

Wayne A. Harper proposes the following substitute bill:

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;
- makes technical and conforming changes; and
- includes a coordination clause to coordinate changes in this bill with S.B. 39, Investment

Zones Amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

- 59-2-924**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15
- 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-3-603.1**, as enacted by Laws of Utah 2025, Chapter 29
- 63N-3-604**, as last amended by Laws of Utah 2025, Chapter 29

29 **63N-3-604.1**, as enacted by Laws of Utah 2025, Chapter 29
 30 **63N-3-605**, as last amended by Laws of Utah 2025, Chapter 29
 31 **63N-3-607**, as last amended by Laws of Utah 2025, Chapter 404
 32 **63N-3-608**, as last amended by Laws of Utah 2025, Chapter 29
 33 **63N-3-611**, as last amended by Laws of Utah 2025, Chapter 29
 34 **63N-3-1601**, as last amended by Laws of Utah 2025, Chapter 440
 35 **63N-3-1603**, as enacted by Laws of Utah 2024, Chapter 537
 36 **63N-3-1609**, as enacted by Laws of Utah 2024, Chapter 537

37 **Utah Code Sections affected by Coordination Clause:**

38 **59-2-924 (05/06/26)**, as last amended by Laws of Utah 2025, First Special Session,
 39 Chapter 15
 40 **63N-3-602 (05/06/26)**, as last amended by Laws of Utah 2025, Chapter 29
 41 **63N-3-603.1 (05/06/26)**, as enacted by Laws of Utah 2025, Chapter 29

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

44 *The following section is affected by a coordination clause at the end of this bill.*

45 Section 1. Section **59-2-924** is amended to read:

46 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
 47 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
 48 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
 49 **commission.**

50 (1) As used in this section:

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

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

54 (A) interest;

55 (B) penalties;

56 (C) collections from redemptions; or

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

60 (b) "Adjusted tax increment" means the same as that term is defined in Section
 61 17C-1-102.

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

- 63 (A) the aggregate taxable value of all real property a county assessor assesses in
64 accordance with Part 3, County Assessment, for the current year;
- 65 (B) the aggregate taxable value of all real and personal property the commission
66 assesses in accordance with Part 2, Assessment of Property, for the current
67 year; and
- 68 (C) the aggregate year end taxable value of all personal property a county assessor
69 assesses in accordance with Part 3, County Assessment, contained on the prior
70 year's tax rolls of the taxing entity.
- 71 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
72 year end taxable value of personal property that is:
- 73 (A) semiconductor manufacturing equipment assessed by a county assessor in
74 accordance with Part 3, County Assessment; and
- 75 (B) contained on the prior year's tax rolls of the taxing entity.
- 76 (d) "Base taxable value" means:
- 77 (i) for an authority created under Section 11-58-201, the same as that term is defined
78 in Section 11-58-102;
- 79 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
80 the same as that term is defined in Section [~~11-59-207~~] 11-59-208;
- 81 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
82 11-70-201, the same as that term is defined in Section 11-70-101;
- 83 (iv) for an agency created under Section 17C-1-201.5, the same as that term is
84 defined in Section 17C-1-102;
- 85 (v) for an authority created under Section 63H-1-201, the same as that term is defined
86 in Section 63H-1-102;
- 87 (vi) for a host local government, the same as that term is defined in Section
88 63N-2-502;
- 89 (vii) for a housing and transit reinvestment zone or convention center reinvestment
90 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
91 Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602;
- 92 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
93 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
94 Part 5, Home Ownership Promotion Zone, a property's taxable value as shown
95 upon the assessment roll last equalized during the base year, as that term is
96 defined in Section 10-21-101 or Section 17-80-101;

- 97 (ix) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
98 First Home Investment Zone Act, a property's taxable value as shown upon the
99 assessment roll last equalized during the base year, as that term is defined in
100 Section 63N-3-1601;
- 101 (x) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
102 17, Major Sporting Event Venue Zone Act, a property's taxable value as shown
103 upon the assessment roll last equalized during the property tax base year, as that
104 term is defined in Section 63N-3-1701; or
- 105 (xi) for an electrical energy development zone created under Section 79-6-1104, the
106 value of the property within an electrical energy development zone, as shown on
107 the assessment roll last equalized before the creation of the electrical development
108 zone, as that term is defined in Section 79-6-1104.
- 109 (e) "Centrally assessed benchmark value" means an amount equal to the average year
110 end taxable value of real and personal property the commission assesses in
111 accordance with Part 2, Assessment of Property, for the previous three calendar
112 years, adjusted for taxable value attributable to:
- 113 (i) an annexation to a taxing entity;
- 114 (ii) an incorrect allocation of taxable value of real or personal property the
115 commission assesses in accordance with Part 2, Assessment of Property; or
- 116 (iii) a change in value as a result of a change in the method of apportioning the value
117 prescribed by the Legislature, a court, or the commission in an administrative rule
118 or administrative order.
- 119 (f) "Centrally assessed industry" means the following industry classes the commission
120 assesses in accordance with Part 2, Assessment of Property:
- 121 (i) air carrier;
- 122 (ii) coal;
- 123 (iii) coal load out property;
- 124 (iv) electric generation;
- 125 (v) electric rural;
- 126 (vi) electric utility;
- 127 (vii) gas utility;
- 128 (viii) ground access property;
- 129 (ix) land only property;
- 130 (x) liquid pipeline;

- 131 (xi) metalliferous mining;
- 132 (xii) nonmetalliferous mining;
- 133 (xiii) oil and gas gathering;
- 134 (xiv) oil and gas production;
- 135 (xv) oil and gas water disposal;
- 136 (xvi) railroad;
- 137 (xvii) sand and gravel; and
- 138 (xviii) uranium.
- 139 (g)(i) "Centrally assessed new growth" means the greater of:
- 140 (A) for each centrally assessed industry, zero; or
- 141 (B) the amount calculated by subtracting the centrally assessed benchmark value
- 142 for each centrally assessed industry, adjusted for prior year end incremental
- 143 value, from the taxable value of real and personal property the commission
- 144 assesses in accordance with Part 2, Assessment of Property, for each centrally
- 145 assessed industry for the current year, adjusted for current year incremental
- 146 value.
- 147 (ii) "Centrally assessed new growth" does not include a change in value for a
- 148 centrally assessed industry as a result of a change in the method of apportioning
- 149 the value prescribed by the Legislature, a court, or the commission in an
- 150 administrative rule or administrative order.
- 151 (h) "Certified tax rate" means a tax rate that will provide the same ad valorem property
- 152 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 153 (i) "Community reinvestment agency" means the same as that term is defined in Section
- 154 17C-1-102.
- 155 (j) "Eligible new growth" means the greater of:
- 156 (i) zero; or
- 157 (ii) the sum of:
- 158 (A) locally assessed new growth;
- 159 (B) centrally assessed new growth; and
- 160 (C) project area new growth or hotel property new growth.
- 161 (k) "Host local government" means the same as that term is defined in Section
- 162 63N-2-502.
- 163 (l) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 164 (m) "Hotel property new growth" means an amount equal to the incremental value that is

- 165 no longer provided to a host local government as incremental property tax revenue.
- 166 (n) "Incremental property tax revenue" means the same as that term is defined in Section
167 63N-2-502.
- 168 (o) "Incremental value" means:
- 169 (i) for an authority created under Section 11-58-201, the amount calculated by
170 multiplying:
- 171 (A) the difference between the taxable value and the base taxable value of the
172 property that is located within a project area and on which property tax
173 differential is collected; and
- 174 (B) the number that represents the percentage of the property tax differential that
175 is paid to the authority;
- 176 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
177 an amount calculated by multiplying:
- 178 (A) the difference between the current assessed value of the property and the base
179 taxable value; and
- 180 (B) the number that represents the percentage of the property tax augmentation, as
181 defined in Section [~~11-59-207~~] 11-59-208, that is paid to the Point of the
182 Mountain State Land Authority;
- 183 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section
184 11-70-201, the amount calculated by multiplying:
- 185 (A) the difference between the taxable value for the current year and the base
186 taxable value of the property that is located within a project area; and
- 187 (B) the number that represents the percentage of enhanced property tax revenue,
188 as defined in Section 11-70-101;
- 189 (iv) for an agency created under Section 17C-1-201.5, the amount calculated by
190 multiplying:
- 191 (A) the difference between the taxable value and the base taxable value of the
192 property located within a project area and on which tax increment is collected;
193 and
- 194 (B) the number that represents the adjusted tax increment from that project area
195 that is paid to the agency;
- 196 (v) for an authority created under Section 63H-1-201, the amount calculated by
197 multiplying:
- 198 (A) the difference between the taxable value and the base taxable value of the

- 199 property located within a project area and on which property tax allocation is
200 collected; and
- 201 (B) the number that represents the percentage of the property tax allocation from
202 that project area that is paid to the authority;
- 203 (vi) for a housing and transit reinvestment zone or convention center reinvestment
204 zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
205 Reinvestment Zone Act, an amount calculated by multiplying:
- 206 (A) the difference between the taxable value and the base taxable value of the
207 property that is located within a housing and transit reinvestment zone or
208 convention center reinvestment zone and on which tax increment is collected;
209 and
- 210 (B) the number that represents the percentage of the tax increment that is paid to
211 the housing and transit reinvestment zone or convention center reinvestment
212 zone;
- 213 (vii) for a host local government, an amount calculated by multiplying:
- 214 (A) the difference between the taxable value and the base taxable value of the
215 hotel property on which incremental property tax revenue is collected; and
- 216 (B) the number that represents the percentage of the incremental property tax
217 revenue from that hotel property that is paid to the host local government;
- 218 (viii) for a home ownership promotion zone created under Title 10, Chapter 21, Part
219 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80,
220 Part 5, Home Ownership Promotion Zone, an amount calculated by multiplying:
- 221 (A) the difference between the taxable value and the base taxable value of the
222 property that is located within a home ownership promotion zone and on which
223 tax increment is collected; and
- 224 (B) the number that represents the percentage of the tax increment that is paid to
225 the home ownership promotion zone;
- 226 (ix) for a first home investment zone created in accordance with Title 63N, Chapter
227 3, Part 16, First Home Investment Zone Act, an amount calculated by multiplying:
- 228 (A) the difference between the taxable value and the base taxable value of the
229 property that is located within a first home investment zone and on which tax
230 increment is collected; and
- 231 (B) the number that represents the percentage of the tax increment that is paid to
232 the first home investment zone;

- 233 (x) for a major sporting event venue zone created [~~pursuant to~~] in accordance with
234 Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, an amount
235 calculated by multiplying:
- 236 (A) the difference between the taxable value and the base taxable value of the
237 property located within a qualified development zone for a major sporting
238 event venue zone and upon which property tax increment is collected; and
- 239 (B) the number that represents the percentage of tax increment that is paid to the
240 major sporting event venue zone, as approved by a major sporting event venue
241 zone committee described in Section 63N-1a-1706; or
- 242 (xi) for an electrical energy development zone created under Section 79-6-1104, the
243 amount calculated by multiplying:
- 244 (A) the difference between the taxable value and the base taxable value of the
245 property that is located within the electrical energy developmental zone; and
- 246 (B) the number that represents the percentage of the tax increment that is paid to a
247 community reinvestment agency and the Electrical Energy Development
248 Investment Fund created in Section 79-6-1105.
- 249 (p)(i) "Locally assessed new growth" means the greater of:
- 250 (A) zero; or
- 251 (B) the amount calculated by subtracting the year end taxable value of real
252 property the county assessor assesses in accordance with Part 3, County
253 Assessment, for the previous year, adjusted for prior year end incremental
254 value from the taxable value of real property the county assessor assesses in
255 accordance with Part 3, County Assessment, for the current year, adjusted for
256 current year incremental value.
- 257 (ii) "Locally assessed new growth" does not include a change in:
- 258 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
259 or another adjustment;
- 260 (B) assessed value based on whether a property is allowed a residential exemption
261 for a primary residence under Section 59-2-103;
- 262 (C) assessed value based on whether a property is assessed under Part 5, Farmland
263 Assessment Act; or
- 264 (D) assessed value based on whether a property is assessed under Part 17, Urban
265 Farming Assessment Act.
- 266 (q) "Project area" means:

