

A low-angle photograph of the Utah State Capitol building, showing its grand dome and classical facade. The building is set against a clear blue sky. The text is overlaid on the lower portion of the image.

GOEO Bills
HB 507 – Economic
development reform



House Majority
State of Utah

Fundamental Thesis

- ➔ **We have created too many one-off economic development tools (Tax Increment Finance)**
- ➔ **We need to constrain and simplify existing state created increment tools**
- ➔ **We have pledged too much of the existing / future tax base to tax increment finance deals**

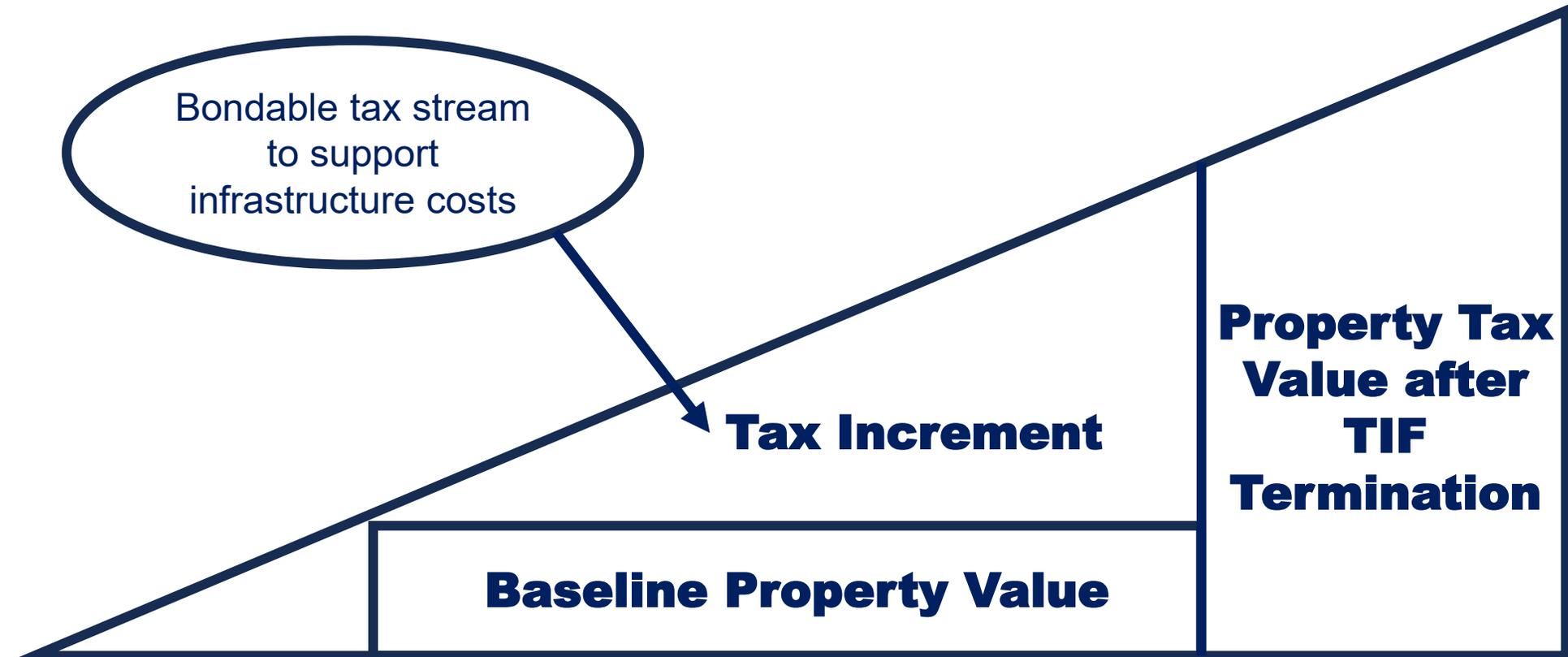
Property taxes are increasing partly due to the proliferation of tax increment deals

Examples

- ➔ **Some cities have pledged over 40% of future assessed value to TIF bonds (rumors of a county...)**
- ➔ **Tech Ridge deal horror story (CRA / RDA)**
- ➔ **Draper versus Farmington for Pluralsight: Race to the bottom (CRA / RDA)**
- ➔ **~7% of the total state assessed property tax has been given away in tax increment deals**

This. Is. Not. Sustainable.

What is tax increment finance?



