

Tax Increment Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Steve Eliason

LONG TITLE**General Description:**

This bill modifies requirements for taxing entities that receive tax increment revenue.

Highlighted Provisions:

This bill:

- defines terms;
- modifies when a community reinvestment agency project area is dissolved;
- modifies community reinvestment agency reporting requirements; and
- requires local entities that receive tax increment revenue to provide certain information

annually to the Governor's Office of Economic Opportunity.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

10-21-504 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

11-58-803 (Effective 05/06/26), as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

11-59-208 (Effective 05/06/26) (Repealed 01/01/29), as enacted by Laws of Utah 2022, Chapter 237

11-70-401 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 16

17-80-504 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

17C-1-102 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 16

31 **17C-1-603 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 480

32 **17C-1-702 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 316

33 **17C-1-803 (Effective 05/06/26)**, as last amended by Laws of Utah 2019, Chapter 376

34 **17C-1-805 (Effective 05/06/26)**, as last amended by Laws of Utah 2019, Chapter 376

35 **17C-5-306 (Effective 05/06/26)**, as last amended by Laws of Utah 2021, Chapter 214

36 **17D-4-205 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2021,
37 Chapter 314

38 **63H-1-501 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 514

39 **63N-1a-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 512

40 **63N-3-603.1 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 29

41 **63N-3-607 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 404

42 **63N-3-1606 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 537

43 **63N-3-1708 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 495

44 ENACTS:

45 **17C-1-810 (Effective 05/06/26)**, Utah Code Annotated 1953

46 **63N-1a-308 (Effective 05/06/26)**, Utah Code Annotated 1953

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

49 Section 1. Section **10-21-504** is amended to read:

50 **10-21-504 (Effective 05/06/26). Payment, use, administration, and reporting of**
51 **revenue from a home ownership promotion zone.**

52 (1)(a) A municipality may receive tax increment and use home ownership promotion
53 zone funds in accordance with this section.

54 (b) The maximum amount of time that a municipality may receive and use tax increment
55 in accordance with a home ownership promotion zone is 15 consecutive years.

56 (2) A county that collects property tax on property located within a home ownership
57 promotion zone shall, in accordance with Section 59-2-1365, distribute 60% of the tax
58 increment collected from property within the home ownership promotion zone to the
59 municipality over the home ownership promotion zone to be used as described in this
60 section.

61 (3)(a) Tax increment distributed to a municipality in accordance with Subsection (2) is
62 not revenue of the taxing entity or municipality, but home ownership promotion zone
63 funds.

64 (b) Home ownership promotion zone funds may be administered by an agency created

by the municipality within which the home ownership promotion zone is located.

(c) Before an agency may receive home ownership promotion zone funds from a municipality, the agency shall enter into an interlocal agreement with the municipality.

(4)(a) A municipality or agency shall use home ownership promotion zone funds within, or for the direct benefit of, the home ownership promotion zone.

(b) If any home ownership promotion zone funds will be used outside of the home ownership promotion zone, the legislative body of the municipality shall make a finding that the use of the home ownership promotion zone funds outside of the home ownership promotion zone will directly benefit the home ownership promotion zone.

(5) A municipality or agency shall use home ownership promotion zone funds to achieve the purposes described in Section 10-21-502 by paying all or part of the costs of any of the following:

(a) project improvement costs;

(b) systems improvement costs;

(c) water exaction costs;

(d) street lighting costs;

(e) environmental remediation costs; or

(f) the costs of the municipality or agency to create and administer the home ownership promotion zone, which may not exceed 3% of the total home ownership promotion zone funds.

(6) Home ownership promotion zone funds may be paid to a participant, if the municipality and participant enter into a participation agreement which requires the participant to utilize the home ownership promotion zone funds as allowed in this section.

(7) Home ownership promotion zone funds may be used to pay all of the costs of bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

(8) A municipality may:

(a) create one or more public infrastructure districts within a home ownership promotion zone under Title 17D, Chapter 4, Public Infrastructure District Act; and

(b) pledge and utilize the home ownership promotion zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

(9) A municipality, agency, or public infrastructure district that receives tax increment shall comply with the reporting requirements in Section 63N-1a-308.

Section 2. Section **11-58-803** is amended to read:

11-58-803 (Effective 05/06/26). Port authority reporting.

- (1)(a) On or before November 1 of each year, the authority shall prepare and file a report with the county auditor of each county in which the authority jurisdictional land is located, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the authority collects property tax differential.
- (b) The requirement of Subsection (1)(a) to file a copy of the report with the state as a taxing entity is met if the authority files a copy with the State Tax Commission and the state auditor.
- (2) Each report under Subsection (1) shall contain:
- (a) an estimate of the property tax differential to be paid to the authority for the calendar year ending December 31; and
- (b) an estimate of the property tax differential to be paid to the authority for the calendar year beginning the next January 1.
- (3) Before November 30 of each year, the board shall present a report to the Executive Appropriations Committee of the Legislature, as the Executive Appropriations Committee directs, that includes:
- (a) an accounting of how authority funds have been spent, including funds spent on the environmental sustainability component of the authority business plan under Subsection 11-58-202(1)(a);
- (b) an update about the progress of the development and implementation of the authority business plan under Subsection 11-58-202(1)(a), including the development and implementation of the environmental sustainability component of the plan; and
- (c) an explanation of the authority's progress in achieving the policies and objectives described in Subsection 11-58-203(1).
- (4) The authority shall comply with the reporting requirements in Section 63N-1a-308.

Section 3. Section **11-59-208** is amended to read:

11-59-208 (Effective 05/06/26) (Repealed 01/01/29). Portion of property tax augmentation to be paid to authority -- Reporting.

- (1) As used in this section:
- (a) "Base taxable value" means the taxable value in the year before the transfer date.
- (b) "Property tax augmentation":
- (i) means the amount of property tax that is the difference between:

- 133 (A) the amount of property tax revenues generated each tax year by all taxing
134 entities from a transferred parcel, using the current assessed value of the
135 property; and
- 136 (B) the amount of property tax revenues that would be generated from that same
137 transferred parcel using the base taxable value of the property; and
- 138 (ii) does not include property tax revenue from:
- 139 (A) a county additional property tax or multicounty assessing and collecting levy
140 imposed in accordance with Section 59-2-1602;
- 141 (B) a judgment levy imposed by a taxing entity under Section 59-2-1328 or
142 59-2-1330; or
- 143 (C) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
144 obligation bond.
- 145 (c) "Transfer date" means the date that fee title to land that is part of the point of the
146 mountain state land is transferred to a private person.
- 147 (d) "Transferred parcel" means a parcel of land:
- 148 (i) that is part of the point of the mountain state land; and
- 149 (ii) the fee title to which has been transferred to a private person.
- 150 (2) Beginning January 1, 2023, the authority shall be paid 75% of property tax
151 augmentation from a transferred parcel:
- 152 (a) for a period of 25 years beginning January 1 of the year immediately following the
153 transfer date for the transferred parcel; and
- 154 (b) for a period of an additional 15 years beyond the period stated in Subsection (2)(a) if:
- 155 (i) the board determines by resolution that the additional years will produce a
156 significant benefit to the authority; and
- 157 (ii) the resolution is adopted before the end of the 25-year period under Subsection
158 (2)(a).
- 159 (3) A county that collects property tax on property within the county in which the point of
160 the mountain state land is located shall pay and distribute to the authority the amount of
161 property tax augmentation that the authority is entitled to collect under Subsection (2), in
162 the manner and at the time provided in Section 59-2-1365.
- 163 (4) The authority shall comply with the reporting requirements in Section 63N-1a-308.
- 164 Section 4. Section **11-70-401** is amended to read:
- 165 **11-70-401 (Effective 05/06/26). Enhanced property tax revenue to be paid to**
166 **fairpark district -- Reporting.**

- (1) Subject to Subsection (5), the fairpark district shall be paid 90% of enhanced property tax revenue generated from each parcel of privately owned land within the fairpark district boundary:
- (a) beginning the tax year that begins on January 1, 2025; and
 - (b) until the transition date for that parcel.
- (2) Subject to Subsection (5), during the payment period the fairpark district shall be paid up to 100% of enhanced property tax revenue:
- (a) generated from designated parcels of privately owned land within a project area; and
 - (b) as the board specifies in a designation resolution adopted in consultation with a qualified owner.
- (3) For purposes of the payment of enhanced property tax revenue under this section, a payment period shall begin, as specified in the designation resolution, on January 1 of a year that begins after the designation resolution is adopted.
- (4)(a) For purposes of this section, the fairpark district may designate an improved portion of a parcel in a project area as a separate parcel.
- (b) A fairpark district designation of an improved portion of a parcel as a separate parcel under Subsection (4)(a) does not constitute a subdivision, as defined in Section 10-20-102 or Section 17-79-102.
- (c) A county recorder shall assign a separate tax identification number to the improved portion of a parcel designated by the fairpark district as a separate parcel under Subsection (4)(a).
- (5) A host municipality shall be paid a minimum of 25% of the enhanced property tax revenue generated by a property tax imposed by the host municipality to reimburse the host municipality for services the host municipality provides to a project area in accordance with Subsection 11-70-206(6)(c), with the exact amount determined in an agreement between the host municipality and the fairpark district.
- (6) The fairpark district shall comply with the reporting requirements in Section 63N-1a-308.
- Section 5. Section **17-80-504** is amended to read:
- 17-80-504 (Effective 05/06/26). Payment, use, administration, and reporting of revenue from a home ownership promotion zone.**
- (1)(a) A county may receive tax increment and use home ownership promotion zone funds in accordance with this section.
- (b) The maximum amount of time that a county may receive and use tax increment collected from a home ownership promotion zone is 15 consecutive years.