- 267 (i) for an authority created under Section 11-58-201, the same as that term is defined
 268 in Section 11-58-102;
- 269 (ii) for the Utah Fairpark Area Investment and Restoration District created in Section
 270 11-70-201, the same as that term is defined in Section 11-70-101;
- 271 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
 272 defined in Section 17C-1-102;
- 273 (iv) for an authority created under Section 63H-1-201, the same as that term is
 274 defined in Section 63H-1-102;
- 275 (v) for a housing and transit reinvestment zone [~~or convention center reinvestment~~
 276 ~~zone~~] created under Title 63N, Chapter 3, Part 6, Housing and Transit
 277 Reinvestment Zone Act, the [~~same as that term is~~] housing and transit
 278 reinvestment zone, as defined in Section 63N-3-602;
- 279 (vi) for a convention center reinvestment zone created under Title 63N, Chapter 3,
 280 Part 6, Housing and Transit Reinvestment Zone Act, the convention center
 281 reinvestment zone, as defined in Section 63N-3-602;
- 282 [~~(vi)~~] (vii) for a home ownership promotion zone created under Title 10, Chapter 21,
 283 Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter
 284 80, Part 5, Home Ownership Promotion Zone, the [~~same as that term is~~] the home
 285 ownership promotion zone, as defined in Section 10-21-101 or Section 17-80-101;
- 286 [~~(vii)~~] (viii) for a first home investment zone created under Title 63N, Chapter 3, Part
 287 16, First Home Investment Zone Act, the same as that term is defined in Section
 288 63N-3-1601; or
- 289 [~~(viii)~~] (ix) for a major sporting event venue zone established under Title 63N,
 290 Chapter 3, Part 17, Major Sporting Event Venue Zone Act, the qualified
 291 development zone, as defined in Section 63N-3-1701.
- 292 (r) "Project area new growth" means:
- 293 (i) for an authority created under Section 11-58-201, an amount equal to the
 294 incremental value that is no longer provided to an authority as property tax
 295 differential;
- 296 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
 297 an amount equal to the incremental value that is no longer provided to the Point of
 298 the Mountain State Land Authority as property tax augmentation, as defined in
 299 Section [~~11-59-207~~] 11-59-208;
- 300 (iii) for the Utah Fairpark Area Investment and Restoration District created in Section

- 301 11-70-201, an amount equal to the incremental value that is no longer provided to
302 the Utah Fairpark Area Investment and Restoration District;
- 303 (iv) for an agency created under Section 17C-1-201.5, an amount equal to the
304 incremental value that is no longer provided to an agency as tax increment;
- 305 (v) for an authority created under Section 63H-1-201, an amount equal to the
306 incremental value that is no longer provided to an authority as property tax
307 allocation;
- 308 (vi) for a housing and transit reinvestment zone or convention center reinvestment
309 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
310 Reinvestment Zone Act, an amount equal to the incremental value that is no
311 longer provided to a housing and transit reinvestment zone or convention center
312 reinvestment zone as tax increment;
- 313 (vii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
314 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
315 5, Home Ownership Promotion Zone, an amount equal to the incremental value
316 that is no longer provided to a home ownership promotion zone as tax increment;
- 317 (viii) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
318 First Home Investment Zone Act, an amount equal to the incremental value that is
319 no longer provided to a first home investment zone as tax increment; or
- 320 (ix) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
321 17, Major Sporting Event Venue Zone Act, an amount equal to the incremental
322 value that is no longer provided to the creating entity of a major sporting event
323 venue zone as property tax increment.
- 324 (s) "Project area incremental revenue" means the same as that term is defined in Section
325 17C-1-1001.
- 326 (t) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 327 (u) "Property tax differential" means the same as that term is defined in Sections
328 11-58-102 and 79-6-1104.
- 329 (v) "Tax increment" means:
- 330 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
331 in Section 17C-1-102;
- 332 (ii) for a housing and transit reinvestment zone or convention center reinvestment
333 zone created under Title 63N, Chapter 3, Part 6, Housing and Transit
334 Reinvestment Zone Act, the same as the term "property tax increment" is defined

- 335 in Section 63N-3-602;
- 336 (iii) for a home ownership promotion zone created under Title 10, Chapter 21, Part 5,
337 Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part
338 5, Home Ownership Promotion Zone, the same as that term is defined in Section
339 10-21-101 or Section 17-80-101;
- 340 (iv) for a first home investment zone created under Title 63N, Chapter 3, Part 16,
341 First Home Investment Zone Act, the same as that term is defined in Section
342 63N-3-1601; or
- 343 (v) for a major sporting event venue zone created under Title 63N, Chapter 3, Part
344 17, Major Sporting Event Venue Zone Act, property tax increment, as that term is
345 defined in Section 63N-3-1701.
- 346 (2) Before June 1 of each year, each county assessor shall deliver to the county auditor and
347 the commission the following statements:
- 348 (a) a statement containing the aggregate valuation of all taxable real property a county
349 assessor assesses in accordance with Part 3, County Assessment, for each taxing
350 entity; and
- 351 (b) a statement containing the taxable value of all personal property a county assessor
352 assesses in accordance with Part 3, County Assessment, from the prior year end
353 values.
- 354 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
355 taxing entity:
- 356 (a) the statements described in Subsections (2)(a) and (b);
- 357 (b) an estimate of the revenue from personal property;
- 358 (c) the certified tax rate; and
- 359 (d) all forms necessary to submit a tax levy request.
- 360 (4)(a) Except as otherwise provided in this section, the certified tax rate shall be
361 calculated by dividing the ad valorem property tax revenue that a taxing entity
362 budgeted for the prior year by the amount calculated under Subsection (4)(b).
- 363 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
364 calculate an amount as follows:
- 365 (i) calculate for the taxing entity the difference between:
- 366 (A) the aggregate taxable value of all property taxed; and
- 367 (B) any adjustments for current year incremental value;
- 368 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount

- 369 determined by increasing or decreasing the amount calculated under Subsection
370 (4)(b)(i) by the average of the percentage net change in the value of taxable
371 property for the equalization period for the three calendar years immediately
372 preceding the current calendar year;
- 373 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
374 product of:
375 (A) the amount calculated under Subsection (4)(b)(ii); and
376 (B) the percentage of property taxes collected for the five calendar years
377 immediately preceding the current calendar year; and
- 378 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
379 amount determined by:
380 (A) multiplying the percentage of property taxes collected for the five calendar
381 years immediately preceding the current calendar year by eligible new growth;
382 and
383 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
384 amount calculated under Subsection (4)(b)(iii).
- 385 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
386 as follows:
- 387 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
388 tax rate is zero;
- 389 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
390 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
391 services under Title 17, Chapter 78, Part 5, Provision of Municipal-Type Services
392 to Unincorporated Areas; and
393 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
394 purposes and such other levies imposed solely for the municipal-type services
395 identified in Section 17-78-501 and Subsection 17-63-101(23);
- 396 (c) for a community reinvestment agency that received all or a portion of a taxing
397 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
398 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
399 Subsection (4) except that the commission shall treat the total revenue transferred to
400 the community reinvestment agency as ad valorem property tax revenue that the
401 taxing entity budgeted for the prior year; and
- 402 (d) for debt service voted on by the public, the certified tax rate is the actual levy

- 403 imposed by that section, except that a certified tax rate for the following levies shall
404 be calculated in accordance with Section 59-2-913 and this section:
- 405 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
 - 406 (ii) a levy to pay for the costs of state legislative mandates or judicial or
407 administrative orders under Section 59-2-1602.
- 408 (6)(a) A taxing entity may impose a judgment levy under Section 59-2-1328 or
409 59-2-1330 at a rate that is sufficient to generate only the revenue required to satisfy
410 one or more eligible judgments.
- 411 (b) The ad valorem property tax revenue generated by a judgment levy described in
412 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
413 certified tax rate.
- 414 (7)(a) For the purpose of calculating the certified tax rate, the county auditor shall use:
- 415 (i) the taxable value of real property:
 - 416 (A) the county assessor assesses in accordance with Part 3, County Assessment;
 - 417 and
 - 418 (B) contained on the assessment roll;
 - 419 (ii) the year end taxable value of personal property:
 - 420 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
 - 421 (B) contained on the prior year's assessment roll; and
 - 422 (iii) the taxable value of real and personal property the commission assesses in
423 accordance with Part 2, Assessment of Property.
- 424 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
425 growth.
- 426 (8)(a) On or before June 30 of each year, a taxing entity shall adopt a tentative budget.
- 427 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
428 the county auditor of:
- 429 (i) the taxing entity's intent to exceed the certified tax rate; and
 - 430 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 431 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
432 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 433 (9)(a) Subject to Subsection (9)(d), the commission shall provide notice, through
434 electronic means on or before July 31, to a taxing entity and the Revenue and
435 Taxation Interim Committee if:
- 436 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end

- 437 taxable value of the real and personal property the commission assesses in
 438 accordance with Part 2, Assessment of Property, for the previous year, adjusted
 439 for prior year end incremental value; and
- 440 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
 441 end taxable value of the real and personal property of a taxpayer the commission
 442 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 443 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
 444 subtracting the taxable value of real and personal property the commission assesses
 445 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
 446 current year incremental value, from the year end taxable value of the real and
 447 personal property the commission assesses in accordance with Part 2, Assessment of
 448 Property, for the previous year, adjusted for prior year end incremental value.
- 449 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
 450 subtracting the total taxable value of real and personal property of a taxpayer the
 451 commission assesses in accordance with Part 2, Assessment of Property, for the
 452 current year, from the total year end taxable value of the real and personal property of
 453 a taxpayer the commission assesses in accordance with Part 2, Assessment of
 454 Property, for the previous year.
- 455 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet the
 456 requirement under Subsection (9)(a)(ii).

457 *The following section is affected by a coordination clause at the end of this bill.*

458 Section 2. Section **63N-3-602** is amended to read:

459 **63N-3-602 . Definitions.**

460 As used in this part:

- 461 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
 462 with a gross household income:
- 463 (a) equal to or less than 80% of the county median gross income for households of the
 464 same size, in certain circumstances as provided in this part; or
- 465 (b) equal to or less than 60% of the county median gross income for households of the
 466 same size, in certain circumstances as provided in this part.
- 467 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 468 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
 469 roll last equalized during the base year.
- 470 (4)(a) "Base year" means, [~~for each property tax increment collection period triggered~~

- 471 within a proposed housing and transit reinvestment zone or convention center
 472 reinvestment zone project area, the calendar year prior to the calendar year the
 473 property tax increment begins to be collected for the parcels that are in a project that
 474 is triggered for that collection period] the calendar year immediately preceding the
 475 calendar year in which the first year of property tax increment collection is triggered.
- 476 (b) "Base year" means, for a convention center reinvestment zone in a capital city,
 477 December 31, 2023.
- 478 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and
 479 efficient service that may include dedicated lanes, busways, traffic signal priority,
 480 off-board fare collection, elevated platforms, and enhanced stations.
- 481 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed
 482 station, stop, or terminal that is specifically identified as needed in phase one of a
 483 metropolitan planning organization's adopted long-range transportation plan[~~and in~~
 484 ~~phase one of the relevant public transit district's adopted long-range transit plan~~]:
 485 (a) along an existing bus rapid transit line; or
 486 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- 487 (7) "Capital city" means the same as that term is defined in Section 17D-4-102.
- 488 (8)(a) "Commuter rail" means a regional passenger rail transit facility operated by a
 489 large public transit district.
 490 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
 491 transit district.
- 492 (9) "Commuter rail station" means an existing station, stop, or terminal, or a proposed
 493 station, stop, or terminal, which has been specifically identified as needed in phase one
 494 of a metropolitan planning organization's adopted long-range transportation plan[~~and in~~
 495 ~~phase one of the relevant public transit district's adopted long-range transit plan~~]:
 496 (a) along an existing commuter rail line;
 497 (b) along an extension to an existing commuter rail line or new commuter rail line;
 498 (c) along a fixed guideway extension from an existing commuter rail line; or
 499 (d) at the landing point of a pedestrian bridge or vehicle bridge extending from an
 500 existing commuter rail station.
- 501 (10) "Convention center" means a convention center owned by a county of the first class
 502 within a city of the first class.
- 503 (11) "Convention center revitalization project" means a project within a city of the first
 504 class within a county of the first class for the revitalization, activation, and