Map of the economic development tools

	Land Authorities	State TIF Tools	Local Tools
Title	Inland Port MIDA	HTRZ, FHIZ, CCRZ, HOPZ, EDZ, Olympic Zones	CRA / RDA
Increment Allowed	Up to 75%	Up to 80%	Up to 100%**
Duration	25 + 15 years	25 + 15 years	20 years
Application Process	City driven, County / Schools dragged	City driven, County / Schools dragged	City, county, school participation agreement

We must protect our eroding property tax base

- 1 State created tax increment finance (“TIF”) tools are too rich (80% of increment is too much)
- 2 State TIF tools are too long in duration (40 years is too long)
- 3 Local taxing entities do not have enough say (Cities can drag counties and school districts into projects)

What does HB 507 do?

- 1** Sunset by 2028 the following state created increment tools: HTRZ, FHIZ, HOPZ, CCRZ
- 2** Replace these tools with one tool (RSDZ) that is less rich (60%), shorter in duration (25 years), and requires county sign-off
- 3** Allow for the state to return increment cash flow back to the Utah tax payer
- 4** Establishes clear transparency measures for accountability

What does HB 507 do? (cont'd)

~~HTRZ~~

~~FHIZ~~

~~HOPZ~~

~~CCRZ~~



RSDZ

- Up to 80% of property tax increment
- Up to 40 years
- Cities can drag counties / school district

- Up to 60% of property tax increment
- Up to 25 years
- Cities driven, county input

What does HB 507 do? (cont'd)

1 Reform Public Infrastructure Districts

- Eliminate non-contiguous districts
- Provide for clear dissolution process to unwind PID districts
- Force disclosure to final buyers
- Reinforce statutory protections around PID bondholders to cities

Next steps and long-term goals

- Explore statutory limits on how much “property tax” base can be given away
 - *Think of this like “bonding capacity” caps for the State*
- Prevent land authority mission creep
- What is the proper “but for” test
- How do we use economic development to lower the overall tax burden for Utahns?

This is not sustainable.

What does HB 475 do?

- 1 Rename GOEO to GOED**
- 2 Create a coordinating council**
- 3 Create a clear process for Opportunity Zone 2.0 selections**
- 4 Broader NDA applicability**