- (2) A county that collects property tax on property located within a home ownership promotion zone shall, in accordance with Section 59-2-1365, retain 60% of the tax increment collected from property within the home ownership promotion zone to be used as described in this section.
- (3)(a) Tax increment retained by a county in accordance with Subsection (2) is not revenue of the taxing entity or county, but home ownership promotion zone funds.
- (b) Home ownership promotion zone funds may be administered by an agency created by the county within which the home ownership promotion zone is located.
- (c) Before an agency may receive home ownership promotion zone funds from a county, the agency shall enter into an interlocal agreement with the county.
- (4)(a) A county or agency shall use home ownership promotion zone funds within, or for the direct benefit of, the home ownership promotion zone.
- (b) If any home ownership promotion zone funds will be used outside of the home ownership promotion zone, the legislative body of the county shall make a finding that the use of the home ownership promotion zone funds outside of the home ownership promotion zone will directly benefit the home ownership promotion zone.
- (5) A county or agency shall use home ownership promotion zone funds to achieve the purposes described in Section 17-80-502 by paying all or part of the costs of any of the following:
- (a) project improvement costs;
 - (b) systems improvement costs;
 - (c) water exaction costs;
 - (d) street lighting costs;
 - (e) environmental remediation costs; or
 - (f) the costs of the county to create and administer the home ownership promotion zone, which may not exceed 3% of the total home ownership promotion zone funds.
- (6) Home ownership promotion zone funds may be paid to a participant, if the county and participant enter into a participation agreement which requires the participant to utilize the home ownership promotion zone funds as allowed in this section.
- (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds issued by the county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.
- (8) A county may:
- (a) create one or more public infrastructure districts within home ownership promotion

zone under Title 17D, Chapter 4, Public Infrastructure District Act; and
(b) pledge and utilize the home ownership promotion zone funds to guarantee the
payment of public infrastructure bonds issued by a public infrastructure district.

(9) A county, agency, or public infrastructure district that receives tax increment shall
comply with the reporting requirements in Section 63N-1a-308.

Section 6. Section **17C-1-102** is amended to read:

17C-1-102 (Effective 05/06/26). Definitions.

As used in this title:

~~[(1) "Active project area" means a project area that has not been dissolved in accordance
with Section 17C-1-702.]~~

~~[(2)]~~ (1) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,
that an agency is authorized to receive:

(a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
increment under Subsection 17C-1-403(3);

(b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
increment under Section 17C-1-406;

(c) under a project area budget approved by a taxing entity committee; or

(d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
tax increment.

~~[(3)]~~ (2) "Affordable housing" means housing owned or occupied by a low or moderate
income family, as determined by resolution of the agency.

~~[(4)]~~ (3) "Agency" or "community reinvestment agency" means a separate body corporate
and politic, created under Section 17C-1-201.5 or as a redevelopment agency or
community development and renewal agency under previous law:

(a) that is a political subdivision of the state;

(b) that is created to undertake or promote project area development as provided in this
title; and

(c) whose geographic boundaries are coterminous with:

(i) for an agency created by a county, the unincorporated area of the county; and

(ii) for an agency created by a municipality, the boundaries of the municipality.

~~[(5)]~~ (4) "Agency funds" means money that an agency collects or receives for agency
operations, implementing a project area plan or an implementation plan as defined in
Section 17C-1-1001, or other agency purposes, including:

(a) project area funds;

- (b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development or agency-wide project development as defined in Section 17C-1-1001;
- (c) a contribution, loan, grant, or other financial assistance from any public or private source;
- (d) project area incremental revenue as defined in Section 17C-1-1001; or
- (e) property tax revenue as defined in Section 17C-1-1001.

~~[(6)]~~ (5) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

~~[(7)]~~ (6) "Assessment roll" means the same as that term is defined in Section 59-2-102.

~~[(8)]~~ (7) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.

~~[(9)]~~ (8) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:

- (a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date;
- (b) for a post-June 30, 1993, urban renewal or economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity committee:
- (i) before the date on which the taxing entity committee approves the project area budget; or
- (ii) if taxing entity committee approval is not required for the project area budget, before the date on which the community legislative body adopts the project area plan;
- (c) for a project on an inactive airport site, after the later of:
- (i) the date on which the inactive airport site is sold for remediation and development; or
- (ii) the date on which the airport that operated on the inactive airport site ceased operations; or
- (d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.

303 ~~[(10)]~~ (9) "Basic levy" means the portion of a school district's tax levy constituting the
304 minimum basic levy under Section 59-2-902.

305 ~~[(11)]~~ (10) "Board" means the governing body of an agency, as described in Section
306 17C-1-203.

307 ~~[(12)]~~ (11) "Budget hearing" means the public hearing on a proposed project area budget
308 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget,
309 Subsection 17C-3-201(2)(d) for an economic development project area budget, or
310 Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.

311 ~~[(13)]~~ (12) "Closed military base" means land within a former military base that the Defense
312 Base Closure and Realignment Commission has voted to close or realign when that
313 action has been sustained by the president of the United States and Congress.

314 ~~[(14)]~~ (13) "Combined incremental value" means the combined total of all incremental
315 values from all project areas, except project areas that contain some or all of a military
316 installation or inactive industrial site, within the agency's boundaries under project area
317 plans and project area budgets at the time that a project area budget for a new project
318 area is being considered.

319 ~~[(15)]~~ (14) "Community" means a county or municipality.

320 ~~[(16)]~~ (15) "Community development project area plan" means a project area plan adopted
321 under Chapter 4, Part 1, Community Development Project Area Plan.

322 ~~[(17)]~~ (16) "Community legislative body" means the legislative body of the community that
323 created the agency.

324 ~~[(18)]~~ (17) "Community reinvestment project area plan" means a project area plan adopted
325 under Chapter 5, Part 1, Community Reinvestment Project Area Plan.

326 ~~[(19)]~~ (18) "Contest" means to file a written complaint in a court with jurisdiction under
327 Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is
328 located if the action is filed in the district court.

329 ~~[(20)]~~ (19) "Development impediment" means a condition of an area that meets the
330 requirements described in Section 17C-2-303 for an urban renewal project area or
331 Section 17C-5-405 for a community reinvestment project area.

332 ~~[(21)]~~ (20) "Development impediment hearing" means a public hearing regarding whether a
333 development impediment exists within a proposed:

- 334 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
335 17C-2-302; or
336 (b) community reinvestment project area under Section 17C-5-404.

337 ~~[(22)]~~ (21) "Development impediment study" means a study to determine whether a
338 development impediment exists within a survey area as described in Section 17C-2-301
339 for an urban renewal project area or Section 17C-5-403 for a community reinvestment
340 project area.

341 (22) "Dormancy period" means a period that ends six months after the project area funds
342 collection period ends.

343 ~~[(23)]~~ (23) "Dormancy period extension hearing" means the public hearing on a proposed
344 extension of a dormancy period required under Subsection 17C-1-702(2)(a).

345 ~~[(23)]~~ (24) "Economic development project area plan" means a project area plan adopted
346 under Chapter 3, Part 1, Economic Development Project Area Plan.

347 ~~[(24)]~~ (25) "Fair share ratio" means the ratio derived by:

348 (a) for a municipality, comparing the percentage of all housing units within the
349 municipality that are publicly subsidized income targeted housing units to the
350 percentage of all housing units within the county in which the municipality is located
351 that are publicly subsidized income targeted housing units; or

352 (b) for the unincorporated part of a county, comparing the percentage of all housing
353 units within the unincorporated county that are publicly subsidized income targeted
354 housing units to the percentage of all housing units within the whole county that are
355 publicly subsidized income targeted housing units.