- 505 modernization of a convention center and the surrounding area, including projects
506 meeting the objectives described in Section 63N-3-603.1.
- 507 (12) "Convention center reinvestment zone" means a convention center reinvestment zone
508 created under this part.
- 509 (13)(a) "Developable area" means the portion of land within a housing and transit
510 reinvestment zone available for development and construction of business and
511 residential uses.
- 512 (b) "Developable area" does not include portions of land within a housing and transit
513 reinvestment zone that are allocated to:
- 514 (i) parks;
- 515 (ii) recreation facilities;
- 516 (iii) open space;
- 517 (iv) trails;
- 518 (v) publicly-owned roadway facilities; or
- 519 (vi) other public facilities.
- 520 (14) "Dwelling unit" means one or more rooms arranged for the use of one or more
521 individuals living together, as a single housekeeping unit normally having cooking,
522 living, sanitary, and sleeping facilities.
- 523 (15) "Eligible municipality" means a city that:
- 524 (a)(i) is the county seat of a county of the first class; or
- 525 (ii) a city of the first class located in a county of the first class; and
- 526 (b) has a convention center within the boundary of the city.
- 527 (16) "Enhanced development" means the construction of mixed uses including housing,
528 commercial uses, and related facilities.
- 529 (17) "Enhanced development costs" means extra costs associated with structured parking
530 costs, vertical construction costs, horizontal construction costs, life safety costs,
531 structural costs, conveyor or elevator costs, and other costs incurred due to the increased
532 height of buildings or enhanced development.
- 533 (18) "First home investment zone" means the same as that term is defined in Section
534 63N-3-1601.
- 535 (19) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 536 (20) "Horizontal construction costs" means the additional costs associated with earthwork,
537 over excavation, utility work, transportation infrastructure, and landscaping to achieve
538 enhanced development in the housing and transit reinvestment zone.

- 539 (21) "Housing and transit reinvestment zone" means a housing and transit reinvestment
 540 zone created [~~pursuant to~~] in accordance with this part.
- 541 (22) "Housing and transit reinvestment zone committee" means a housing and transit
 542 reinvestment zone committee created [~~pursuant to~~] in accordance with Section 63N-3-605.
- 543 (23) "Large public transit district" means the same as that term is defined in Section
 544 17B-2a-802.
- 545 (24) "Light rail" means a passenger rail public transit system with right-of-way and fixed
 546 rails:
- 547 (a) dedicated to exclusive use by light-rail public transit vehicles;
- 548 (b) that may cross streets at grade; and
- 549 (c) that may share parts of surface streets.
- 550 (25) "Light rail station" means an existing station, stop, or terminal or a proposed station,
 551 stop, or terminal, which has been specifically identified as needed in phase one of a
 552 metropolitan planning organization's adopted long-range transportation plan[~~and in~~
 553 ~~phase one of the relevant public transit district's adopted long-range plan~~]:
- 554 (a) along an existing light rail line; or
- 555 (b) along an extension to an existing light rail line or new light rail line.
- 556 (26) "Metropolitan planning organization" means the same as that term is defined in
 557 Section 72-1-208.5.
- 558 (27) "Mixed use development" means development with a mix of:
- 559 (a) multi-family residential use; and
- 560 (b) at least one additional land use, which shall be a significant part of the overall
 561 development.
- 562 (28) "Municipality" means the same as that term is defined in Section 10-1-104.
- 563 (29) "Participant" means the same as that term is defined in Section 17C-1-102.
- 564 (30) "Participation agreement" means the same as that term is defined in Section 17C-1-102,
 565 except that the agency may not provide and the person may not receive a direct subsidy.
- 566 (31) "Project" means a housing and transit reinvestment zone or convention center
 567 reinvestment zone created under this part.
- 568 (32) "Project area plan" means the same as that term is defined in Section 17C-1-102.
- 569 [(32)] (33)(a) "Property tax increment" means the difference between:
- 570 (i) the amount of property tax revenue generated each tax year by a taxing entity from
 571 the area within a housing and transit reinvestment zone[~~or~~] , convention center
 572 reinvestment zone, or convention center reinvestment zone in a capital city

573 designated in the applicable reinvestment zone proposal as the area from which
574 tax increment is to be collected, using the current assessed value and each taxing
575 entity's current certified tax rate as defined in Section 59-2-924; and

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

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

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

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

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

583 [~~33~~] (34) "Public transit county" means a county that has created a small public transit
584 district.

585 [~~34~~] (35) "Public transit hub" means a public transit depot or station where four or more
586 routes serving separate parts of the county-created transit district stop to transfer riders
587 between routes.

588 [~~35~~] (36) "Sales and use tax base year" means:

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

592 (b) for a convention center reinvestment zone, a sales and use tax year determined by the
593 year specified in the approved proposal for a convention center reinvestment zone,
594 pertaining to the taxes:

595 (i) imposed under Section 59-12-103;

596 (ii) imposed by a city of the first class in a county of the first class under Title 59,
597 Chapter 12, Part 2, Local Sales and Use Tax Act;

598 (iii) imposed by a city of the first class in a county of the first class under Section
599 59-12-402.1;

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

601 (v) imposed by a county of the first class under Title 59, Chapter 12, Part 22, Local
602 Option Sales and Use Taxes for Transportation Act.

603 [~~36~~] (37) "Sales and use tax boundary" means:

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

607 reinvestment zone boundary; or
 608 (b) for a convention center reinvestment zone, a boundary created as described in
 609 Section 63N-3-604.1, based on state sales and use tax collection boundaries that
 610 correspond as closely as reasonably practicable to the convention center reinvestment
 611 zone boundary.

612 [~~(37)~~] (38) "Sales and use tax increment" means:

- 613 (a) for a housing and transit reinvestment zone, the difference between:
 614 (i) the amount of state sales and use tax revenue generated each year following the
 615 sales and use tax base year by the sales and use tax from the area within a housing
 616 and transit reinvestment zone designated in the housing and transit reinvestment
 617 zone proposal as the area from which sales and use tax increment is to be
 618 collected; and
 619 (ii) the amount of state sales and use tax revenue that was generated from that same
 620 area during the sales and use tax base year; or
 621 (b) for a convention center reinvestment zone, the difference between:
 622 (i) the amount of sales and use tax revenue generated each year following the sales
 623 and use tax base year by the sales and use tax from the area within a convention
 624 center reinvestment zone designated in the convention center reinvestment zone
 625 proposal as the area from which sales and use tax increment is to be collected; and
 626 (ii) the amount of sales and use tax revenue that was generated from that same area
 627 during the sales and use tax base year.

628 [~~(38)~~] (39) "Sales and use tax revenue" means:

- 629 (a) for a housing and transit reinvestment zone, revenue that is generated from the tax
 630 imposed under Section 59-12-103; or
 631 (b) for a convention center reinvestment zone, revenue that is generated from:
 632 (i) the sales and use taxes imposed under Section 59-12-103; and
 633 (ii) the sales and use taxes:
 634 (A) imposed by a city of the first class in a county of the first class under Title 59,
 635 Chapter 12, Part 2, Local Sales and Use Tax Act;
 636 (B) imposed by a city of the first class in a county of the first class under Section
 637 59-12-402.1;
 638 (C) imposed by a county of the first class under Section 59-12-1102; and
 639 (D) imposed by a county of the first class under Title 59, Chapter 12, Part 22,
 640 Local Option Sales and Use Taxes for Transportation Act.

641 [~~(39)~~] (40) "Small public transit district" means the same as that term is defined in Section
 642 17B-2a-802.

643 [~~(40)~~] (41) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

644 [~~(41)~~] (42) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

645 [~~(42)~~] (43) "Vertical construction costs" means the additional costs associated with
 646 construction above four stories and structured parking to achieve enhanced development
 647 in the housing and transit reinvestment zone.

648 Section 3. Section **63N-3-603** is amended to read:

649 **63N-3-603 . Applicability, requirements, and limitations on a housing and transit**
 650 **reinvestment zone.**

651 (1) A housing and transit reinvestment zone proposal created under this part shall
 652 demonstrate how the proposal addresses the following objectives:

- 653 (a) higher utilization of public transit;
- 654 (b) increasing availability of housing, including affordable housing, and fulfillment of
 655 moderate income housing plans;
- 656 (c) promoting and encouraging development of owner-occupied housing;
- 657 (d) improving efficiencies in parking and transportation, including walkability of
 658 communities near public transit facilities;
- 659 (e) overcoming development impediments and market conditions that render a
 660 development cost prohibitive absent the proposal and incentives;
- 661 (f) conserving water resources through efficient land use;
- 662 (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- 663 (h) encouraging transformative mixed-use development and investment in transportation
 664 and public transit infrastructure in strategic areas;
- 665 (i) strategic land use and municipal planning in major transit investment corridors as
 666 described in Subsection 10-20-404(2);
- 667 (j) increasing access to employment and educational opportunities; and
- 668 (k) increasing access to child care.

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

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

- 675 with:
- 676 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy
- 677 by households with a gross household income equal to or less than 80% of the
- 678 county median gross income for households of the same size; and
- 679 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy
- 680 by households with a gross household income equal to or less than 60% of the
- 681 county median gross income for households of the same size;
- 682 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone
- 683 shall include:
- 684 (A) at least 51% of the developable area within a housing and transit reinvestment
- 685 zone as residential uses; and
- 686 (B) an average of at least 50 dwelling units per acre within the acreage of the
- 687 housing and transit reinvestment zone dedicated to residential uses;
- 688 (iii) mixed-use development; and
- 689 (iv) a mix of dwelling units to ensure that at least 25% of the dwelling units have
- 690 more than one bedroom.
- 691 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public
- 692 transit county shall ensure that a housing and transit reinvestment zone is phased
- 693 and developed to provide the required 12% of affordable housing units in each
- 694 phase of development.
- 695 (ii) A municipality or public transit county may allow a housing and transit
- 696 reinvestment zone to be phased and developed in a manner to provide more of the
- 697 required affordable housing units in early phases of development.
- 698 (iii) A municipality or public transit county shall include in a housing and transit
- 699 reinvestment zone proposal an affordable housing plan, which may include deed
- 700 restrictions, to ensure the affordable housing required in the proposal will continue
- 701 to meet the definition of affordable housing at least throughout the entire term of
- 702 the housing and transit reinvestment zone.
- 703 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
- 704 public transit hub, or for a housing and transit reinvestment zone proposed by a
- 705 municipality at a bus rapid transit station, the housing and transit reinvestment zone
- 706 shall include:
- 707 (i) at least 51% of the developable area within a housing and transit reinvestment
- 708 zone as residential uses; and

- 709 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing
710 and transit reinvestment zone dedicated to residential uses.
- 711 (3) A municipality or public transit county that, at the time the housing and transit
712 reinvestment zone proposal is approved by the housing and transit reinvestment zone
713 committee, meets the affordable housing guidelines of the United States Department of
714 Housing and Urban Development at 60% area median income is exempt from the
715 requirement described in Subsection (2)(a).
- 716 (4)(a) A municipality may only propose a housing and transit reinvestment zone at a
717 commuter rail station, and a public transit county may only propose a housing and
718 transit reinvestment zone at a public transit hub, that:
- 719 (i) subject to Subsection (5)(a):
- 720 (A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality,
721 does not exceed a [~~1~~/~~3~~] one-third mile radius of a commuter rail station;
- 722 (II) for a municipality that is a city of the first or second class that is within a
723 county of the first or second class, with an opportunity zone created in
724 accordance with Section 1400Z-1, Internal Revenue Code, does not exceed
725 a [~~1~~/~~2~~] one-half mile radius of a commuter rail station located within the
726 opportunity zone; or
- 727 (III) for a public transit county, does not exceed a [~~1~~/~~3~~] one-third mile radius of
728 a public transit hub; and
- 729 (B) has a total area of no more than 125 noncontiguous acres;
- 730 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
731 taxing entity's property tax increment above the base year for a term of no more
732 than 25 consecutive years on each parcel within a 45-year period not to exceed the
733 property tax increment amount approved in the housing and transit reinvestment
734 zone proposal; and
- 735 (iii) the commencement of collection of property tax increment, for all or a portion of
736 the housing and transit reinvestment zone project area, shall be triggered by
737 providing notice as described in Subsection (6), but a housing and transit
738 reinvestment zone proposal may not propose or include triggering more than [~~three~~]
739 five property tax increment collection periods for the same project during the
740 applicable 45-year period.
- 741 (b) A municipality or public transit county may only propose a housing and transit
742 reinvestment zone at a light rail station or bus rapid transit station that:

- 743 (i) subject to Subsection (5):
744 (A) does not exceed:
745 (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a [~~1/4~~
746 one-quarter mile radius of a bus rapid transit station or light rail station;
747 (II) for a municipality that is a city of the first class with a population greater than 150,000 that
748 is within a county of the first class, a [~~1/2~~] one-half mile radius of a light rail station located in
749 an opportunity zone created in accordance with Section 1400Z-1, Internal Revenue Code; or
750 [~~1400Z-1, Internal Revenue Code; or~~]
751 (III) a [~~1/2~~] one-half mile radius of a light rail station located within a
752 master-planned development of 500 acres or more; and
753 (B) has a total area of no more than 100 noncontiguous acres;
754 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
755 maximum of 80% of each taxing entity's property tax increment above the base
756 year for a term of no more than 15 consecutive years on each parcel within a
757 30-year period not to exceed the property tax increment amount approved in the
758 housing and transit reinvestment zone proposal; and
759 (iii) the commencement of collection of property tax increment, for all or a portion of
760 the housing and transit reinvestment zone project area, shall be triggered by
761 providing notice as described in Subsection (6), but a housing and transit
762 reinvestment zone proposal may not propose or include triggering more than [
763 ~~three~~] five property tax increment collection periods for the same project during
764 the applicable 30-year period.
765 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
766 public transit hub, or for a housing and transit reinvestment zone proposed by a
767 municipality at a bus rapid transit station, if the proposed housing density within the
768 housing and transit reinvestment zone is between 39 and 49 dwelling units per acre,
769 the maximum capture of each taxing entity's property tax increment above the base
770 year is 60%.
771 (d) A municipality that is a city of the first class with a population greater than 150,000
772 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and
773 (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within
774 an opportunity zone.
775 (e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection
776 (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to

777 an area between two or three light rail or bus rapid transit stations located within a
 778 city of the third or fourth class if the two or three light rail or bus rapid transit
 779 stations are within a .95 mile distance from the other light rail or bus rapid transit
 780 stations on the same light rail line or dedicated offset bus lane.

781 (ii) If a housing and transit reinvestment zone is extended to accommodate two light
 782 rail or bus rapid transit stations as described in Subsection (4)(e)(i):

783 (A) the housing and transit reinvestment zone is limited to a total area not to
 784 exceed 100 noncontiguous acres; and

785 (B) the housing and transit reinvestment zone may not exceed a [~~1~~/~~4~~] one-quarter
 786 mile radius from the light rail or bus rapid transit stations or any point on the
 787 light rail line or dedicated offset bus line between the two stations.

788 (iii) If a housing and transit reinvestment zone is extended to accommodate three
 789 light rail or bus rapid transit stations as described in Subsection (4)(e)(i):

790 (A) the housing and transit reinvestment zone is limited to a total area not to
 791 exceed 250 noncontiguous acres; and

792 (B) the housing and transit reinvestment zone may not exceed a one-quarter mile
 793 radius from the light rail or bus rapid transit stations or any point on the light
 794 rail line or dedicated offset bus line between the three stations.

795 (f) If a parcel within the housing and transit reinvestment zone is included as an area that
 796 is part of a project area, as that term is defined in Section 17C-1-102, and created
 797 under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for
 798 collection unless the project area funds collection period, as that term is defined in
 799 Section 17C-1-102, has expired.

800 (5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel
 801 is intersected by the relevant radius limitation, the full parcel may be included as part
 802 of the housing and transit reinvestment zone area and will not count against the
 803 limitations described in Subsection (4)(a)(i).

804 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
 805 station, if a parcel is intersected by the relevant radius limitation, the full parcel may
 806 be included as part of the housing and transit reinvestment zone area and will not
 807 count against the limitations described in Subsection (4)(b)(i).

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

809 (6)(a) The notice of commencement of collection of property tax increment required in
 810 Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the

- 811 following entities no later than December 31 of the year before the year for which the
812 property tax increment collection is proposed to commence:
- 813 (i) the State Tax Commission;
 - 814 (ii) the State Board of Education;
 - 815 (iii) the state auditor;
 - 816 (iv) the auditor of the county in which the housing and transit reinvestment zone is
817 located;
 - 818 (v) each taxing entity affected by the collection of property tax increment from the
819 housing and transit reinvestment zone; and
 - 820 (vi) the Governor's Office of Economic Opportunity.
- 821 (b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until
822 the date on which the housing and transit reinvestment zone proposal is approved by
823 the housing and transit reinvestment zone committee.
- 824 (c)(i) For a convention center reinvestment zone in a capital city, a municipality or
825 public infrastructure district may submit a notice of commencement of collection
826 of property tax increment for each separate parcel or subarea within the
827 convention center reinvestment zone in a capital city.
- 828 (ii) The collection of property tax increment described in Subsection (6)(a)(i) shall
829 commence no later than five years from the day the convention center
830 reinvestment zone in a capital city proposal is approved.
- 831 (7)(a) The maximum number of housing and transit reinvestment zones at light rail
832 stations, not including a convention center reinvestment zone, is eight in any given
833 county.
- 834 (b) Within a county of the first class, the maximum number of housing and transit
835 reinvestment zones at bus rapid transit stations is three.
- 836 (c) Within a county of the first class, the maximum total combined number of housing
837 and transit reinvestment zones described in Subsections (7)(a) and (b) and first home
838 investment zones created under Part 16, First Home Investment Zone Act, is 11.
- 839 (8)(a) For purposes of this Subsection (8), "entitlement agreement" means:
- 840 (i) a land use application;
 - 841 (ii) a rezone petition; or
 - 842 (iii) a request, petition, or application to:
 - 843 (A) enact or approve a development agreement; or
 - 844 (B) to amend or modify a development agreement.

- 845 (b) This Subsection (8) applies to a specified county, as defined in Section 17-80-101,
846 that has created a small public transit district on or before January 1, 2022.
- 847 (c) To accomplish the objectives described in Subsection (1), an owner of undeveloped
848 property within an unincorporated county shall have the right to develop and build a
849 mixed-use development if:
- 850 (i) the owner has submitted an entitlement agreement to the county on or before
851 December 31, 2022, and is within a [~~1~~/~~3~~] one-third mile radius of a public transit
852 hub in a county described in Subsection (8)(b), including parcels that are
853 intersected by the [~~1~~/~~3~~] one-third mile radius; and
- 854 (ii) the county described in Subsection (8)(b) has failed to approve the entitlement
855 agreement described in Subsection (8)(c)(i) by ordinance before December 31,
856 2022.
- 857 (d) The mixed use development described in Subsection (8)(c) shall include the
858 following:
- 859 (i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the
860 total acres of developable area within the mixed-use development dedicated
861 exclusively to residential use; or
- 862 (II) a maximum number of dwelling units equal to 15 multiplied by the total
863 acres of the mixed-use development; and
- 864 (B) at least 33% of the dwelling units as affordable housing;
- 865 (ii) commercial uses, including office, retail, educational, and healthcare in support of
866 the mixed-use development constituting no more than [~~1~~/~~3~~] one-third of the total
867 planned gross building square footage of the subject parcels; and
- 868 (iii) any other infrastructure element necessary or reasonable to support the
869 mixed-use development, including:
- 870 (A) parking infrastructure;
- 871 (B) streets;
- 872 (C) sidewalks;
- 873 (D) parks; and
- 874 (E) trails.
- 875 (e)(i) The mixed-use development described in this Subsection (8) may qualify for a
876 housing and transit reinvestment zone described in Subsection (4)(a).
- 877 (ii) The county described in Subsection (8)(b) may propose a housing and transit
878 reinvestment zone in accordance with this part, if the housing and transit

- 879 reinvestment zone includes:
- 880 (A)(I) an average of at least 30 dwelling units per acre within the acreage of the
- 881 housing and transit reinvestment zone dedicated to residential use; or
- 882 (II) a minimum number of 14 dwelling units per acre on average within the
- 883 acreage of the housing and transit reinvestment zone; and
- 884 (B) at least 33% of the dwelling units as affordable housing units.
- 885 (f) A county may not take an action or enforce an agreement, ordinance, regulation, or
- 886 requirement that prevents or creates development impediments to the development of
- 887 a mixed-use development as described in this Subsection (8).
- 888 (g) A county action to approve or implement the development of a mixed-use
- 889 development as described in this Subsection (8) shall constitute an administrative
- 890 action taken by the county and does not require county legislative action.

891 *The following section is affected by a coordination clause at the end of this bill.*

892 Section 4. Section **63N-3-603.1** is amended to read:

893 **63N-3-603.1 . Applicability, requirements, and limitations on a convention center**

894 **reinvestment zone.**

- 895 (1) A convention center reinvestment zone proposal created under this part shall
- 896 demonstrate how the proposal addresses the following objectives:
- 897 (a) redevelopment of a convention center and the surrounding area's infrastructure and
- 898 assets;
- 899 (b) activation of unrealized economic opportunities related to the convention center and
- 900 surrounding infrastructure and assets;
- 901 (c) modernization of infrastructure and design of the convention center and surrounding
- 902 area and related public spaces;
- 903 (d) encouragement of transformative development and investment, including parking
- 904 improvements;
- 905 (e) promotion of economic development and employment opportunities;
- 906 (f) improvement of the aesthetic, functionality, and walkability of the convention center
- 907 and surrounding area;
- 908 (g) enhancement of tourism opportunities; and
- 909 (h) creation of outdoor event space to accommodate events or festivals open to the
- 910 public.
- 911 (2) A convention center reinvestment zone in a capital city proposal created under this part
- 912 shall also demonstrate how the proposal addresses the following objectives:

- 913 (a) redevelopment of a convention center and surrounding infrastructure and assets that
914 directly serve the convention center, including parking facilities;
- 915 (b) modernization of infrastructure and design of the convention center; and
- 916 (c) improvement of the aesthetic, functionality, and walkability of the convention center.
- 917 (3) The Governor's Office of Economic Opportunity shall propose a convention center
918 reinvestment zone to accomplish the objectives described in Subsections (1) and (2).
- 919 (4)(a)(i) A convention center reinvestment zone proposal may propose the capture of
920 100% of the property tax increment and 100% of the sales and use tax [~~increment~~]
921 revenue described in Subsection [~~63N-3-602(38)(b)(ii)~~] 63N-3-602(39)(b)(ii) for a
922 period of 30 years.
- 923 (ii) For a convention center reinvestment zone in a capital city, in addition to the
924 proposed capture of property tax increment and sales and use tax increment
925 described in Subsection (4)(a)(i), the convention center reinvestment zone may
926 propose the capture of 50% of the sales and use tax [~~increment~~] revenue described
927 in Subsection [~~63N-3-602(38)(b)(i)~~] 63N-3-602(39)(b)(i).
- 928 (b) The convention center reinvestment zone proposal shall include the respective start
929 date and base year date from which to calculate:
- 930 (i) the 30-year period of property tax increment; and
- 931 (ii) the 30-year period of the sales and use tax increment.
- 932 (c) The convention center reinvestment zone proposal may not stagger the collection
933 periods for the parcels within the convention center reinvestment zone boundary and
934 the parcels within the convention center reinvestment zone boundary shall have the
935 same 30-year collection period.
- 936 (d) The convention center reinvestment zone proposal start date for the 30-year period
937 described in this Subsection (4), shall be no sooner than January 1 of the year of the
938 identified tax collection year.
- 939 (e)(i) For a convention center reinvestment zone in a capital city, revenue from the
940 property tax increment and sales and use tax increment shall be distributed
941 directly to a convention center public infrastructure district in a capital city created
942 as required in Subsection 63N-3-607(8)(b); and
- 943 (ii) For a convention center reinvestment zone in a city other than a capital city,
944 revenue from the property tax increment and sales and use tax increment may be
945 distributed directly to the municipality or public infrastructure district as described
946 in the convention center reinvestment zone proposal.