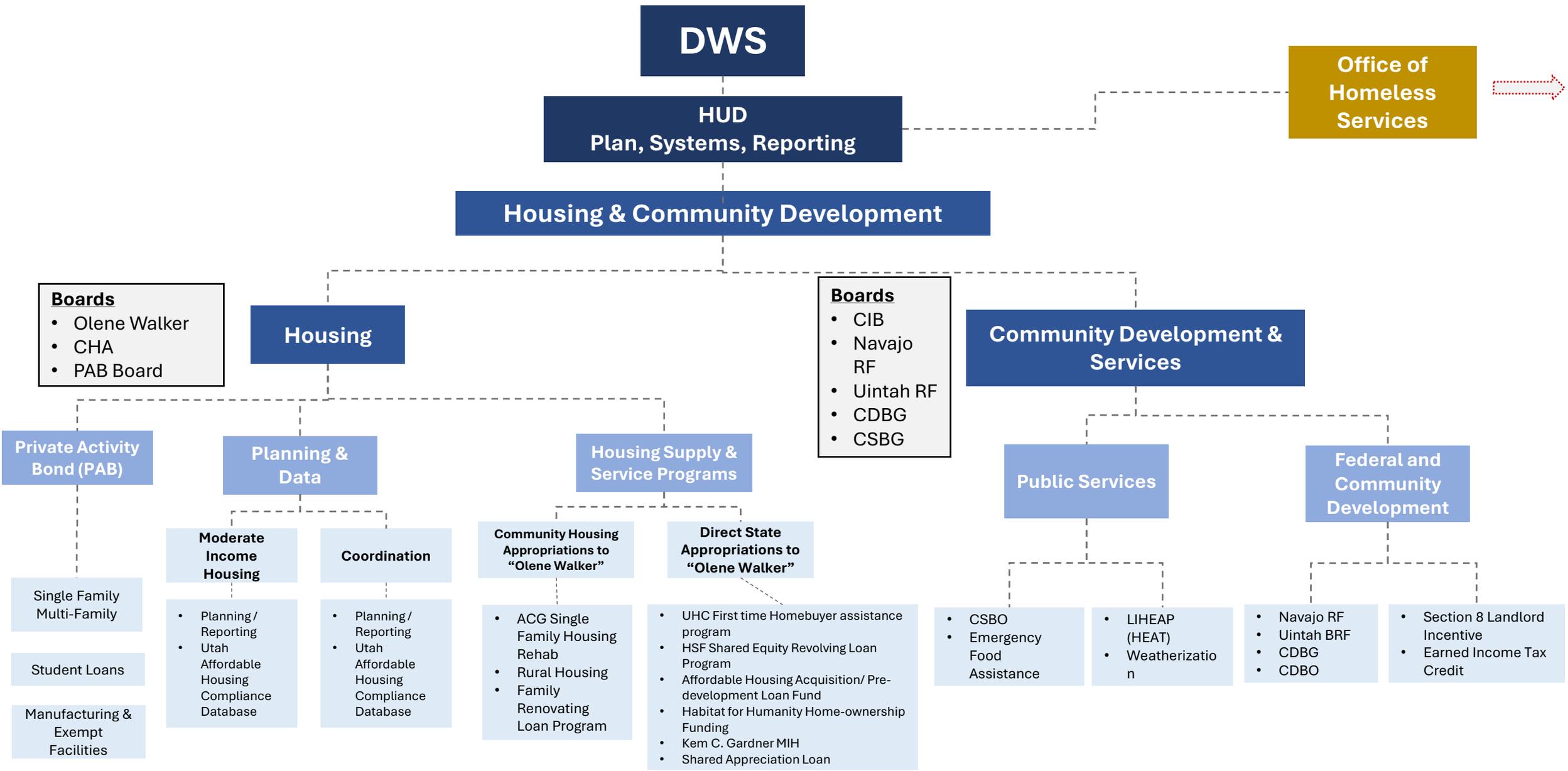
INDUSTRY

What problem are we trying to solve?

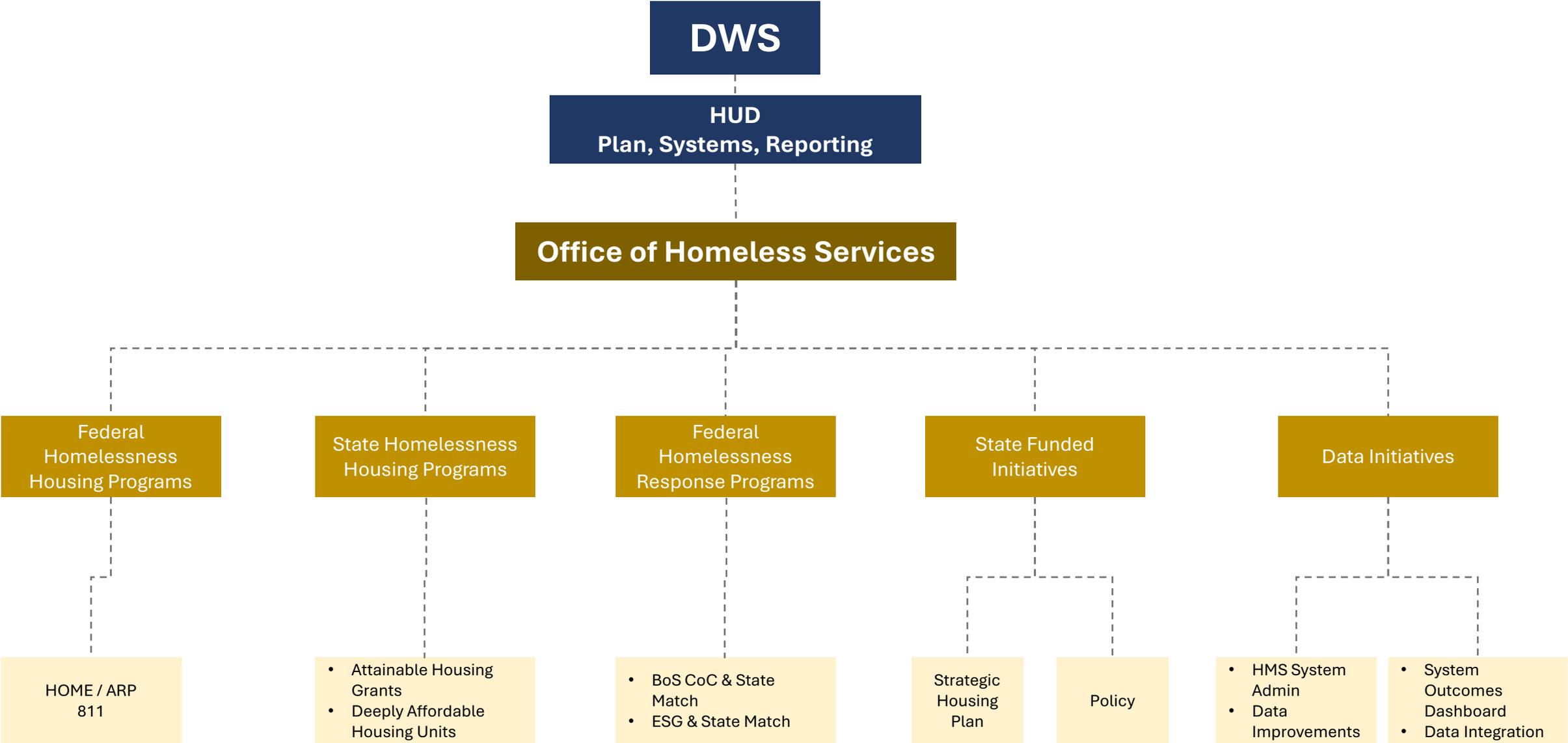
- ✓ More than 40 housing programs and policies are scattered across the executive branch, split among four state agencies (DWS, GOEO, UDOT, GOPB), a public corporation (UHC), and an MPO (e.g. WFRC).
 - ✓ This fragmented web of bureaucracy makes it difficult for lawmakers to see whether policies are working—and just as hard for executive agencies to share data, analyze performance, communicate results, and respond quickly.
 - ✓ Who's in charge of housing policy?
 - The Governor's Housing Advisor?
 - The DWS Executive Director? HCD?
 - The Commission on Housing Affordability Chairs?
- No single point of authority and no clear line of accountability.