356 ~~[(25)]~~ (26) "Family" means the same as that term is defined in regulations of the United
357 States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as
358 amended or as superseded by replacement regulations.

359 ~~[(26)]~~ (27) "Greenfield" means land not developed beyond agricultural, range, or forestry
360 use.

361 ~~[(27)]~~ (28) "Hazardous waste" means any substance defined, regulated, or listed as a
362 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant,
363 contaminant, or toxic substance, or identified as hazardous to human health or the
364 environment, under state or federal law or regulation.

365 ~~[(28)]~~ (29) "Housing allocation" means project area funds allocated for housing under
366 Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section
367 17C-1-412.

368 ~~[(29)]~~ (30) "Housing fund" means a fund created by an agency for purposes described in
369 Section 17C-1-411 or 17C-1-412 that is comprised of:

370 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,

or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes described in Section 17C-1-411; or

(b) an agency's housing allocation.

~~[(30)]~~ (31)(a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

(A)(I) that is no longer in operation as an airport; or

(II)(Aa) that is scheduled to be decommissioned; and

(Bb) for which a replacement commercial service airport is under construction; and

(B) that is owned or was formerly owned and operated by a public entity; and

(iii) requires remediation because:

(A) of the presence of hazardous waste or solid waste; or

(B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service, water system, and sewer system, needed to support development of the site.

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in ~~[Subsection (30)(a)]~~ Subsection (31)(a).

~~[(31)]~~ (32)(a) "Inactive industrial site" means land that:

(i) consists of at least 1,000 acres;

(ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and

(iii) requires remediation because of the presence of hazardous waste or solid waste.

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in ~~[Subsection (31)(a)]~~ Subsection (32)(a).

~~[(32)]~~ (33) "Income targeted housing" means housing that is:

(a) owned and occupied by a family whose annual income is at or below 120% of the median annual income for a family within the county in which the housing is located; or

(b) occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.

~~[(33)]~~ (34) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to

the agency.

~~[(34)]~~ (35) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

~~[(35)]~~ (36)(a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:

(i) a fire station;

(ii) a police station;

(iii) a city hall; or

(iv) a court or other judicial building.

(b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.

~~[(36)]~~ (37) "Low-income individual" means the same as that term is defined in Section 35A-8-504.5.

~~[(37)]~~ (38) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.

~~[(38)]~~ (39) "Marginal value" means the difference between actual taxable value and base taxable value.

~~[(39)]~~ (40) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.

~~[(40)]~~ (41) "Municipality" means a city or town.

~~[(41)]~~ (42) "Non-profit housing fund" means:

(a) an organization that meets the definition of "housing organization" in Section 35A-8-2401;

(b) a registered nonprofit that assists veterans or individuals who work in public service to achieve homeownership in the state;

(c) a registered nonprofit that:

(i) assists low-income individuals or families who would qualify for income targeted housing to achieve homeownership in the state; and

(ii) provides direct support to help a low-income individual or a family eligible for income targeted housing to retain ownership of a home, including through rehabilitation services, lending for rehabilitation, or foreclosure mitigation counseling that results in retention of the home, refinancing, or a reverse mortgage;

(d) a registered nonprofit that partners with a community to promote affordable housing for the workforce in that community; or

(e) a registered nonprofit established to administer housing programs on behalf of an association representing 10 or more counties in the state.

~~[(42)]~~ (43) "Participant" means one or more persons that enter into a participation agreement with an agency.

~~[(43)]~~ (44) "Participation agreement" means a written agreement between a person and an agency under Subsection 17C-1-202(5).

~~[(44)]~~ (45) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project area plan.

~~[(45)]~~ (46) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993, and before May 10, 2016, whether or not amended ~~[subsequent to]~~ after the project area plan's adoption.

~~[(46)]~~ (47) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993, whether or not amended ~~[subsequent to]~~ after the project area plan's adoption.

~~[(47)]~~ (48) "Private," with respect to real property, means property not owned by a public entity or any other governmental entity.

~~[(48)]~~ (49) "Project area" means the geographic area described in a project area plan within which the project area development described in the project area plan takes place or is proposed to take place.

~~[(49)]~~ (50) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a project area prepared in accordance with:

(a) for an urban renewal project area, Section 17C-2-201;

(b) for an economic development project area, Section 17C-3-201;

(c) for a community development project area, Section 17C-4-204; or

(d) for a community reinvestment project area, Section 17C-5-302.

~~[(50)]~~ (51) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:

- (a) promoting, creating, or retaining public or private jobs within the state or a community;
- (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;
- (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- (f) providing open space, including streets or other public grounds or space around buildings;
- (g) providing public or private buildings, infrastructure, structures, or improvements;
- (h) relocating a business;
- (i) improving public or private recreation areas or other public grounds;
- (j) eliminating a development impediment or the causes of a development impediment;
- (k) redevelopment as defined under the law in effect before May 1, 2006; or
- (l) any activity described in this ~~[Subsection (50)]~~ Subsection (51) outside of a project area that the board determines to be a benefit to the project area.

~~[(51)]~~ (52) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.

~~[(52)]~~ (53) "Project area funds collection period" means the period of time that:

- (a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement; and
- (b) ends the day on which the last payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement.

~~[(53)]~~ (54) "Project area plan" means an urban renewal project area plan, an economic development project area plan, a community development project area plan, or a community reinvestment project area plan that, after the project area plan's effective date, guides and controls the project area development.

507 [(54)] (55)(a) "Property tax" means each levy on an ad valorem basis on tangible or
508 intangible personal or real property.

509 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
510 Tax.

511 [(55)] (56) "Public entity" means:

512 (a) the United States, including an agency of the United States;

513 (b) the state, including any of the state's departments or agencies; or

514 (c) a political subdivision of the state, including a county, municipality, school district,
515 special district, special service district, community reinvestment agency, or interlocal
516 cooperation entity.

517 [(56)] (57) "Publicly owned infrastructure and improvements" means water, sewer, storm
518 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,
519 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
520 facilities, or other facilities, infrastructure, and improvements benefitting the public and
521 to be publicly owned or publicly maintained or operated.

522 [(57)] (58) "Record property owner" or "record owner of property" means the owner of real
523 property, as shown on the records of the county in which the property is located, to
524 whom the property's tax notice is sent.

525 [(58)] (59) "Sales and use tax revenue" means revenue that is:

526 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and

527 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

528 [(59)] (60) "Superfund site":

529 (a) means an area included in the National Priorities List under the Comprehensive
530 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.
531 9605; and

532 (b) includes an area formerly included in the National Priorities List, as described in [
533 ~~Subsection (59)(a)] Subsection (60)(a), but removed from the list following
534 remediation that leaves on site the waste that caused the area to be included in the
535 National Priorities List.~~

536 [(60)] (61) "Survey area" means a geographic area designated for study by a survey area
537 resolution to determine whether:

538 (a) one or more project areas within the survey area are feasible; or

539 (b) a development impediment exists within the survey area.

540 [(61)] (62) "Survey area resolution" means a resolution adopted by a board that designates a

541 survey area.

542 [(62)] (63) "Taxable value" means:

- 543 (a) the taxable value of all real property a county assessor assesses in accordance with
544 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
545 (b) the taxable value of all real and personal property the commission assesses in
546 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
547 year; and
548 (c) the year end taxable value of all personal property a county assessor assesses in
549 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
550 prior year's tax rolls of the taxing entity.

551 [(63)] (64)(a) "Tax increment" means the difference between:

- 552 (i) the amount of property tax revenue generated each tax year by a taxing entity from
553 the area within a project area designated in the project area plan as the area from
554 which tax increment is to be collected, using the current assessed value of the
555 property and each taxing entity's current certified tax rate as defined in Section
556 59-2-924; and
557 (ii) the amount of property tax revenue that would be generated from that same area
558 using the base taxable value of the property and each taxing entity's current
559 certified tax rate as defined in Section 59-2-924.

560 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
561 on or after January 1, 1994, upon the taxable property in the project area unless:

- 562 (i) the project area plan was adopted before May 4, 1993, whether or not the project
563 area plan was subsequently amended; and
564 (ii) the taxes were pledged to support bond indebtedness or other contractual
565 obligations of the agency.

566 [(64)] (65) "Taxing entity" means a public entity that:

- 567 (a) levies a tax on property located within a project area; or
568 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

569 [(65)] (66) "Taxing entity committee" means a committee representing the interests of
570 taxing entities, created in accordance with Section 17C-1-402.

571 [(66)] (67) "Unincorporated" means not within a municipality.