- 947 (5) The Governor's Office of Economic Opportunity may only propose a convention center
948 reinvestment zone:
- 949 (a) within the boundary of the eligible municipality;
- 950 (b) consisting of a total area:
- 951 (i) not to exceed 50 acres; or
- 952 (ii) if greater than 50 acres, approved by the relevant eligible municipality;
- 953 (c) consisting only of contiguous parcels; and
- 954 (d) for a convention center reinvestment zone in a capital city, in an area that includes
955 any portion of an existing convention center and any city block that is bordered by an
956 existing convention center.
- 957 (6)(a) For a convention center reinvestment zone in a capital city, the Governor's Office
958 of Economic Opportunity shall propose a convention center reinvestment zone on or
959 before April 15, 2025.
- 960 (b) For a convention center reinvestment zone that is not in a capital city, the Governor's
961 Office of Economic Opportunity shall propose a convention center reinvestment zone
962 within 60 days after receiving a petition from the relevant city.
- 963 (7) A convention center reinvestment zone does not count toward the maximum of eight
964 housing and transit reinvestment zones in a given county as provided in Subsection
965 63N-3-603(7)(a).

966 Section 5. Section **63N-3-604** is amended to read:

967 **63N-3-604 . Process for a proposal of a housing and transit reinvestment zone --**

968 **Analysis.**

- 969 (1) Subject to approval of the housing and transit reinvestment zone committee as described
970 in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a
971 municipality or public transit county that has general land use authority over the housing
972 and transit reinvestment zone area, shall:
- 973 (a) prepare a proposal for the housing and transit reinvestment zone that:
- 974 (i) demonstrates that the proposed housing and transit reinvestment zone will meet
975 the objectives described in Subsection 63N-3-603(1);
- 976 (ii) explains how the municipality or public transit county will achieve the
977 requirements of Subsection 63N-3-603(2)(a)(i);
- 978 (iii) defines the specific transportation infrastructure needs, if any, and proposed
979 improvements and estimated budgets;
- 980 (iv) defines the boundaries of:

- 981 (A) the housing and transit reinvestment zone; and
- 982 (B) the sales and use tax boundary corresponding to the housing and transit
- 983 reinvestment zone boundary, as described in Section 63N-3-610;
- 984 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
- 985 (A) the proposed boundary and radius from a public transit hub;
- 986 (B) proposed housing density within the housing and transit reinvestment zone;
- 987 and
- 988 (C) existing zoning and proposed zoning changes related to the housing and transit
- 989 reinvestment zone;
- 990 (vi) identifies any development impediments that prevent the development from
- 991 being a market-rate investment, including proposed strategies and estimated
- 992 budgets for addressing each one;
- 993 (vii) describes the proposed development plan and estimated budgets, including the
- 994 requirements described in Subsections 63N-3-603(2) and (4);
- 995 (viii) establishes a base year and collection period to calculate the property tax
- 996 increment within the housing and transit reinvestment zone;
- 997 (ix) establishes a sales and use tax base year to calculate the sales and use tax
- 998 increment within the housing and transit reinvestment zone in accordance with
- 999 Section 63N-3-610;
- 1000 (x) describes projected maximum revenues generated and the amount of property tax
- 1001 increment capture from each taxing entity and proposed expenditures of revenue
- 1002 derived from the housing and transit reinvestment zone;
- 1003 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
- 1004 of revenue that can be used to reduce the finance gap;
- 1005 (xii) estimates budgets and evaluates possible benefits to active and public
- 1006 transportation availability and impacts on air quality;
- 1007 (xiii) proposes a finance schedule to align expected revenue with required financing
- 1008 costs and payments;
- 1009 (xiv) provides a pro-forma for the planned development that:
- 1010 (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4);
- 1011 (B) includes data showing the cost difference between what type of development
- 1012 could feasibly be developed absent the housing and transit reinvestment zone
- 1013 property tax increment and the type of development that is proposed to be
- 1014 developed with the housing and transit reinvestment zone property tax

- 1015 increment; and
- 1016 (C) provides estimated budgets and construction costs, anticipated revenue,
- 1017 financing, expenses, and other sources and uses of funds for the project area;
- 1018 and
- 1019 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail
- 1020 station, or bus rapid transit station that is proposed and not in public transit service
- 1021 operation as of the date of submission of the proposal, demonstrates that the
- 1022 proposed station is:
- 1023 (A) included [~~as needed in phase one of a~~] in a metropolitan planning
- 1024 organization's adopted long-range transportation plan[~~and in phase one of the~~
- 1025 ~~relevant public transit district's adopted long-range plan~~]; and
- 1026 (B) reasonably anticipated to be constructed in the near future; and
- 1027 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
- 1028 of Economic Opportunity.
- 1029 (2) As part of the proposal described in Subsection (1), a municipality or public transit
- 1030 county shall study and evaluate possible impacts of a proposed housing and transit
- 1031 reinvestment zone on parking within the city and housing and transit reinvestment zone.
- 1032 (3)(a) After receiving the proposal as described in Subsection (1)(b), the Governor's
- 1033 Office of Economic Opportunity shall:
- 1034 (i) within 14 days after the date on which the Governor's Office of Economic
- 1035 Opportunity receives the proposal described in Subsection (1)(b), provide notice
- 1036 of the proposal to all affected taxing entities, including the State Tax Commission,
- 1037 cities, counties, school districts, metropolitan planning organizations, and the
- 1038 county assessor and county auditor of the county in which the housing and transit
- 1039 reinvestment zone is located; and
- 1040 (ii) at the expense of the proposing municipality or public transit county as described
- 1041 in Subsection (5), contract with an independent entity to perform the financial gap
- 1042 analysis described in Subsection (3)(b).
- 1043 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:
- 1044 (i) a description of the planned development;
- 1045 (ii) a market analysis relative to other comparable project developments included in
- 1046 or adjacent to the municipality or public transit county absent the proposed
- 1047 housing and transit reinvestment zone;
- 1048 (iii) an evaluation of the proposal to and a determination of the adequacy and

- 1049 efficiency of the proposal;
- 1050 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
1051 development costs associated with the housing and transit reinvestment zone
1052 proposal and enable the proposed development to occur; and
- 1053 (v) based on the market analysis and other findings, an opinion relative to the
1054 appropriate amount of potential public financing reasonably determined to be
1055 necessary to achieve the objectives described in Subsection 63N-3-603(1).
- 1056 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
1057 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i),
1058 the State Tax Commission shall:
- 1059 (i) evaluate the feasibility of administering the tax implications of the proposal; and
1060 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
1061 challenges in the administration of the proposal, or indicating that the State Tax
1062 Commission can feasibly administer the proposal.
- 1063 (4) After receiving the results from the analysis described in Subsection (3)(b), the
1064 municipality or public transit county proposing the housing and transit reinvestment
1065 zone may:
- 1066 (a) amend the housing and transit reinvestment zone proposal based on the findings of
1067 the analysis described in Subsection (3)(b) and request that the Governor's Office of
1068 Economic Opportunity submit the amended housing and transit reinvestment zone
1069 proposal to the housing and transit reinvestment zone committee; or
- 1070 (b) request that the Governor's Office of Economic Opportunity submit the original
1071 housing and transit reinvestment zone proposal to the housing and transit
1072 reinvestment zone committee.
- 1073 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
1074 credit, up to \$20,000 from a municipality or public transit county for the costs of the
1075 gap analysis described in Subsection (3)(b).
- 1076 (b) The Governor's Office of Economic Opportunity may expend funds received from a
1077 municipality or public transit county as dedicated credits to pay for the costs
1078 associated with the gap analysis described in Subsection (3)(b).
- 1079 Section 6. Section **63N-3-604.1** is amended to read:
- 1080 **63N-3-604.1 . Process for proposing a convention center reinvestment zone.**
- 1081 (1) To create a convention center reinvestment zone under this part, the Governor's Office
1082 of Economic Opportunity shall, after consulting with and giving notice to the related

- 1083 eligible municipality and county, provide a proposal for a convention center
1084 reinvestment zone to the housing and transit reinvestment zone committee.
- 1085 (2)(a) The Governor's Office of Economic Opportunity shall ensure that a proposal for
1086 the creation of a convention center reinvestment zone includes the following
1087 information and data that:
- 1088 (i) defines the boundary of the proposed convention center reinvestment zone;
 - 1089 (ii) describes generally the proposed development plan;
 - 1090 (iii) identifies a base year and collection period to calculate the property tax
1091 increment within the convention center reinvestment zone;
 - 1092 (iv) specifies a sales and use tax base year to calculate the sales and use tax increment
1093 within the convention center reinvestment zone in accordance with Section
1094 63N-3-610.1;
 - 1095 (v) provides estimated project and investment objectives for the convention center
1096 reinvestment zone; and
 - 1097 (vi) outlines generally the impacts on transportation in and around the proposed
1098 convention center reinvestment zone.
- 1099 (b)(i) For a convention center reinvestment zone in a capital city, the proposal
1100 described in Subsection (2)(a) shall also provide estimated budgets and
1101 construction costs, anticipated revenue, financing, expenses, and other sources and
1102 uses of funds for the project area.
- 1103 (ii) The base year and collection period to calculate the property tax increment within
1104 the convention center reinvestment zone in a capital city shall be December 31,
1105 2023.
- 1106 (c) The proposal described in Subsection (2)(b) shall limit the use of funds to:
- 1107 (i) a convention center;
 - 1108 (ii) a publicly owned entertainment venue;
 - 1109 (iii) parking; and
 - 1110 (iv) infrastructure related to the project.
- 1111 (3) A proposal by the Governor's Office of Economic Opportunity for a convention center
1112 reinvestment zone shall demonstrate how the information and data provided in the
1113 proposal [~~pursuant to~~] described in Subsection (2) furthers the objectives described in
1114 Section 63N-3-603.1 and is in the public interest.
- 1115 (4) After submitting the proposal as described in Subsection (2), the Governor's Office of
1116 Economic Opportunity shall provide notice of the proposal to all affected taxing entities,

1117 including the State Tax Commission, cities, counties, school districts, metropolitan
 1118 planning organizations, and the county assessor and county auditor of the county in
 1119 which the convention center reinvestment zone is located.

1120 (5) After receiving notice from the Governor's Office of Economic Opportunity of a
 1121 proposed convention center reinvestment zone as described in Subsection (4), the State
 1122 Tax Commission shall, within 14 days:

- 1123 (a) evaluate the feasibility of administering the tax implications of the proposal; and
- 1124 (b) provide a letter to the Governor's Office of Economic Opportunity describing any
 1125 challenges in the administration of the proposal, or indicating that the State Tax
 1126 Commission can feasibly administer the proposal.

1127 Section 7. Section **63N-3-605** is amended to read:

1128 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

1129 (1) For any housing and transit reinvestment zone~~[-proposed under this part], convention~~
 1130 center reinvestment zone, convention center reinvestment zone in a capital city, or for a
 1131 first home investment zone proposed [in accordance with Part 16, First Home
 1132 Investment Zone Act] under this chapter, there is created a housing and transit
 1133 reinvestment zone committee with membership described in Subsection (2).