HCR 14 tasked us with one goal: make housing policy simpler and more accountable—by cutting duplication and eliminating bureaucratic overlap.

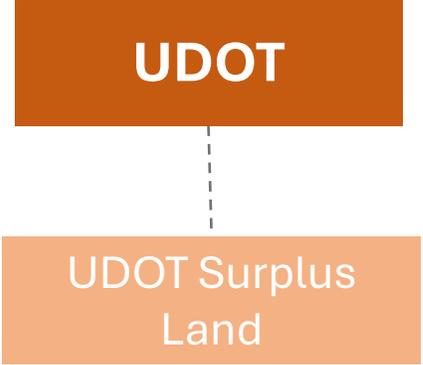
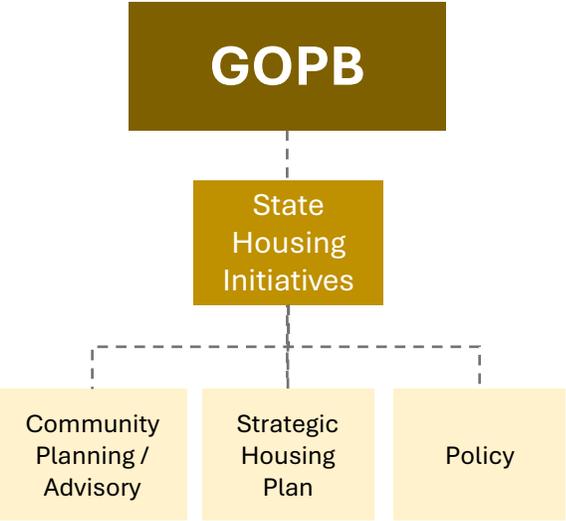
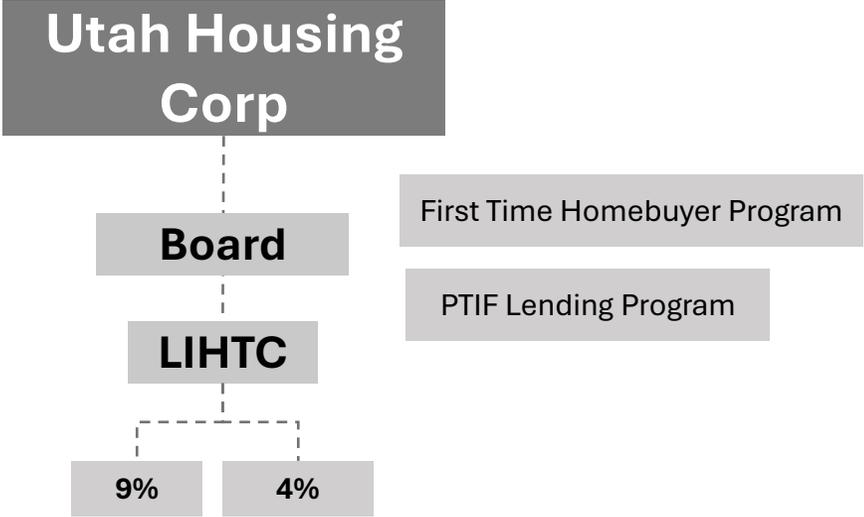
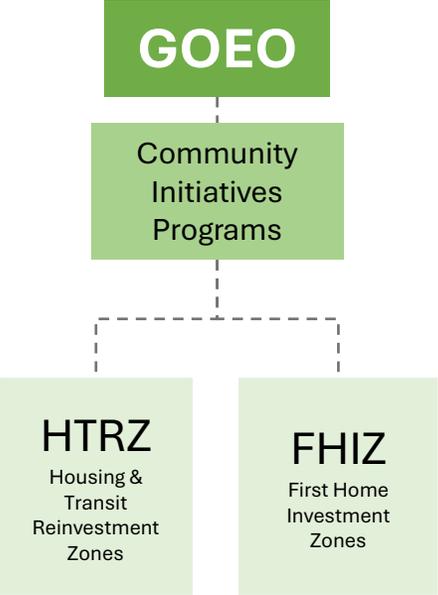
Current "Housing Org Chart"



