tax
744 increment and convention center reinvestment zone funds for a convention center

745 reinvestment zone that is not within a capital city.

746 (2)(a) Except as provided in Subsection (3), a county that collects property tax on
747 property located within a housing and transit reinvestment zone shall, in accordance
748 with Section 59-2-1365, distribute to the municipality or public transit county any
749 property tax increment the municipality or public transit county is authorized to
750 receive up to the maximum approved by the housing and transit reinvestment zone
751 committee.

752 (b) Property tax increment distributed to a municipality or public transit county in
753 accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality
754 or public transit county.

755 (c)(i) Property tax increment paid to the municipality or public transit county are
756 housing and transit reinvestment zone funds and shall be administered by an
757 agency created by the municipality or public transit county within which the
758 housing and transit reinvestment zone is located.

759 (ii) Before an agency may receive housing and transit reinvestment zone funds from
760 the municipality or public transit county, the municipality or public transit county
761 and the agency shall enter into an interlocal agreement with terms that:

762 (A) are consistent with the approval of the housing and transit reinvestment zone
763 committee; and

764 (B) meet the requirements of Section 63N-3-603 or, for a convention center
765 reinvestment zone, the requirements of Section 63N-3-603.1.

766 (3)(a) A county that collects property tax on property located within a convention center
767 reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the
768 relevant public infrastructure district created by the eligible municipality any
769 property tax increment the public infrastructure district is authorized to receive up to
770 the amounts approved by the housing and transit reinvestment zone committee.

771 (b) Property tax increment distributed to a public infrastructure district in accordance
772 with Subsection (3)(a) is not revenue of the taxing entity or municipality.

773 (c) Property tax increment paid to the public infrastructure district are convention center
774 reinvestment zone funds and shall be administered by the public infrastructure district
775 within which the convention center reinvestment zone is located.

776 (4)(a)(i) A municipality or public transit county and agency shall use housing and
777 transit reinvestment zone funds within, or for the direct benefit of, the housing and
778 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.
- (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:

847 (a) if the community reinvestment project area plan captures less than 80% of the
848 property tax increment from a taxing entity, or if a taxing entity is not participating in
849 the community reinvestment project area plan, the housing and transit reinvestment
850 zone may capture the difference between:
851 (i) 80%; and
852 (ii) the percentage of property tax increment captured [pursuant to] in accordance with
853 the community reinvestment project area plan; and

854 (b) if a community reinvestment project area plan expires before the housing and transit
855 reinvestment zone, the housing and transit reinvestment zone may capture the
856 property tax increment allocated to the community reinvestment project area plan for
857 any remaining portion of the term of the housing and transit reinvestment zone and
858 the base year shall be updated in accordance with Subsection 63N-3-602(4).

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

866 (b) If a community reinvestment project area plan expires before the housing and transit
867 reinvestment zone, the housing and transit reinvestment zone may not capture the
868 property tax increment allocated to the community reinvestment project area plan for
869 any remaining portion of the term of the housing and transit reinvestment zone and
870 the base year shall be updated in accordance with Subsection 63N-3-602(4).

871 (3) For a convention center reinvestment zone created under this part that overlaps any
872 portion of an existing community reinvestment project area created in accordance with
873 Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
874 Agency Act:
875 (a) if the community reinvestment project area captures less than 100% of the property
876 tax increment from a taxing entity, or if a taxing entity is not participating in the
877 community reinvestment project area, the convention center reinvestment zone may
878 capture the difference between:
879 (i) 100%; and
880 (ii) the percentage of property tax increment captured [pursuant to] in accordance with

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

63N-3-611 . Boundary adjustments.

[If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a housing and transit reinvestment zone or a convention center reinvestment zone, the municipality administering the property tax increment collected in the housing and transit reinvestment zone, or for a convention center reinvestment zone, the Governor's Office of Economic Opportunity may make corresponding adjustments to the boundary of the housing and transit reinvestment zone.]