1134 (2) Each housing and transit reinvestment zone committee shall consist of the following
 1135 members:

- 1136 (a) one representative from the Governor's Office of Economic Opportunity, designated
 1137 by the executive director of the Governor's Office of Economic Opportunity;
- 1138 (b) one representative from each municipality that is a party to the proposed housing and
 1139 transit reinvestment zone or first home investment zone, designated by the chief
 1140 executive officer of each respective municipality;
- 1141 (c) a member of the Transportation Commission created in Section 72-1-301;
- 1142 (d) a member of the board of trustees of a large public transit district;
- 1143 (e) one individual from the Office of the State Treasurer, designated by the state
 1144 treasurer;
- 1145 (f) two members designated by the president of the Senate;
- 1146 (g) two members designated by the speaker of the House of Representatives;
- 1147 (h) one member designated by the chief executive officer of each county affected by the
 1148 housing and transit reinvestment zone or first home investment zone;
- 1149 (i) two representatives designated by the school superintendent from the school district
 1150 affected by the housing and transit reinvestment zone or first home investment zone;

- 1151 and
- 1152 (j) one representative, representing the largest participating local taxing entity, after the
1153 municipality, county, and school district.
- 1154 (3) The individual designated by the Governor's Office of Economic Opportunity as
1155 described in Subsection (2)(a) shall serve as chair of the housing and transit
1156 reinvestment zone committee.
- 1157 (4)(a) A majority of the members of the housing and transit reinvestment zone
1158 committee constitutes a quorum of the housing and transit reinvestment zone
1159 committee.
- 1160 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
1161 committee is an action of the housing and transit reinvestment zone committee.
- 1162 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
1163 analysis described in Section 63N-3-604, and after the Governor's Office of
1164 Economic Opportunity has received a request from the submitting municipality or
1165 public transit county to submit the housing and transit reinvestment zone proposal to
1166 the housing and transit reinvestment zone committee, the Governor's Office of
1167 Economic Opportunity shall notify each of the entities described in Subsection (2) of
1168 the formation of the housing and transit reinvestment zone committee.
- 1169 (b) For a first home investment zone, the housing and transit reinvestment zone
1170 committee shall follow the procedures described in Section 63N-3-1604.
- 1171 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a
1172 public meeting to consider the proposed housing and transit reinvestment zone.
- 1173 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
1174 52, Chapter 4, Open and Public Meetings Act.
- 1175 (7)(a) The proposing municipality or public transit county shall present the housing and
1176 transit reinvestment zone proposal to the housing and transit reinvestment zone
1177 committee in a public meeting.
- 1178 (b) The housing and transit reinvestment zone committee shall, for a housing and transit
1179 reinvestment zone proposal:
- 1180 (i) evaluate and verify whether the elements of a housing and transit reinvestment
1181 zone described in Subsections 63N-3-603(2) and (4) have been met; and
- 1182 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
1183 analysis described in Subsection 63N-3-604(2).
- 1184 (c) The housing and transit reinvestment zone committee shall, for a convention center

1185 reinvestment zone proposal, evaluate and verify whether the objectives of a
1186 convention center reinvestment zone described in Section 63N-3-603.1 have been
1187 met.

1188 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee
1189 may:

1190 (i)(A) for a housing and transit reinvestment zone, request changes to the housing
1191 and transit reinvestment zone proposal based on the analysis, characteristics,
1192 and criteria described in Section 63N-3-604; or

1193 (B) for a convention center reinvestment zone, request changes to the convention
1194 center reinvestment zone proposal based on the characteristics and criteria
1195 described in Sections 63N-3-603.1 and 63N-3-604.1; or

1196 (ii) vote to approve or deny the proposal.

1197 (b) Before the housing and transit reinvestment zone committee may approve the
1198 housing and transit reinvestment zone proposal, the municipality or public transit
1199 county proposing the housing and transit reinvestment zone shall ensure that the area
1200 of the proposed housing and transit reinvestment zone is zoned in such a manner to
1201 accommodate the requirements of a housing and transit reinvestment zone described
1202 in this section and the proposed development.

1203 (9) If a housing and transit reinvestment zone, convention center reinvestment zone, or first
1204 home investment zone is approved by the housing and transit reinvestment zone
1205 committee:

1206 (a) the proposed housing and transit reinvestment zone, convention center reinvestment
1207 zone, or first home investment zone is established according to the terms of the
1208 housing and transit reinvestment zone proposal;

1209 (b) the municipality or public transit county proposing the housing and transit
1210 reinvestment zone, convention center reinvestment zone, or first home investment
1211 zone:

1212 (i) shall enter into one or more entitlement agreements, interlocal agreements,
1213 development agreements, or participation agreements that are necessary or
1214 required to implement all or any portion of the approved housing and transit
1215 reinvestment zone, convention center reinvestment zone, or first home investment
1216 zone proposal;

1217 (ii) may not reduce the density or alter other zoning uses that are permitted at the
1218 time the housing and transit reinvestment zone, convention center reinvestment

- 1219 zone, or first home investment zone proposal is approved, in a manner that would
 1220 cause the zone to fall below the zoning, density, or land use requirements in the
 1221 proposal approved by the housing and transit reinvestment zone; and
 1222 (iii) if a municipality or public transit county has not entered into one or more
 1223 agreements described in Subsection (9)(b)(i) implementing a housing and transit
 1224 reinvestment zone within two years after the approval of the housing and transit
 1225 reinvestment zone proposal, the municipality or public transit county shall submit
 1226 a written report to the housing and transit reinvestment zone committee describing:
 1227 (A) the status of the housing and transit reinvestment zone; and
 1228 (B) the anticipated timeline for entering into one or more agreements described in
 1229 Subsection (9)(b)(i);
- 1230 (c) ~~[affected-]~~ each affected local taxing [entities are] entity is required to participate
 1231 according to the terms of the housing and transit reinvestment zone proposal; and
 1232 ~~[(e)]~~ (d) each affected taxing entity is required to participate at the same rate.
- 1233 (10) A housing and transit reinvestment zone, convention center reinvestment zone, or first
 1234 home investment zone proposal may be amended by following the same procedure as
 1235 approving a housing and transit reinvestment zone proposal.
- 1236 (11)(a) The approval for a convention center reinvestment zone in a capital city may be
 1237 completed with a condition that the relevant municipality also create a public
 1238 infrastructure district as provided in Subsection 63N-3-607(8)(b).
- 1239 (b) The approval described in Subsection (11)(a) shall verify that the requirements and
 1240 limitations on use of funds is limited to the conditions described under Subsections
 1241 63N-3-604.1(2)(b) and (c).
- 1242 Section 8. Section **63N-3-607** is amended to read:
- 1243 **63N-3-607 . Payment, use, and administration of revenue from a housing and**
 1244 **transit reinvestment zone.**
- 1245 (1) In accordance with this part:
- 1246 (a) a municipality or public transit county may receive and use property tax increment
 1247 and housing and transit reinvestment zone funds;
- 1248 (b)(i) a public infrastructure district shall use the funds from a convention center
 1249 reinvestment zone in a capital city within or for the benefit of a convention center
 1250 reinvestment zone in a capital city; and
- 1251 (ii) funds from a convention center reinvestment zone in a capital city may be used
 1252 outside of the capital city convention center reinvestment zone if the use meets the

1253 objectives described in Section 63N-3-603.1 and is determined by the board of the
1254 public infrastructure district to be a direct benefit to the convention center
1255 reinvestment zone in a capital city; and

1256 (c) a municipality or a public infrastructure district may receive and use property tax
1257 increment and convention center reinvestment zone funds for a convention center
1258 reinvestment zone that is not within a capital city.

1259 (2)(a) Except as provided in Subsection (3), a county that collects property tax on
1260 property located within a housing and transit reinvestment zone shall, in accordance
1261 with Section 59-2-1365, distribute to the municipality or public transit county any
1262 property tax increment the municipality or public transit county is authorized to
1263 receive up to the maximum approved by the housing and transit reinvestment zone
1264 committee.

1265 (b) Property tax increment distributed to a municipality or public transit county in
1266 accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality
1267 or public transit county.

1268 (c)(i) Property tax increment paid to the municipality or public transit county are
1269 housing and transit reinvestment zone funds and shall be administered by an
1270 agency created by the municipality or public transit county within which the
1271 housing and transit reinvestment zone is located.

1272 (ii) Before an agency may receive housing and transit reinvestment zone funds from
1273 the municipality or public transit county, the municipality or public transit county
1274 and the agency shall enter into an interlocal agreement with terms that:

1275 (A) are consistent with the approval of the housing and transit reinvestment zone
1276 committee; and

1277 (B) meet the requirements of Section 63N-3-603 or, for a convention center
1278 reinvestment zone, the requirements of Section 63N-3-603.1.

1279 (3)(a) A county that collects property tax on property located within a convention center
1280 reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the
1281 relevant public infrastructure district created by the eligible municipality any
1282 property tax increment the public infrastructure district is authorized to receive up to
1283 the amounts approved by the housing and transit reinvestment zone committee.

1284 (b) Property tax increment distributed to a public infrastructure district in accordance
1285 with Subsection (3)(a) is not revenue of the taxing entity or municipality.

1286 (c) Property tax increment paid to the public infrastructure district are convention center

1287 reinvestment zone funds and shall be administered by the public infrastructure district
1288 within which the convention center reinvestment zone is located.

1289 (4)(a)(i) A municipality or public transit county and agency shall use housing and
1290 transit reinvestment zone funds within, or for the direct benefit of, the housing and
1291 transit reinvestment zone.

1292 (ii) A public infrastructure district shall use convention center reinvestment zone
1293 funds within, or for the benefit of, the convention center reinvestment zone.

1294 (b) If any housing and transit reinvestment zone funds will be used outside of the
1295 housing and transit reinvestment zone, there must be a finding in the approved
1296 proposal for a housing and transit reinvestment zone that the use of the housing and
1297 transit reinvestment zone funds outside of the housing and transit reinvestment zone
1298 will directly benefit the housing and transit reinvestment zone.

1299 (5)(a) A municipality or public transit county shall use housing and transit reinvestment
1300 zone funds to achieve the purposes described in Subsections 63N-3-603(1) and (2),
1301 by paying all or part of the costs of any of the following:

1302 (i) income targeted housing costs;

1303 (ii) structured parking within the housing and transit reinvestment zone;

1304 (iii) enhanced development costs;

1305 (iv) horizontal construction costs;

1306 (v) vertical construction costs;

1307 (vi) property acquisition costs within the housing and transit reinvestment zone;

1308 (vii) the costs of the municipality or public transit county to create and administer the
1309 housing and transit reinvestment zone, which may not exceed 2% of the total
1310 housing and transit reinvestment zone funds, plus the costs to complete the gap
1311 analysis described in Subsection 63N-3-604(2); or

1312 (viii) subject to Subsection (5)(b), costs for the construction or expansion of child
1313 care facilities within the boundary of the housing and transit reinvestment zone.

1314 (b) A municipality or public transit county may not use more than 1% of the total
1315 housing and transit reinvestment zone funds to pay costs described in Subsection
1316 (5)(a)(viii).

1317 (c) A public infrastructure district shall use convention center reinvestment zone funds
1318 to achieve the purposes described in Section 63N-3-603.1.