Current “Housing Org Chart” (cont’d)



Current “Housing Org Chart” (cont’d)



Proposed “Housing Org Chart”

Governor’s Housing Advisor

GOEO

State Housing Initiatives

Community Initiatives Programs

- Boards**
- Olene Walker
 - CHA
 - PAB Board

Housing

Community Planning / Advisory

Strategic Housing Plan

Policy

HTRZ
Housing & Transit Reinvestment Zones

FHIZ
First Home Investment Zones

Private Activity Bond (PAB)

Planning & Data

Housing Supply & Service Programs

Station Area Plans

Moderate Income Housing

Coordination

Community Housing Appropriations to “Olene Walker”

Direct State Appropriations to “Olene Walker”

- Planning / Reporting
- Utah Affordable Housing Compliance Database

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- Utah Affordable Housing Compliance Database

- ACG Single Family Housing Rehab
- Rural Housing
- Family Renovating Loan Program

- UHC First time Homebuyer assistance program
- HSF Shared Equity Revolving Loan Program
- Affordable Housing Acquisition/ Pre-development Loan Fund
- Habitat for Humanity Home-ownership Funding
- Kem C. Gardner MIH
- Shared Appreciation Loan

Single Family
Multi-Family

Student Loans

Manufacturing & Exempt Facilities

Utah Housing Corp

Board

LIHTC

9%

4%

PTIF Lending Program

First Time Homebuyer Program

UDOT

UDOT Surplus Land

Overlooked housing policy questions

1. Is the Moderate Income Housing Plan working?
2. Are Stationary Plans effective?
3. Is HTRZ being used? FHIZ? HOPZ?
4. What are the demand metrics around the First Time Homebuyer Program?
5. Is the PTIF finance tool being used? What risks does it pose to the state's balance sheet?
6. How is the state housing plan going to integrate with existing policies?
7. Does UDOT have the resources to carry-out the surplus land policy? Is there oversight?
8. Is UHC coordinating effectively with the Olene Walker Housing Fund?
9. Should we leverage UHC's capabilities across UDOT surplus land?

**Policymakers can't design the right policies until we're asking the right questions—
we can't ask the right questions until we understand the system**

What is the solution?

1. Consolidate housing policy administration under GOEO, federal programs under DWS

1. Brings all housing-related programs, policies, and entities under one umbrella (GOEO)
2. Establishes a Governor-appointed, Senate-confirmed Deputy Director for Housing.

2. Transfers Responsibilities

1. GOEO → HTRZ, FHIZ, and infrastructure programs stay at GOEO
2. DWS → Moving Housing and Community Development over to GOEO
3. GOPB → Housing and growth analytics move to GOEO
4. UDOT → Housing-related infrastructure and surplus land programs coordinated with GOEO
5. UHC → Remains independent but formally coordinated with the new Deputy Director

3. Eliminates Redundant Structures

1. Repeals: Commission on Housing Affordability (CHA)

4. Strengthens Oversight and Coordination

1. Requires annual written report and presentation to the Economic Development & Workforce Services and Political Subdivisions Interim Committees

5. Ensure Deputy Director representation

1. Utah Housing Corporation Board of Trustees
2. Olene Walker Housing Loan Fund Board
3. Private Activity Bond Review Board