572 [(67)] (68) "Urban renewal project area plan" means a project area plan adopted under
573 Chapter 2, Part 1, Urban Renewal Project Area Plan.

574 [(68)] (69) "Veteran" means the same as that term is defined in Section 68-3-12.5.

Section 7. Section **17C-1-603** is amended to read:

17C-1-603 (Effective 05/06/26). Reporting requirements -- Governor's Office of Economic Opportunity to maintain a database.

(1) As used in this section:

(a) "Database" means the ~~[collection of electronic data described in Subsection (2)(a)]~~
same as that term is defined in Section 63N-1a-308.

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

(c) "Office website" means a public website maintained by the office.

~~[(2) The office shall:]~~

~~[(a) create and maintain electronic data to track information for each agency located
within the state; and]~~

~~[(b) make the database publicly accessible from the office website.]~~

~~[(3)(a) The office may:]~~

~~[(i) contract with a third party to create and maintain the database; and]~~

~~[(ii) charge a fee for a county, city, or agency to provide information to the database.]~~

~~[(b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, to establish a fee schedule for the fee described in
Subsection (3)(a)(ii).]~~

~~[(4)]~~ (2) On or before June 30 of each year, an agency shall, for each ~~[active]~~ approved
project area for which the project area funds collection period has not expired, submit to
the office for inclusion in the office's database the following information:

(a) an assessment of the change in marginal value from the base year assessed value,
including:

~~[(i) the base year;]~~

~~[(ii)]~~ (i) the estimated current assessed value;

~~[(iii)]~~ (ii) the percentage change in marginal value; and

~~[(iv)]~~ (iii) a narrative description of the relative growth in assessed value;

(b) except as provided in Subsection (2)(c), the amount of project area funds the agency
received in the previous year and the amount of project area funds the agency spent
for each year of the project area funds collection period, broken down by the
applicable budget or funds analysis category described in [Subsection (4)(d)]
Subsection (2)(e), including:

(i) a comparison of the actual project area funds received and spent for each year to
the amount of project area funds forecasted for each year when the project area

- 609 was created, if available;
- 610 (ii)~~(A)~~ the agency's historical receipts and expenditures of project area funds,
- 611 including the tax year for which the agency first received project area funds
- 612 from the project area; ~~or~~
- 613 ~~[(B) if the agency has not yet received project area funds from the project area, the~~
- 614 ~~year in which the agency expects each project area funds collection period to~~
- 615 ~~begin;]~~
- 616 (iii)~~(A)~~ a list of each taxing entity that levies or imposes a tax within the project
- 617 area; ~~[and-]~~
- 618 ~~(B)~~ a description of the benefits that each taxing entity receives from the project
- 619 area; and
- 620 ~~(C) the percent of marginal value that each taxing entity provides to the project~~
- 621 ~~area; and~~
- 622 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 623 (c) if the agency has not yet received project area funds from an approved project area:
- 624 (i) the year in which the agency expects each project area funds collection period to
- 625 begin;
- 626 (ii) a list of each taxing entity that levies or imposes a tax within the project area;
- 627 (iii) a description of the benefits that each taxing entity is expected to receive from
- 628 the project area; and
- 629 (iv) the percent of marginal value that each taxing entity provides to the project area;
- 630 ~~[(e)]~~ (d) a description of current and anticipated project area development, including:
- 631 (i) ~~[a narrative of-]~~any significant project area development, including infrastructure
- 632 development, site development, participation agreements, or vertical construction;
- 633 and
- 634 (ii) other details of agency action and development within the project area, including:
- 635 (A) the total acreage developed ~~[acreage]~~ after the agency established the project
- 636 area;
- 637 (B) the total undeveloped acreage the agency expects will be developed before the
- 638 project area is dissolved;
- 639 (C) the percentage of residential development; and
- 640 (D) the total number of housing units authorized, if applicable;
- 641 ~~[(d)]~~ (e) the project area budget, if applicable, or other project area funds analyses, with
- 642 receipts and expenditures categorized by the type of receipt and expenditure related

to the development performed or to be performed under the project area plan,
including:

(i) each project area funds collection period, including:

(A) the start and end date of the project area funds collection period; and

(B) the number of years remaining in each project area funds collection period;

(ii) the amount of project area funds the agency is authorized to receive from the
project area cumulatively and from each taxing entity, including:

(A) the total dollar amount; and

(B) the percentage of the total amount of project area funds generated within the
project area;

(iii) the remaining amount of project area funds the agency is authorized to receive
from the project area, cumulatively and from each taxing entity; and

(iv) the amount of project area funds the agency is authorized to use to pay for the
agency's administrative costs, as described in Subsection 17C-1-409(1), including:

(A) the total dollar amount; and

(B) the percentage of the total amount of all project area funds;

~~[(e)]~~ (f) the estimated amount of project area funds that the agency is authorized to
receive from the project area for the current calendar year;

~~[(f)]~~ (g) the estimated amount of project area funds to be paid to the agency for the next
calendar year;

~~[(g)]~~ (h) a map of the project area;

~~[(h)]~~ (i) a description of how the goals, policies, and purposes of the project area plan
have been furthered during the preceding year; and

~~[(i)]~~ (j) any other relevant information the agency elects to provide.

~~[(5)]~~ (3) An agency with no ~~[active-]~~ approved project area shall, no later than June 30 of
each year until the agency is dissolved under Section 17C-1-701.5, submit a report to the
office stating that the agency has no ~~[active]~~ approved project area.

~~[(6)]~~ (4) Any information an agency submits in accordance with this section:

(a) is for informational purposes only; and

(b) does not alter the amount of project area funds that an agency is authorized to receive
from a project area.

~~[(7)]~~ (5) The provisions of this section apply regardless of when the agency or project area is
created.

~~[(8) On or before September 1 of each year, the office shall prepare and submit an annual~~

written report to the Political Subdivisions Interim Committee that identifies the agencies that complied and the agencies that failed to comply with the reporting requirements of this section during the preceding reporting period.]

~~[(9)]~~ (6)(a) If, by September 30 of the year the information is due, the office does not receive the information that an agency is required to submit under ~~[Subsection (4)]~~ Subsection (2), the office shall:

- (i) refer the noncompliant agency to the state auditor for review; and
- (ii) post a notice on the office website identifying the noncompliant agency and describing the agency's noncompliance.

~~[(b)]~~ If the office does not receive a report an agency is required to submit under Subsection (5), the office shall refer the noncompliant agency to the state auditor for review.]

~~[(e)]~~ (b) If, for two consecutive years, the office does not receive information an agency is required to submit under ~~[Subsection (4)]~~ Subsection (2):

- (i) the office shall, no later than July 31 of the second consecutive year, notify the auditor and treasurer of the county in which the noncompliant agency is located of the agency's noncompliance; and
- (ii) upon receiving the notice described in ~~[Subsection (9)(e)(i)]~~ Subsection (6)(b)(i), the county treasurer shall withhold from the agency 20% of the amount of tax increment the agency is otherwise entitled to receive.

~~[(d)]~~ (c) If, after having funds withheld under ~~[Subsection (9)(e)(ii)]~~ Subsection (6)(b)(ii), an agency complies with ~~[Subsection (4)]~~ Subsection (2):

- (i) the office shall notify the county auditor and treasurer that the agency has complied with ~~[the requirement of Subsection (4)]~~ Subsection (2); and
- (ii) the county treasurer shall disburse the withheld funds to the agency.

Section 8. Section **17C-1-702** is amended to read:

17C-1-702 (Effective 05/06/26). Project area dissolution -- Dormancy period extension -- Use of unexpended funds for housing.

(1) Except as provided in Subsection (2) or (3), a project area is dissolved on the day on which the dormancy period ends.

(2) Before the day on which a dormancy period ends, an agency may extend the dormancy period once, for a period not to exceed two years, if:

- (a) the agency holds a public hearing to consider the extension, in accordance with Title 17C, Chapter 1, Part 8, Hearing and Notice Requirements;

- (b) the agency adopts a resolution at the public hearing described in Subsection (2)(a) that includes:
- (i) the name of the project area;
 - (ii) a project area map or boundary description;
 - (iii) a description of the progress the agency has made implementing the project area plan;
 - (iv) a description of the unique circumstances existing in the project area that require that the dormancy period be extended; and
 - (v) the day on which the extended dormancy period will end and the project area will be dissolved; and
- (c) the community legislative body adopts an ordinance that includes the information described in Subsection (2)(b).

~~[(1)]~~ (3) Regardless of when a project area ~~[funds collection]~~ dormancy period ends, ~~[the project area remains in existence until]~~ an agency may dissolve a project area early if:

- (a) the agency adopts a resolution dissolving the project area~~;~~ and that includes:
- (i) the name of the project area; and
 - (ii) a project area map or boundary description; and
- (b) the community legislative body adopts an ordinance dissolving the project area that includes the information described in Subsection (3)(a).