1319 (d)(i) As used in this Subsection (5)(d), "extraterritorial affordable housing" means
1320 affordable housing, as that term is defined in Section 63N-3-1601, that:

- 1321 (A) is located within the municipality proposing the housing and transit
1322 reinvestment zone but outside the boundary of the housing and transit
1323 reinvestment zone;
- 1324 (B) is part of a development with a density of at least six units per acre;
1325 (C) is required to be owner occupied for no less than 25 years; and
1326 (D) has not been issued a building permit by the municipality as of the date of the
1327 approval of the housing and transit reinvestment zone.
- 1328 (ii) A municipality or public district county may use housing and transit reinvestment
1329 zone funds on extraterritorial affordable housing costs if the municipality or
1330 public transit county satisfies the requirement described under Subsection (4)(b).
- 1331 (iii) One hundred percent of extraterritorial affordable housing shall meet the
1332 affordable housing requirements described in Section 63N-3-1601.
- 1333 (6) Housing and transit reinvestment zone funds may be paid to a participant, if the agency
1334 and participant enter into a participation agreement that requires the participant to utilize
1335 the housing and transit reinvestment zone funds as allowed in this section.
- 1336 (7)(a) Housing and transit reinvestment zone funds may be used to pay all of the costs of
1337 bonds issued by the municipality or public transit county in accordance with Title
1338 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the
1339 bonds including interest.
- 1340 (b) Convention center reinvestment zone funds may be used to pay all of the costs of
1341 debt incurred by the public infrastructure district, including the cost to issue and
1342 repay the debt including interest.
- 1343 (8)(a) A municipality or public transit county may create one or more public
1344 infrastructure districts within the housing and transit reinvestment zone under Title
1345 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing
1346 and transit reinvestment zone funds to guarantee the payment of public infrastructure
1347 bonds issued by a public infrastructure district.
- 1348 (b) An eligible municipality that is a capital city shall create one or more public
1349 infrastructure districts within the convention center reinvestment zone under Title
1350 17D, Chapter 4, Public Infrastructure District Act, and the convention center
1351 reinvestment zone funds may be used to pay all or any portion of debt incurred by the
1352 public infrastructure district, including the cost to issue and repay the debt including
1353 interest.
- 1354 Section 9. Section **63N-3-608** is amended to read:

1355 **63N-3-608 . Applicability to an existing community reinvestment project.**

- 1356 (1) For a housing and transit reinvestment zone created under this part that overlaps any
1357 portion of an existing inactive industrial site community reinvestment project area plan
1358 created in accordance with Title 17C, Limited Purpose Local Government Entities -
1359 Community Reinvestment Agency Act:
- 1360 (a) if the community reinvestment project area plan captures less than 80% of the
1361 property tax increment from a taxing entity, or if a taxing entity is not participating in
1362 the community reinvestment project area plan, the housing and transit reinvestment
1363 zone may capture the difference between:
- 1364 (i) 80%; and
1365 (ii) the percentage of property tax increment captured [~~pursuant to~~] in accordance with
1366 the community reinvestment project area plan; and
- 1367 (b) if a community reinvestment project area plan expires before the housing and transit
1368 reinvestment zone, the housing and transit reinvestment zone may capture the
1369 property tax increment allocated to the community reinvestment project area plan for
1370 any remaining portion of the term of the housing and transit reinvestment zone and
1371 the base year shall be updated in accordance with Subsection 63N-3-602(4).
- 1372 (2) For a convention center reinvestment zone created under this part that overlaps any
1373 portion of an existing community reinvestment project area created in accordance with
1374 Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
1375 Agency Act:
- 1376 (a) if the community reinvestment project area captures less than 100% of the property
1377 tax increment from a taxing entity, or if a taxing entity is not participating in the
1378 community reinvestment project area, the convention center reinvestment zone may
1379 capture the difference between:
- 1380 (i) 100%; and
1381 (ii) the percentage of property tax increment captured [~~pursuant to~~] in accordance with
1382 the community reinvestment project area for each taxing entity; and
- 1383 (b) if a community reinvestment project area plan expires before the convention center
1384 reinvestment zone, the convention center reinvestment zone may capture the property
1385 tax increment allocated to the community reinvestment project area for any
1386 remaining portion of the term of the convention center reinvestment zone with the
1387 base year relating back to the base year established by the community reinvestment
1388 project area.

1389 (3)(a) For a housing and transit reinvestment zone created under this part that overlaps
 1390 any portion of an existing community reinvestment project area plan created in
 1391 accordance with Title 17C, Limited Purpose Local Government Entities -
 1392 Community Reinvestment Agency Act, that includes a retail facility with a gross
 1393 sales floor area greater than 140,000 square feet, and if the development includes at
 1394 least one housing unit for every 1,250 square feet of retail space within the
 1395 development:

1396 (i) if the community reinvestment project area captures less than 80% of the property
 1397 tax increment from a taxing entity, or if a taxing entity is not participating in the
 1398 community reinvestment project area plan, the housing and transit reinvestment
 1399 zone may capture the difference between:

1400 (A) 80%; and

1401 (B) the percentage of property tax increment captured in accordance with the
 1402 community reinvestment project area plan; and

1403 (ii) if a community reinvestment project area plan expires before the housing and
 1404 transit reinvestment zone, the housing and transit reinvestment zone may not
 1405 capture the property tax increment allocated to the community reinvestment
 1406 project area plan for any remaining portion of the term of the housing and transit
 1407 reinvestment zone and the base year shall be updated in accordance with
 1408 Subsection 63N-3-602(4).

1409 (b) The county assessor shall verify that the retail facility and housing unit requirements
 1410 described in this Subsection (3) are met before the housing and transit reinvestment
 1411 zone may capture the property tax increment described in Subsection (3)(a).

1412 (4) Except as provided in this section, a housing and transit reinvestment zone may not
 1413 overlap any portion of an existing community reinvestment project area plan created in
 1414 accordance with Title 17C, Limited Purpose Local Government Entities - Community
 1415 Reinvestment Agency Act.

1416 Section 10. Section **63N-3-611** is amended to read:

1417 **63N-3-611 . Boundary adjustments.**

1418 [~~If the relevant county assessor or county auditor adjusts parcel boundaries relevant~~
 -1419 ~~to a housing and transit reinvestment zone or a convention center reinvestment zone, the~~
 -1420 ~~municipality administering the property tax increment collected in the housing and transit~~
 -1421 ~~reinvestment zone, or for a convention center reinvestment zone, the Governor's Office of~~
 -1422 ~~Economic Opportunity may make corresponding adjustments to the boundary of the housing~~

-1423 and transit reinvestment zone.]

1424 (1)(a) Subject to the requirements under this part, and after the housing and transit
1425 reinvestment zone committee approves a housing and transit reinvestment zone or a
1426 convention center reinvestment zone proposal in accordance with Section 63N-3-605,
1427 the Governor's Office of Economic Opportunity shall consult with the relevant
1428 county auditor to determine a boundary adjustment to a housing and transit
1429 reinvestment zone or a convention center reinvestment zone.

1430 (b)(i) If a boundary adjustment under Subsection (1)(a) is requested, the Governor's
1431 Office of Economic Opportunity shall consult with the county assessor and county
1432 auditor to verify the adjustment meets the requirements under this part.

1433 (ii) If the boundary adjustment described in Subsection (1)(b)(i) is approved, the
1434 Governor's office of Economic Opportunity shall request approval of the proposed
1435 boundary adjustment from the housing and transit reinvestment zone committee
1436 before approving the boundary adjustment.

1437 (c) Except as provided in Subsection (1)(d), a parcel may only be triggered for property
1438 tax increment collection on the legal parcel boundary drawn at the time the parcel is
1439 triggered for property tax increment collection.

1440 (d)(i) A convention center reinvestment zone in a capital city may commence a
1441 property tax increment collection at different times for different parcels or
1442 subareas within the convention center reinvestment zone in a capital city.

1443 (ii) The property tax increment collection described in Subsection (1)(d)(i) shall use
1444 the base year of December 31, 2023 and commence no later than five years from
1445 the day that the convention center reinvestment zone in a capital city proposal is
1446 approved.

1447 (2) A boundary adjustment that results in an area that does not fall within or bisect the
1448 radius requirements described in this part is allowed if:

1449 (a) the Governor's Office of Economic Opportunity determines that including the parcel
1450 in the housing and transit reinvestment zone or convention center reinvestment zone
1451 has a reasonable nexus to the purposes described in the relevant housing and transit
1452 reinvestment zone or convention center reinvestment zone proposal;

1453 (b) the total number of acres within the housing and transit reinvestment zone or
1454 convention center reinvestment zone are equal to or less than the maximum number
1455 of acres allowed within a housing and transit reinvestment zone or convention center
1456 reinvestment zone described in this part; and

1457 (c) the boundary adjustment does not create a parcel that is entirely located outside
 1458 one-half mile from a transit station.

1459 (3)(a) A housing and transit reinvestment zone or convention center reinvestment zone
 1460 shall be governed by the law in effect on the date the application for the housing and
 1461 transit reinvestment zone or convention center reinvestment zone was approved by
 1462 the housing and transit reinvestment zone committee.

1463 (b) Notwithstanding Subsection (3)(a), an approved housing and transit reinvestment
 1464 zone proposal submitted before May 1, 2024, shall be governed by the base year and
 1465 triggering defined in code before January 1, 2023.

1466 Section 11. Section **63N-3-1601** is amended to read:

1467 **63N-3-1601 . Definitions.**

1468 (1) "Affordable housing" means:

1469 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy
 1470 by households with a gross household income equal to or less than 80% of the county
 1471 median gross income for households of the same size; or

1472 (b)(i) for homes that are owner occupied, housing that is priced at ~~80%~~ 120% of
 1473 the ~~[county median home price]~~ area median income; or

1474 (ii) for homes that are owner occupied, housing that is priced at 80% of the zip code
 1475 median home price if:

1476 (A) the proposal described in Section 63N-3-1603 demonstrates that a deviation
 1477 from the county median home price will achieve the objectives described in
 1478 Subsection 63N-3-1602(1); and

1479 (B) the zip code median home price is based upon county property tax assessment
 1480 data.

1481 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

1482 (3) "Base taxable value" means the same as that term is defined in Section 63N-3-602.

1483 (4) "Base year" means, for each tax increment collection period triggered within a proposed
 1484 first home investment zone area, the calendar year prior to the calendar year the tax
 1485 increment begins to be collected for those parcels triggered for that collection period.

1486 (5)(a) "Developable area" means the portion of land within a first home investment zone
 1487 available for development and construction of business and residential uses.

1488 (b) "Developable area" does not include portions of land within a first home investment
 1489 zone that are allocated to:

1490 (i) parks;

- 1491 (ii) recreation facilities;
- 1492 (iii) open spaces;
- 1493 (iv) trails;
- 1494 (v) parking;
- 1495 (vi) roadway facilities; or
- 1496 (vii) other public facilities.
- 1497 (6) "Dwelling unit" means the same as that term is defined in Section 63N-3-602.
- 1498 (7) "Extraterritorial home" means a dwelling unit that is included as part of the first home
- 1499 investment zone proposal that:
- 1500 (a) is located within the municipality proposing the first home investment zone but
- 1501 outside the boundary of the first home investment zone;
- 1502 (b) is part of a development with a density of at least six units per acre;
- 1503 (c) is not located within an existing housing and transit reinvestment zone or an area that
- 1504 could be included in a housing and transit reinvestment zone;
- 1505 (d) has not been issued a building permit by the municipality as of the date of the
- 1506 approval of the first home investment zone; and
- 1507 (e) is required to be owner occupied for no less than 25 years.
- 1508 (8) "First home investment zone" means a first home investment zone created in accordance
- 1509 with this part.
- 1510 (9) "Home" means a dwelling unit.
- 1511 (10) "Housing and transit reinvestment zone" means the same as that term is defined in
- 1512 Section 63N-3-602.
- 1513 (11) "Housing and transit reinvestment zone committee" means the housing and transit
- 1514 reinvestment zone committee described in Section 63N-3-605.
- 1515 (12) "Metropolitan planning organization" means the same as that term is defined in
- 1516 Section 72-1-208.5.
- 1517 (13) "Mixed use development" means the same as that term is defined in Section 63N-3-603.
- 1518 (14) "Moderate income housing plan" means the same as that term is defined in Section
- 1519 11-41-102.
- 1520 (15) "Municipality" means the same as that term is defined in Section 10-1-104.
- 1521 (16) "Owner occupied" means private real property that is:
- 1522 (a) used for a single-family residential purpose; and
- 1523 (b) required to be occupied by the owner of the real property for no less than 25 years.
- 1524 (17) "Project area" means the same as that term is defined in Section 17C-1-102.