(1)(a) Subject to the requirements under this part, and after the housing and transit reinvestment zone committee approves a housing and transit reinvestment zone or a convention center reinvestment zone proposal in accordance with Section 63N-3-605, the Governor's Office of Economic Opportunity shall consult with the relevant county auditor to determine a boundary adjustment to a housing and transit reinvestment zone or a convention center reinvestment zone.

- (b) The Governor's Office of Economic Opportunity may approve a boundary adjustment to the parcel list for purposes of the property tax increment collection.
- (c) A boundary adjustment under this Subsection (1) shall occur before the newly incorporated land within the adjusted boundary is triggered for the first year of 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 housing and transit reinvestment zone or convention center reinvestment zone has a reasonable nexus to the purposes described in the relevant housing and transit reinvestment zone or convention center reinvestment zone proposal;
- (b) the total number of acres within the housing and transit reinvestment zone or convention center reinvestment zone are equal to or less than the maximum number

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

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

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

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

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

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

934 **63N-3-1603 . Process for a proposal of a first home investment zone.**

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

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

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

941 (ii) explains how the municipality will achieve the requirements of Subsection
942 63N-3-1602(2);

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

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

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

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

948 (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

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

986 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's
987 Office of Economic Opportunity shall:
988 (i) within 14 days after the date on which the Governor's Office of Economic
989 Opportunity receives the proposal described in Subsection (1)(c), provide notice
990 of the proposal to all affected taxing entities, including the State Tax Commission,
991 cities, counties, school districts, metropolitan planning organizations, and the [
992 ~~county assessor and~~] county auditor of the county in which the first home
993 investment zone is located; and
994 (ii) at the expense of the proposing municipality as described in Subsection (5),
995 contract with an independent entity to:
996 (A) perform the gap analysis described in Subsection (3)(b); and
997 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
998 and the feasibility of the proposed development absent the tax increment.

999 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
1000 (i) a description of the planned development;
1001 (ii) a market analysis relative to other comparable project developments included in
1002 or adjacent to the municipality absent the proposed first home investment zone;
1003 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency
1004 of the proposal;
1005 (iv) an evaluation of the proposed tax increment capture needed to cover the system
1006 improvements and project improvements associated with the first home
1007 investment zone proposal and enable the proposed development to occur, and for
1008 the benefit of affordable housing projects; and
1009 (v) based on the market analysis and other findings, an opinion relative to the
1010 appropriate amount of potential public financing reasonably determined to be
1011 necessary to achieve the objectives described in Subsection 63N-3-1602(1).

1012 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
1013 proposed first home investment zone as described in Subsection (3)(a)(i), the
1014 municipality, in consultation with the county ~~assessor~~ auditor and the State Tax
1015 Commission, shall:
1016 (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 (2)(b).

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

63N-3-1609 . 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.]

(1)(a) Subject to the requirements under this part, and after the housing and transit reinvestment zone committee approves a first home investment zone proposal in accordance with Section 63N-3-605, the Governor's Office of Economic Opportunity shall consult with the relevant county auditor to determine a boundary adjustment to parcel boundaries relevant to a first home investment zone.

(b) The Governor's Office of Economic Opportunity may approve a boundary adjustment to the parcel list for purposes of the property tax increment collection.

(c) A boundary adjustment under this Subsection (1) shall occur before the newly incorporated land within the adjusted boundary is triggered for the first year of property tax increment collection.

1051 (2) A boundary adjustment that results in an area that does not fall within or bisect the
1052 radius requirements described in this part is allowed if:
1053 (a) the Governor's Office of Economic Opportunity determines that including the parcel
1054 in the first home investment zone has a reasonable nexus to the purposes described in
1055 the relevant first home investment zone proposal;
1056 (b) the total number of acres within the first home investment zone is equal to or less
1057 than the maximum number of acres allowed within a first home investment zone
1058 described in this part; and
1059 (c) the boundary adjustment does not create a parcel that is entirely located outside
1060 one-half mile from a transit station.

1061 **Section 11. Effective Date.**

1062 This bill takes effect on May 6, 2026.