~~[(2) The ordinance described in Subsection (1)(b) shall include:]~~

- ~~[(a) the name of the project area; and]~~
- ~~[(b) a project area map or boundary description.]~~

~~[(3)]~~ (4) Within 30 days after the day on which the community legislative body adopts an ordinance described in ~~[Subsection (1)(b)]~~ Subsection (2)(c) or (3)(b), the community legislative body shall:

- (a) submit a copy of the ordinance to the county recorder of the county in which the ~~dissolved~~ project area is located; and
- (b) mail or electronically submit a copy of the ordinance to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies or imposes a tax on property within the ~~dissolved~~ project area.

~~[(4)(a) As used in this Subsection (4), "dormancy period" means a period that ends the later of:]~~

- ~~[(i) five years after the project area funds collection period ends; and]~~
- ~~[(ii) five years after the effective date of this section.]~~

745 ~~[(b)]~~

746 (5) If a legislative body adopts an ordinance described in Subsection (2)(b), the agency
747 shall include a copy of the ordinance in the information the agency is required to submit
748 to the Governor's Office of Economic Opportunity under Section 17C-1-603.

749 (6) An agency with project area funds remaining at the end of the dormancy period shall [
750 ~~use the unexpended funds as provided in Subsection 17C-1-412(1)(b)] return a~~
751 proportionate share of the unexpended funds to each taxing entity.

752 Section 9. Section **17C-1-803** is amended to read:

753 **17C-1-803 (Effective 05/06/26). Continuing a hearing.**

754 Subject to Section 17C-1-804, the board may continue:

- 755 (1) a development impediment hearing;
756 (2) a plan hearing;
757 (3) a budget hearing; ~~[or]~~
758 (4) a dormancy period extension hearing; or
759 ~~[(4)]~~ (5) a combined hearing under Section 17C-1-802.

760 Section 10. Section **17C-1-805** is amended to read:

761 **17C-1-805 (Effective 05/06/26). Agency to provide notice of hearings.**

- 762 (1) Each agency shall provide notice, in accordance with this part, of each:
763 (a) development impediment hearing;
764 (b) plan hearing; ~~[or]~~
765 (c) budget hearing; or
766 (d) dormancy period extension hearing.
767 (2) The notice required under Subsection (1) may be combined with the notice required for
768 any of the other hearings if the hearings are combined under Section 17C-1-802.

769 Section 11. Section **17C-1-810** is enacted to read:

770 **17C-1-810 (Effective 05/06/26). Additional requirements for notice of a**
771 **dormancy period extension hearing.**

772 Each notice under Section 17C-1-806 of a dormancy period extension hearing shall
773 include a statement that an individual who objects to the proposed dormancy period extension
774 may appear before the board at the hearing to explain why the individual believes the proposed
775 dormancy period should not be extended.

776 Section 12. Section **17C-5-306** is amended to read:

777 **17C-5-306 (Effective 05/06/26). Amending a community reinvestment project**
778 **area budget.**

- 779 (1) Except as provided in Section 17C-1-1002 and before a project area funds collection
780 period ends, an agency may amend a community reinvestment project area budget in
781 accordance with this section.
- 782 (2) To amend a community reinvestment project area budget, an agency shall:
- 783 (a) provide notice and hold a public hearing on the proposed amendment in accordance
784 with Chapter 1, Part 8, Hearing and Notice Requirements;
- 785 (b)(i) if the community reinvestment project area budget required approval from a
786 taxing entity committee, obtain the taxing entity committee's approval; or
787 (ii) if the community reinvestment project area budget required an interlocal
788 agreement with a taxing entity, obtain approval from the taxing entity that is a
789 party to the interlocal agreement; and
- 790 (c) at the public hearing described in Subsection (2)(a) or at a subsequent board meeting,
791 by resolution, adopt the community reinvestment project area budget amendment.
- 792 (3) If an agency proposes a community reinvestment project area budget amendment under
793 which the agency is paid a greater proportion of tax increment from the community
794 reinvestment project area than provided under the community reinvestment project area
795 budget, the notice described in Subsection (2)(a) shall state:
- 796 (a) the percentage of tax increment paid under the community reinvestment project area
797 budget; and
- 798 (b) the proposed percentage of tax increment paid under the community reinvestment
799 project area budget amendment.
- 800 (4)(a) If an agency proposes a community reinvestment project area budget amendment
801 that extends a project area funds collection period, before a taxing entity committee
802 or taxing entity may provide the taxing entity committee's or taxing entity's approval
803 described in Subsection (2)(b), the agency shall provide to the taxing entity
804 committee or taxing entity:
- 805 (i) the reasons why the extension is required;
- 806 (ii) a description of the project area development for which project area funds
807 received by the agency under the extension will be used;
- 808 (iii) a statement of whether the project area funds received by the agency under the
809 extension will be used within an [active] approved project area or a proposed
810 project area; and
- 811 (iv) a revised community reinvestment project area budget that includes:
- 812 (A) the annual and total amounts of project area funds that the agency receives

- 813 under the extension; and
- 814 (B) the number of years that are added to each project area funds collection period
- 815 under the extension.
- 816 (b) With respect to an amendment described in Subsection (4)(a), a taxing entity
- 817 committee or taxing entity may consent to:
- 818 (i) allow an agency to use project area funds received under an extension within a
- 819 different project area from which the project area funds are generated; or
- 820 (ii) alter the base taxable value in connection with a community reinvestment project
- 821 area budget extension.
- 822 (5) If an agency proposes a community reinvestment project area budget amendment that
- 823 reduces the base taxable value of the project area due to the removal of a parcel under
- 824 Subsection 17C-5-112(5)(b), an agency may amend a project area budget without:
- 825 (a) complying with Subsection (2)(a); and
- 826 (b) obtaining taxing entity committee or taxing entity approval described in Subsection
- 827 (2)(b).
- 828 (6)(a) A person may contest an agency's adoption of a community reinvestment project
- 829 area budget amendment within 30 days after the day on which the agency adopts the
- 830 community reinvestment project area budget amendment.
- 831 (b) After the 30-day period described in Subsection (6)(a), a person may not contest:
- 832 (i) the agency's adoption of the community reinvestment project area budget
- 833 amendment;
- 834 (ii) a payment to the agency under the community reinvestment project area budget
- 835 amendment; or
- 836 (iii) the agency's use of project area funds received under the community
- 837 reinvestment project area budget amendment.

838 Section 13. Section **17D-4-205** is amended to read:

839 **17D-4-205 (Effective 05/06/26). Transparency -- Reporting.**

- 840 (1) A public infrastructure district shall file annual reports with the creating entity
- 841 regarding the public infrastructure district's actions as provided in the governing
- 842 document.
- 843 (2) A public infrastructure district shall comply with the reporting requirements in Section
- 844 63N-1a-308.

845 Section 14. Section **63H-1-501** is amended to read:

846 **63H-1-501 (Effective 05/06/26). Authority receipt and use of property tax**

allocation -- Contractual annual payment -- Distribution of property tax allocation.

(1)(a) The authority may:

(i) subject to Subsection (1)(b):

(A) receive up to 75% of the property tax allocation for up to 25 years, as provided in this part; and

(B) after the time period described in Subsection (1)(a)(i)(A) expires, receive up to 75% of the property tax allocation for up to 15 years, if the board determines the additional years will produce significant benefit; and

(ii) use the property tax allocation before, during, and after the period described in Subsection (1)(a)(i).

(b) With respect to a parcel located within a project area, the 25-year period described in Subsection (1)(a)(i)(A) begins on the day on which the authority receives the first property tax allocation from that parcel.

(2)(a) For purposes of Subsection (1)(b), the authority may designate an improved portion of a parcel in a project area as a separate parcel.

(b) An authority designation of an improved portion of a parcel as a separate parcel under Subsection (2)(a) is for purposes of Subsection (1)(b) only and does not constitute a subdivision for any other purpose.

(c) A county recorder shall assign a separate tax identification number to the improved portion of a parcel designated by the authority as a separate parcel under Subsection (2)(a).

(3) Improvements on a parcel within a project area become subject to property tax on January 1 immediately following the day on which the authority or an entity designated by the authority issues a certificate of occupancy with respect to those improvements.

(4)(a) If the authority or an entity designated by the authority has not issued a certificate of occupancy for a private parcel within a project area, the private parcel owner shall make an annual payment to the authority:

(i) that is equal to 1.2% of the taxable value of the parcel above the base taxable value of the parcel; and

(ii) until the parcel becomes subject to the property tax described in Subsection (3).