- 1525 (18)(a) "Project improvements" means site improvements and facilities that are:
- 1526 (i) planned and designed to provide service for development resulting from a
- 1527 development activity;
- 1528 (ii) necessary for the use and convenience of the occupants or users of development
- 1529 resulting from a development activity; and
- 1530 (iii) not identified or reimbursed as a system improvement.
- 1531 (b) "Project improvements" does not mean system improvements.
- 1532 (19) "State Tax Commission" means the State Tax Commission created in Section 59-1-201.
- 1533 (20)(a) "System improvements" means existing and future public facilities that are
- 1534 designed to provide services to service areas within the community at large.
- 1535 (b) "System improvements" does not mean project improvements.
- 1536 (21)(a) "Tax increment" means the difference between:
- 1537 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 1538 the area within a first home investment zone designated in the first home
- 1539 investment zone proposal as the area from which tax increment is to be collected,
- 1540 using the current assessed value and each taxing entity's current certified tax rate
- 1541 as defined in Section 59-2-924; and
- 1542 (ii) the amount of property tax revenue that would be generated from that same area
- 1543 using the base taxable value and each taxing entity's current certified tax rate as
- 1544 defined in Section 59-2-924.
- 1545 (b) "Tax increment" does not include property tax revenue from:
- 1546 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 1547 or
- 1548 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 1549 (22) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 1550 (23) "Unencumbered annual community reinvestment agency revenue" means tax
- 1551 increment revenue received by the agency for purposes identified in Title 17C, Limited
- 1552 Purpose Local Government Entities - Community Reinvestment Agency Act, that:
- 1553 (a) have not been designated or restricted for future qualified uses as approved by the
- 1554 agency board related to a specific project area; and
- 1555 (b) do not have a date certain by which the tax increment revenues will be used.
- 1556 Section 12. Section **63N-3-1603** is amended to read:
- 1557 **63N-3-1603 . Process for a proposal of a first home investment zone.**
- 1558 (1) Subject to approval of the housing and transit reinvestment zone committee as described

- 1559 in Section 63N-3-1604, in order to create a first home investment zone, a municipality
1560 that has general land use authority over the first home investment zone area, shall:
- 1561 (a) prepare a proposal for the first home investment zone that:
- 1562 (i) demonstrates that the proposed first home investment zone will meet the
1563 objectives described in Subsection 63N-3-1602(1);
 - 1564 (ii) explains how the municipality will achieve the requirements of Subsection
1565 63N-3-1602(2);
 - 1566 (iii) defines the specific infrastructure needs, if any, and proposed improvements;
 - 1567 (iv) demonstrates how the first home investment zone will ensure:
 - 1568 (A) sufficient pedestrian access to schools and other areas of community; and
 - 1569 (B) inclusion of child care facilities and access;
 - 1570 (v) defines the boundaries of the first home investment zone;
 - 1571 (vi) includes maps of the proposed first home investment zone to illustrate:
 - 1572 (A) proposed housing density within the first home investment zone;
 - 1573 (B) extraterritorial homes relevant to the first home investment zone, including
1574 density of the development of extraterritorial homes; and
 - 1575 (C) existing zoning and proposed zoning changes related to the first home
1576 investment zone;
 - 1577 (vii) identifies any development impediments that prevent the development from
1578 being a market-rate investment and proposed strategies for addressing each one;
 - 1579 (viii) describes the proposed development plan, including the requirements described
1580 in Subsections 63N-3-1602(2) and (4);
 - 1581 (ix) establishes the collection period or periods to calculate the tax increment;
 - 1582 (x) describes projected maximum revenues generated and the amount of tax
1583 increment capture from each taxing entity and proposed expenditures of revenue
1584 derived from the first home investment zone;
 - 1585 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
1586 of revenue that can be used to reduce the finance gap;
 - 1587 (xii) proposes a finance schedule to align expected revenue with required financing
1588 costs and payments;
 - 1589 (xiii) evaluates possible benefits to active transportation, public transportation
1590 availability and utilization, street connectivity, and air quality; and
 - 1591 (xiv) provides a pro forma for the planned development that:
 - 1592 (A) satisfies the requirements described in Subsections 63N-3-1602(2) and (4); and

- 1593 (B) includes data showing the cost difference between what type of development
1594 could feasibly be developed absent the first home investment zone tax
1595 increment and the type of development that is proposed to be developed with
1596 the first home investment zone tax increment;
- 1597 (b) submit the proposal to the relevant school district to discuss the requirements of the
1598 proposal and whether the proposal provides the benefits and achieves the objectives
1599 described in this part; and
- 1600 (c) submit the first home investment zone proposal to the Governor's Office of
1601 Economic Opportunity.
- 1602 (2) As part of the proposal described in Subsection (1), a municipality shall:
- 1603 (a) study and evaluate possible impacts of a proposed first home investment zone on
1604 parking and efficient use of land within the municipality and first home investment
1605 zone; and
- 1606 (b) include in the first home investment zone proposal the findings of the study
1607 described in Subsection (2)(a) and proposed strategies to efficiently address parking
1608 impacts.
- 1609 (3)(a) After receiving the proposal as described in Subsection (1)(c), the Governor's
1610 Office of Economic Opportunity shall:
- 1611 (i) within 14 days after the date on which the Governor's Office of Economic
1612 Opportunity receives the proposal described in Subsection (1)(c), provide notice
1613 of the proposal to all affected taxing entities, including the State Tax Commission,
1614 cities, counties, school districts, metropolitan planning organizations, and the
1615 county assessor and county auditor of the county in which the first home
1616 investment zone is located; and
- 1617 (ii) at the expense of the proposing municipality as described in Subsection (5),
1618 contract with an independent entity to:
- 1619 (A) perform the gap analysis described in Subsection (3)(b); and
1620 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
1621 and the feasibility of the proposed development absent the tax increment.
- 1622 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
- 1623 (i) a description of the planned development;
- 1624 (ii) a market analysis relative to other comparable project developments included in
1625 or adjacent to the municipality absent the proposed first home investment zone;
- 1626 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency

- 1627 of the proposal;
- 1628 (iv) an evaluation of the proposed tax increment capture needed to cover the system
1629 improvements and project improvements associated with the first home
1630 investment zone proposal and enable the proposed development to occur, and for
1631 the benefit of affordable housing projects; and
- 1632 (v) based on the market analysis and other findings, an opinion relative to the
1633 appropriate amount of potential public financing reasonably determined to be
1634 necessary to achieve the objectives described in Subsection 63N-3-1602(1).
- 1635 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
1636 proposed first home investment zone as described in Subsection (3)(a)(i), the
1637 municipality, in consultation with the county assessor, the county auditor, and the
1638 State Tax Commission, shall:
- 1639 (i) evaluate the feasibility of administering the tax implications of the proposal; and
1640 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
1641 challenges in the administration of the proposal, or indicating that the county
1642 assessor can feasibly administer the proposal.
- 1643 (4) After receiving the results from the analysis described in Subsection (3)(b), the
1644 municipality proposing the first home investment zone may:
- 1645 (a) amend the first home investment zone proposal based on the findings of the analysis
1646 described in Subsection (3)(b) and request that the Governor's Office of Economic
1647 Opportunity submit the amended first home investment zone proposal to the housing
1648 and transit reinvestment zone committee; or
- 1649 (b) request that the Governor's Office of Economic Opportunity submit the original first
1650 home investment zone proposal to the housing and transit reinvestment zone
1651 committee.
- 1652 (5)(a) The Governor's Office of Economic Opportunity may accept, as a dedicated
1653 credit, up to \$20,000 from a municipality for the costs of the gap analysis described
1654 in Subsection (3)(b).
- 1655 (b) The Governor's Office of Economic Opportunity may expend funds received from a
1656 municipality as dedicated credits to pay for the costs associated with the gap analysis
1657 described in Subsection (3)(b).
- 1658 Section 13. Section **63N-3-1609** is amended to read:
- 1659 **63N-3-1609 . Boundary adjustments.**
- 1660 [~~If the relevant county assessor or county auditor adjusts parcel boundaries relevant~~

-1661 to a first home investment zone, the municipality administering the tax increment collected in
-1662 the first home investment zone may make corresponding adjustments to the boundary of the
-1663 first home investment zone.]

1664 (1)(a) Subject to the requirements under this part, and after the housing and transit
1665 reinvestment zone committee approves a first home investment zone proposal in
1666 accordance with Section 63N-3-1604, the Governor's Office of Economic
1667 Opportunity shall consult with the relevant county auditor to determine a boundary
1668 adjustment to parcel boundaries relevant to a first home investment zone.

1669 (b) If a boundary adjustment under Subsection (1)(a) is requested, the county assessor
1670 shall request approval of the proposed boundary adjustment from the housing and
1671 transit reinvestment zone committee before approving the boundary adjustment.

1672 (c) A parcel may only be triggered for property tax increment collection on the legal
1673 parcel boundary drawn at the time the parcel is triggered for property tax increment
1674 collection.

1675 (2) A boundary adjustment that results in an area that does not fall within or bisect the
1676 radius requirements described in this part is allowed if:

1677 (a) the Governor's Office of Economic Opportunity determines that including the parcel
1678 in the first home investment zone has a reasonable nexus to the purposes described in
1679 the relevant first home investment zone proposal;

1680 (b) the total number of acres within the first home investment zone is equal to or less
1681 than the maximum number of acres allowed within a first home investment zone
1682 described in this part; and

1683 (c) the boundary adjustment does not create a parcel that is entirely located outside
1684 one-half mile from a transit station.

1685 Section 14. **Effective Date.**

1686 This bill takes effect on May 6, 2026.

1687 Section 15. **Coordinating S.B. 221 with S.B. 39.**

1688 If S.B. 221, Housing and Transit Reinvestment Zone Amendments, and S.B. 39,
1689 Investment Zone Amendments, both pass and become law, the Legislature intends that, on
1690 May 6, 2026:

1691 (1) Subsection 59-2-924(1)(q) in S.B. 39 and S.B. 221 be amended to read:

1692 “(q) "Project area" means:

1693 (i) for an authority created under Section 11-58-201, the same as that term is defined in
1694 Section 11-58-102;

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

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

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

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

(vi) for a convention center reinvestment zone, created under Title 63N, Chapter 23, Part 3, Convention Center Reinvestment Zone, as convention center reinvestment zone is defined in Section 63N-23-101;

(vii) for a convention center reinvestment zone in a capital city, created under Title 63N, Chapter 23, Part 4, Convention Center Reinvestment Zone in a Capital City, as convention center reinvestment zone in a capital city is defined in 63N-23-101;

~~[(vi)]~~ (viii) for a home ownership promotion zone ~~[created under Title 10, Chapter 21, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 80, Part 5, Home Ownership Promotion Zone, the same as that term is defined in Section 10-21-101 or Section 17-80-101]~~, created under Title 63N, Chapter 23, Part 5, Home Ownership Promotion Zone for Municipalities, or Title 63N, Chapter 23, Part 6, Home Ownership Promotion Zone for Counties, as homeownership promotion zone is defined in Section 63N-23-501 or 63N-23-601;

~~[(vii)]~~ (ix) for a first home investment zone~~[created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1601]~~, created under Title 63N, Chapter 23, Part 7, First Home Investment Zone, as first home investment zone is defined in 63N-23-101; or

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

(2) The amendments to Subsection 63N-3-602(4) in S.B. 221 supersede the amendments to Subsection 63N-23-101(4) in S.B. 39;

(3) Subsection 63N-23-101(33) enacted in S.B. 39 be amended to read:

"(33) "Project area plan" means the same as that term is defined in Section 17C-1-102."; and

(4)(a) Subsection 63N-3-603.1(4)(a) in S.B. 221 and Subsection 63N-23-301(3)(a) in S.B. 39 be amended to read:

"~~[(4)(a)(i)] (3)(a)~~ A convention center reinvestment zone proposal may propose the capture of 100% of the property tax increment and 100% of the sales and use tax ~~[increment]~~ revenue described in Subsection ~~[63N-3-602(38)(b)(i)]~~ 63N-23-101(40)(b)(ii) for a period of 30 years. ~~[(i)For a convention center reinvestment zone in a capital city, in addition to the proposed capture of property tax increment and sales and use tax increment described in Subsection (4)(a)(i), the convention center reinvestment zone may propose the capture of 50% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(i)]."~~

(b) Subsections 63N-23-401(4)(a) and (b) enacted in S.B. 39 be amended to read:

"(4)(a) A convention center reinvestment zone in a capital city proposal may propose the capture of 100% of the property tax increment and 100% of the sales and use tax revenue described in Subsection 63N-23-101(40)(b)(ii) for a period of 30 years.

(b) In addition to the proposed capture of property tax increment and sales and use tax revenue described in Subsection (4)(a), the convention center reinvestment zone in a capital city may propose the capture of 50% of the sales and use tax revenue described in Subsection 63N-23-101(40)(b)(i)."