(b) The authority may use the revenue from payments described in Subsection (4)(a) for any purpose described in Subsection 63H-1-502(1).

(c) The authority may submit for recording to the office of the recorder of the county in which a private parcel described in Subsection (4)(a) is located:

- 881 (i) a copy of an agreement between the authority and the private parcel owner that
882 memorializes the payment obligation under Subsection (4)(a); or
883 (ii) a notice that describes the payment obligation under Subsection (4)(a).
- 884 (d) An owner of a private parcel described in Subsection (4)(a) may not be required to
885 make a payment that exceeds or is in addition to the payment described in Subsection
886 (4)(a)(i) until the private parcel becomes subject to the property tax described in
887 Subsection (3).
- 888 (e) Upon the transfer of title of a private parcel described in Subsection (4)(a), the
889 amount of the annual payment required under Subsection (4)(a) shall be:
890 (i) treated the same as a property tax; and
891 (ii) prorated between the previous owner and the owner who acquires title from the
892 previous owner.
- 893 (f) A person who fails to pay or is delinquent in paying an annual payment described in
894 Subsection (4)(a) is subject to the same penalties and interest as the failure or
895 delinquent payment of a property tax in accordance with Title 59, Chapter 2, Property
896 Tax Act.
- 897 (g) A county treasurer shall:
898 (i) include the annual payment described in Subsection (4)(a) on a county property
899 tax notice in accordance with Section 59-2-1317; and
900 (ii) collect the annual payment as part of the property tax collection.
- 901 (h) A county auditor shall include the annual payment described in Subsection (4)(a) on
902 the notice of property valuation in accordance with Subsection 59-2-919.1(1).
- 903 (5) Each county that collects property tax on property within a project area shall pay and
904 distribute to the authority the property tax allocation and dedicated tax collections that
905 the authority is entitled to collect under this title, in the manner and at the time provided
906 in Section 59-2-1365.
- 907 (6)(a) The board shall determine by resolution when the entire project area or an
908 individual parcel within a project area is subject to property tax allocation.
- 909 (b) The board shall amend the project area budget to reflect whether a parcel within a
910 project area is subject to property tax allocation.
- 911 (7) The following property owned by the authority is not subject to any property tax under
912 Title 59, Chapter 2, Property Tax Act, or any privilege tax under Title 59, Chapter 4,
913 Privilege Tax, regardless of whether the authority enters into a long-term operating
914 agreement with a privately owned entity under which the privately owned entity agrees

to operate the property:

- (a) a hotel;
- (b) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;
- and
- (c) a commercial condominium unit in a condominium project, as defined in Section 57-8-3.

(8) The authority shall comply with the reporting requirements in Section 63N-1a-308.

Section 15. Section **63N-1a-102** is amended to read:

63N-1a-102 (Effective 05/06/26). Definitions.

As used in this title:

- (1) "Base taxable value" means the taxable value for a project area, during a period specified in the statute applicable to the project area, that reflects the revenue received by a taxing entity before tax increment revenue begins to be collected for the project area.
- (2) "Baseline jobs" means the number of full-time employee positions that existed within a business entity in the state before the date on which a project related to the business entity is approved by the office or by the GOEO board.
- ~~[(2)]~~ (3) "Baseline state revenue" means the amount of state tax revenue collected from a business entity or the employees of a business entity during the year before the date on which a project related to the business entity is approved by the office or by the GOEO board.
- ~~[(3)]~~ (4) "Economic opportunity agency" includes:
 - (a) the Department of Workforce Services;
 - (b) the Department of Cultural and Community Engagement;
 - (c) the Department of Commerce;
 - (d) the Department of Natural Resources;
 - (e) the Office of Energy Development;
 - (f) the State Board of Education;
 - (g) institutions of higher education;
 - (h) the Utah Multicultural Commission;
 - (i) the World Trade Center Utah;
 - (j) local government entities;
 - (k) associations of governments;
 - (l) the Utah League of Cities and Towns;

- (m) the Utah Association of Counties;
- (n) the Economic Development Corporation of Utah;
- (o) the Small Business Administration;
- (p) chambers of commerce;
- (q) industry associations;
- (r) small business development centers; and
- (s) other entities identified by the commission or the executive director.

~~[(4)]~~ (5) "Executive director" means the executive director of the office.

~~[(5)]~~ (6) "Full-time employee" means an employment position that is filled by an employee who works at least 30 hours per week and:

- (a) may include an employment position filled by more than one employee, if each employee who works less than 30 hours per week is provided benefits comparable to a full-time employee; and
- (b) may not include an employment position that is shifted from one jurisdiction in the state to another jurisdiction in the state.

~~[(6)]~~ (7) "GOEO board" means the Board of Economic Opportunity created in Section 63N-1a-401.

~~[(7)]~~ (8) "High paying job" means a newly created full-time employee position where the aggregate average annual gross wage of the employment position, not including health care or other paid or unpaid benefits, is:

- (a) at least 110% of the average wage of the county in which the employment position exists; or
- (b) for an employment position related to a project described in Chapter 2, Part 1, Economic Development Tax Increment Financing, and that is located within the boundary of a county of the third, fourth, fifth, or sixth class, or located within a municipality in a county of the second class and where the municipality has a population of 10,000 or less:
 - (i) at least 100% of the average wage of the county in which the employment position exists; or
 - (ii) an amount determined by rule made by the office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the office determines the project is in a county experiencing economic distress.

~~[(8)]~~ (9)(a) "Incremental job" means a full-time employment position in the state that:

- (i) did not exist within a business entity in the state before the beginning of a project

- 983 related to the business entity; and
- 984 (ii) is created in addition to the number of baseline jobs that existed within a business
- 985 entity.
- 986 (b) "Incremental job" includes a full-time employment position where the employee is
- 987 hired:
- 988 (i) directly by a business entity; or
- 989 (ii) by a professional employer organization, as defined in Section 31A-40-102, on
- 990 behalf of a business entity.
- 991 [(9)] (10) "New state revenue" means the state revenue collected from a business entity or a
- 992 business entity's employees during a calendar year minus the baseline state revenue
- 993 calculation.
- 994 [(10)] (11) "Office" or "GOEO" means the Governor's Office of Economic Opportunity.
- 995 [(11)] (12) "State revenue" means state tax liability paid by a business entity or a business
- 996 entity's employees under any combination of the following provisions:
- 997 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 998 (b) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
- 999 Information;
- 1000 (c) Title 59, Chapter 10, Part 2, Trusts and Estates;
- 1001 (d) Title 59, Chapter 10, Part 4, Withholding of Tax; and
- 1002 (e) Title 59, Chapter 12, Sales and Use Tax Act.
- 1003 [(12)] (13) "State strategic goals" means the strategic goals listed in Section 63N-1a-103.
- 1004 [(13)] (14) "Statewide economic development strategy" means the economic development
- 1005 strategy developed by the office in accordance with Section 63N-1a-301.
- 1006 (15)(a) "Tax increment revenue" means the difference between the tax revenue
- 1007 generated in accordance with Title 59, Chapter 2, Property Tax Act, and Title 59,
- 1008 Chapter 12, Sales and Use Tax Act, from or within a project area during a specified
- 1009 period of time, and the base taxable value for the project area.
- 1010 (b) "Tax increment revenue" includes any concept substantially the same as the concept
- 1011 described in Subsection (15)(a), regardless of the concept's name.
- 1012 [(14)] (16) "Targeted industry" means an industry or group of industries targeted by the
- 1013 office under Section 63N-1a-301, for economic development in the state.
- 1014 Section 16. Section **63N-1a-308** is enacted to read:
- 1015 **63N-1a-308 (Effective 05/06/26). Political subdivision reporting requirements --**
- 1016 **Office to maintain a database.**

(1) As used in this section:

(a) "Agency" means a community reinvestment agency, as defined in Section 17C-1-102.

(b) "Database" means the collection of electronic data described in Subsection (2)(a).

(c)(i) "Local entity" means a political subdivision of the state that receives or plans to receive tax increment revenue for a project area.

(ii) "Local entity" does not include an agency.

(d) "Office website" means a public website maintained by the office.

(e) "Project area" means an area created and designated to receive tax increment revenue according to the terms of an adopted project area plan, project area budget, or interlocal agreement.

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

(g) "Project area plan" means a written plan that, after the plan's effective date, guides and controls the development within a project area.

(h) "Taxing entity" means a public entity that:

(i) levies a tax on property located within a project area; or

(ii) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act, within a project area.

(2) The office shall:

(a) create and maintain electronic data to track:

(i) information that each local entity is required to submit to the office under this section; and

(ii) information that each agency is required to submit to the office under Section 17C-1-603;

(b) summarize and provide analysis of the electronic data; and

(c) make the database publicly accessible from the office website.

(3)(a) The office may:

(i) contract with a third party to create and maintain the database; and

(ii) charge a fee to a local entity and agency to cover the office's cost of complying with Subsection (2).

(b) The office shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

(i) governing how a local entity and agency shall submit the information required in Subsection (4);

- 1051 (ii) governing the form of the information required in Subsection (4); and
- 1052 (iii) to establish a fee schedule for the fee described in Subsection (3)(a)(ii).
- 1053 (4) On or before June 30 of each year, a local entity shall, for each project area for which
- 1054 the local entity receives tax increment revenue, submit to the office for inclusion in the
- 1055 database the following information:
- 1056 (a) an assessment of the change in marginal value from the base year assessed value,
- 1057 including:
- 1058 (i) the estimated current assessed value;
- 1059 (ii) the percentage change in marginal value; and
- 1060 (iii) a narrative description of the relative growth in assessed value;
- 1061 (b) except as provided in Subsection (4)(c), the amount of tax increment revenue the
- 1062 local entity received in the previous year and the amount of funds the local entity
- 1063 spent for each year the local entity received tax increment revenue, broken down by
- 1064 the applicable budget or funds analysis category described in Subsection (4)(d),
- 1065 including:
- 1066 (i) a comparison of the tax increment revenue received and spent for each year to the
- 1067 amount of tax increment revenue forecasted for each year when the local entity
- 1068 created the project area, if available;
- 1069 (ii) the local entity's historical receipts and expenditures of tax increment revenue,
- 1070 including the tax year for which the local entity first received tax increment
- 1071 revenue from the project area; and
- 1072 (iii)(A) a list of each taxing entity that levies or imposes a tax within the project
- 1073 area;
- 1074 (B) a description of the benefits that each taxing entity receives from the project
- 1075 area; and
- 1076 (C) the percent of marginal value that each taxing entity provides to the project
- 1077 area;
- 1078 (c) if the local entity has not yet received tax increment revenue from the approved
- 1079 project area:
- 1080 (i) the year in which the local entity expects to begin receiving tax increment revenue;
- 1081 (ii) a list of each taxing entity that levies or imposes a tax within the project area;
- 1082 (iii) a description of the benefits that each taxing entity is expected to receive from
- 1083 the project area; and
- 1084 (iv) the percent of marginal value that each taxing entity provides to the project area;

- (d) a description of current and anticipated project area development, including:
- (i) any significant project area development, including infrastructure development, site development, participation agreements, or vertical construction; and
 - (ii) other details of local entity action and development within the project area, including:
 - (A) the total acreage developed after the local entity established the project area;
 - (B) the total undeveloped acreage the local entity expects will be developed before the project area is dissolved;
 - (C) the percentage of residential development; and
 - (D) the total number of housing units authorized, if applicable;
- (e) the project area budget, if applicable, or other project area funds analyses, with receipts and expenditures categorized by the type of receipt and expenditure related to the development performed or to be performed under the project area plan, including:
- (i) the start and end date of when tax increment revenue is collected from the project area;
 - (ii) the number of years remaining that tax increment revenue will be collected from the project area;
 - (iii) the amount of tax increment revenue the local entity is authorized to receive from the project area, cumulatively and from each taxing entity, including:
 - (A) the total dollar amount; and
 - (B) the percentage of the total amount of tax increment revenue generated within the project area;
 - (iv) the remaining amount of tax increment revenue the local entity is authorized to receive from the project area, cumulatively and from each taxing entity; and
 - (v) the amount of tax increment revenue the local entity is authorized to use to pay for the local entity's administrative costs;
- (f) the estimated amount of tax increment revenue that the local entity is authorized to receive from the project area for the current calendar year;
- (g) the estimated amount of tax increment revenue to be paid to the local entity for the next calendar year;
- (h) a map of the project area;
- (i) a description of how the goals, policies, and purposes of the project area plan have been furthered during the preceding year; and

(j) any other relevant information the local entity elects to provide.

(5) The provisions of this section apply regardless of when the project area is created.

(6) At or before the October interim meeting of the Political Subdivisions Interim

Committee, the office shall present a written report of the electronic data that the office is required to create and maintain under Subsection (2)(a) that includes:

(a) a list of local entities and agencies that failed to comply with the reporting requirements of this section during the preceding reporting period;

(b) a statewide summary of:

(i) the number of project areas receiving tax increment revenue; and

(ii) the total acres included in project areas receiving tax increment revenue;

(c) for each county a summary of:

(i) the number of project areas receiving tax increment revenue;

(ii) the total acres included in project areas;

(iii) the total acres included in project areas compared to the total taxable acres in the county;

(iv) the percentage of county property tax that is allocated as tax increment revenue;

(v) the total amount of tax increment revenue projected in all project area budgets;

(vi) the estimated tax increment revenue from project area budgets that has not yet been collected;

(vii) a description of any project area that is approved but has not received tax increment revenue; and

(viii) project areas dissolved during the prior year; and

(d) any recommendation for legislation.

(7)(a) If the office does not, on or before September 30 of the year the information is due, receive the information that a local entity is required to submit under Subsection (4), the office shall:

(i) refer the noncompliant local entity to the state auditor for review; and

(ii) post a notice on the office website identifying the noncompliant local entity and describing the local entity's noncompliance.

(b) If, for two consecutive years, the office does not receive information a local entity is required to submit under Subsection (4):

(i) the office shall, no later than July 31 of the second consecutive year, notify the auditor and treasurer of the county in which the noncompliant local entity is located of the local entity's noncompliance; and

(ii) upon receiving the notice described in Subsection (7)(b)(i), the county treasurer shall withhold from the local entity 20% of the amount of tax increment revenue the local entity is otherwise entitled to receive.

(c) If, after having funds withheld under Subsection (7)(b)(ii), a local entity complies with Subsection (4):

(i) the office shall notify the county auditor and treasurer that the local entity complied with Subsection (4); and

(ii) the county treasurer shall disburse the withheld funds to the local entity.

Section 17. Section **63N-3-603.1** is amended to read:

63N-3-603.1 (Effective 05/06/26). Applicability, requirements, and limitations on a convention center reinvestment zone.

(1) A convention center reinvestment zone proposal created under this part shall demonstrate how the proposal addresses the following objectives:

- (a) redevelopment of a convention center and the surrounding area's infrastructure and assets;
- (b) activation of unrealized economic opportunities related to the convention center and surrounding infrastructure and assets;
- (c) modernization of infrastructure and design of the convention center and surrounding area and related public spaces;
- (d) encouragement of transformative development and investment, including parking improvements;
- (e) promotion of economic development and employment opportunities;
- (f) improvement of the aesthetic, functionality, and walkability of the convention center and surrounding area;
- (g) enhancement of tourism opportunities; and
- (h) creation of outdoor event space to accommodate events or festivals open to the public.

(2) A convention center reinvestment zone in a capital city proposal created under this part shall also demonstrate how the proposal addresses the following objectives:

- (a) redevelopment of a convention center and surrounding infrastructure and assets that directly serve the convention center, including parking facilities;
- (b) modernization of infrastructure and design of the convention center; and
- (c) improvement of the aesthetic, functionality, and walkability of the convention center.

(3) The Governor's Office of Economic Opportunity shall propose a convention center

reinvestment zone to accomplish the objectives described in Subsections (1) and (2).

(4)(a)(i) A convention center reinvestment zone proposal may propose the capture of 100% of the property tax increment and 100% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(ii) for a period of 30 years.

(ii) For a convention center reinvestment zone in a capital city, in addition to the proposed capture of property tax increment and sales and use tax increment described in Subsection (4)(a)(i), the convention center reinvestment zone may propose the capture of 50% of the sales and use tax increment described in Subsection 63N-3-602(38)(b)(i).

(b) The convention center reinvestment zone proposal shall include the respective start date and base year date from which to calculate:

(i) the 30-year period of property tax increment; and

(ii) the 30-year period of the sales and use tax increment.

(c) The convention center reinvestment zone proposal may not stagger the collection periods for the parcels within the convention center reinvestment zone boundary and the parcels within the convention center reinvestment zone boundary shall have the same 30-year collection period.

(d) The convention center reinvestment zone proposal start date for the 30-year period described in this Subsection (4), shall be no sooner than January 1 of the year of the identified tax collection year.

(e)(i) For a convention center reinvestment zone in a capital city, revenue from the property tax increment and sales and use tax increment shall be distributed directly to a convention center public infrastructure district in a capital city created as required in Subsection 63N-3-607(8)(b); and

(ii) For a convention center reinvestment zone in a city other than a capital city, revenue from the property tax increment and sales and use tax increment may be distributed directly to the municipality or public infrastructure district as described in the convention center reinvestment zone proposal.

(5) The Governor's Office of Economic Opportunity may only propose a convention center reinvestment zone:

(a) within the boundary of the eligible municipality;

(b) consisting of a total area:

(i) not to exceed 50 acres; or

(ii) if greater than 50 acres, approved by the relevant eligible municipality;

- 1221 (c) consisting only of contiguous parcels; and
1222 (d) for a convention center reinvestment zone in a capital city, in an area that includes
1223 any portion of an existing convention center and any city block that is bordered by an
1224 existing convention center.

1225 (6)(a) For a convention center reinvestment zone in a capital city, the Governor's Office
1226 of Economic Opportunity shall propose a convention center reinvestment zone on or
1227 before April 15, 2025.

1228 (b) For a convention center reinvestment zone that is not in a capital city, the Governor's
1229 Office of Economic Opportunity shall propose a convention center reinvestment zone
1230 within 60 days after receiving a petition from the relevant city.

1231 (7) A convention center reinvestment zone does not count toward the maximum of eight
1232 housing and transit reinvestment zones in a given county as provided in Subsection
1233 63N-3-603(7)(a).

1234 (8) A municipality or public infrastructure district that receives tax increment shall comply
1235 with the reporting requirements in Section 63N-1a-308.

1236 Section 18. Section **63N-3-607** is amended to read:

1237 **63N-3-607 (Effective 05/06/26). Payment, use, administration, and reporting of**
1238 **revenue from a housing and transit reinvestment zone.**

1239 (1) In accordance with this part:

1240 (a) a municipality or public transit county may receive and use property tax increment
1241 and housing and transit reinvestment zone funds;

1242 (b)(i) a public infrastructure district shall use the funds from a convention center
1243 reinvestment zone in a capital city within or for the benefit of a convention center
1244 reinvestment zone in a capital city; and

1245 (ii) funds from a convention center reinvestment zone in a capital city may be used
1246 outside of the capital city convention center reinvestment zone if the use meets the
1247 objectives described in Section 63N-3-603.1 and is determined by the board of the
1248 public infrastructure district to be a direct benefit to the convention center
1249 reinvestment zone in a capital city; and

1250 (c) a municipality or a public infrastructure district may receive and use property tax
1251 increment and convention center reinvestment zone funds for a convention center
1252 reinvestment zone that is not within a capital city.

1253 (2)(a) Except as provided in Subsection (3), a county that collects property tax on
1254 property located within a housing and transit reinvestment zone shall, in accordance

with Section 59-2-1365, distribute to the municipality or public transit county any property tax increment the municipality or public transit county is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.

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

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

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

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

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

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

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

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

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

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

(b) If any housing and transit reinvestment zone funds will be used outside of the

housing and transit reinvestment zone, there ~~[must]~~ shall be a finding in the approved proposal for a housing and transit reinvestment zone that the use of the housing and transit reinvestment zone funds outside of the housing and transit reinvestment zone will directly benefit the housing and transit reinvestment zone.

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

- (i) income targeted housing costs;
- (ii) structured parking within the housing and transit reinvestment zone;
- (iii) enhanced development costs;
- (iv) horizontal construction costs;
- (v) vertical construction costs;
- (vi) property acquisition costs within the housing and transit reinvestment zone;
- (vii) the costs of the municipality or public transit county to create and administer the housing and transit reinvestment zone, which may not exceed 2% of the total housing and transit reinvestment zone funds, plus the costs to complete the gap analysis described in Subsection 63N-3-604(2); or
- (viii) subject to Subsection (5)(b), costs for the construction or expansion of child care facilities within the boundary of the housing and transit reinvestment zone.

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

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

(6) Housing and transit reinvestment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement that requires the participant to utilize the housing and transit reinvestment zone funds as allowed in this section.

(7)(a) Housing and transit reinvestment zone funds may be used to pay all of the costs of bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

(b) Convention center reinvestment zone funds may be used to pay all of the costs of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.

(8)(a) A municipality or public transit county may create one or more public infrastructure districts within the housing and transit reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing and transit reinvestment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

(b) An eligible municipality that is a capital city shall create one or more public infrastructure districts within the convention center reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and the convention center reinvestment zone funds may be used to pay all or any portion of debt incurred by the public infrastructure district, including the cost to issue and repay the debt including interest.

(9) A municipality, public transit county, or public infrastructure district that receives property tax increment shall comply with the reporting requirements in Section 63N-1a-308.

Section 19. Section **63N-3-1606** is amended to read:

63N-3-1606 (Effective 05/06/26). Payment, use, and administration of tax increment from a first home investment zone.

(1) A municipality may receive and use tax increment and first home investment zone funds in accordance with this part.

(2)(a) A county that collects property tax on property located within a first home investment zone shall, in accordance with Section 59-2-1365, distribute to the municipality any tax increment the municipality is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.

(b)(i) Except as provided in Subsection (2)(b)(ii), tax increment paid to the municipality are first home investment zone funds and shall be administered by the municipality within which the first home investment zone is located.

(ii) A municipality may contract with an agency, county, or a housing authority to administer tax increment and the first home investment zone, ensure compliance with first home investment zone requirements, and administer deed restrictions.

(iii) Before an agency may receive first home investment zone funds from the municipality, the municipality and the agency shall enter into an interlocal agreement with terms that:

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

(B) meet the requirements of Section 63N-3-1502.

(3)(a) A municipality and the agency shall use first home investment zone funds for the benefit of the first home investment zone and related extraterritorial housing.

(b) If any first home investment zone funds will be used outside of the first home investment zone there ~~[must]~~ shall be a finding in the approved proposal for a first home investment zone that the use of the first home investment zone funds outside of the first home investment zone will directly benefit the first home investment zone or related extraterritorial homes.

(4) In accordance with Subsection 63N-3-1502(4)(e), a municipality shall use the first home investment zone funds to achieve the purposes described in Subsections 63N-3-1502(1) and (2), by paying all or part of the costs associated with the first home investment zone and extraterritorial homes, including:

(a) project improvements;

(b) system improvements; and

(c) the costs of the municipality to create and administer the first home investment zone, which may not exceed 2% of the total first home investment zone funds, plus the costs to complete the gap analysis described in Subsection 63N-3-1603(2).

(5) First home investment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement which requires the participant to utilize the first home investment zone funds as allowed in this section.

(6) First home investment zone funds may be used to pay all of the costs of bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

(7) A municipality may create one or more public infrastructure districts within the city under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the first home investment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

(8) A municipality, agency, or public infrastructure district that receives tax increment shall comply with the reporting requirements in Section 63N-1a-308.

Section 20. Section **63N-3-1708** is amended to read:

63N-3-1708 (Effective 05/06/26). Major sporting event venue zone boundaries -- Reporting requirements.

(1) After a major sporting event venue zone is approved by the committee, as described in Section 63N-3-1706, the committee shall provide notice to the State Tax Commission,

- no later than 90 days after the day on which the committee approves the proposal:
- (a) of the creation of the major sporting event venue zone, including the information described in Subsection (2);
 - (b) if the committee approves the creating entity to receive local sales and use tax increment, the information described in Subsection (3); and
 - (c) any information to the State Tax Commission required by the State Tax Commission.
- (2) The notice described in Subsection (1)(a) shall include:
- (a) a statement that the major sporting event venue zone will be established under this part;
 - (b) the approval date and effective date of the major sporting event venue zone;
 - (c) the boundary of the qualified development zone;
 - (d) the sales and use tax base year, if applicable; and
 - (e) the sales and use tax boundary, if applicable.
- (3) After the effective date of a major sporting event venue zone, as described in Section 63N-3-1707, the creating entity shall:
- (a) provide a written report, no later than August 1, on the creating entity's activities to implement the objectives of the major sporting event venue zone to the executive director[:]; and
 - (b) comply with the reporting requirements in Section 63N-1a-308.
- (4)(a) The executive director shall annually provide a written report, no later than October 1, summarizing all reports received by the executive director under Subsection (3), to the:
- (i) Revenue and Taxation Interim Committee;
 - (ii) Political Subdivisions Interim Committee; and
 - (iii) Economic Development and Workforce Services Interim Committee.
- (b) The executive director shall include with the written report described in Subsection (4)(a) any recommendations to the Legislature for statutory changes to this chapter or Title 11, Chapter 71, Major Sporting Event Venue Zones.
- Section 21. Effective Date.**
- This bill takes effect on May 6, 2026.