

Effective 3/21/2022

Superseded 3/14/2023

11-58-601 Port authority receipt and use of property tax differential -- Distribution of property tax differential.

(1) As used in this section:

- (a) "Designation resolution" means a resolution adopted by the board that designates a transition date for the parcel specified in the resolution.
- (b) "Exempt area" means the authority jurisdictional land that is within a primary municipality, excluding areas described in Subsection (5)(a) and parcels of land described in Subsection (5)(b).
- (c) "Exempt area property tax" means the same as that term is defined in Section 11-58-604.
- (d) "Post-designation differential" means 75% of property tax differential generated from a post-designation parcel.
- (e) "Post-designation parcel" means a parcel within a project area after the transition date for that parcel.
- (f) "Pre-designation differential" means 75% of property tax differential generated from all pre-designation parcels within a project area.
- (g) "Pre-designation parcel" means a parcel within a project area before the transition date for that parcel.
- (h) "Primary municipality" means the municipality that has more authority jurisdictional land within the municipality's boundary than is included within the boundary of any other municipality.
- (i) "Transition date" means the date after which the authority is to be paid post-designation differential for the parcel that is the subject of a designation resolution.

(2)

- (a) The authority shall be paid pre-designation differential generated within the authority jurisdictional land:
 - (i) for the period beginning November 2019 and ending November 2044; and
 - (ii) for a period of 15 years following the period described in Subsection (2)(a)(i) if, before the end of the period described in Subsection (2)(a)(i), the board adopts a resolution extending the period described in Subsection (2)(a)(i) for 15 years.
- (b) The authority shall be paid pre-designation differential generated within a project area, other than the authority jurisdictional land:
 - (i) for a period of 25 years beginning the date the board adopts a project area plan under Section 11-58-502 establishing the project area; and
 - (ii) for a period of 15 years following the period described in Subsection (2)(b)(i) if, before the end of the period described in Subsection (2)(b)(i), the board adopts a resolution extending the period described in Subsection (2)(b)(i) for 15 years.

(3) The authority shall be paid post-designation differential generated from a post-designation parcel:

- (a) for a period of 25 years beginning on the transition date for that parcel; and
- (b) for a period of an additional 15 years beyond the period stated in Subsection (3)(a) if the board determines by resolution that the additional years of post-designation differential from that parcel will produce a significant benefit.

(4)

- (a) For purposes of this section, 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 (4)(a) does not constitute a subdivision, as defined in Section 10-9a-103 or Section 17-27a-103.
- (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 (4)(a).
- (5) The authority may not receive:
 - (a) a taxing entity's portion of property tax differential generated from an area included within a community reinvestment project area under a community reinvestment project area plan, as defined in Section 17C-1-102, adopted before October 1, 2018, if the taxing entity has, before October 1, 2018, entered into a fully executed, legally binding agreement under which the taxing entity agrees to the use of its tax increment, as defined in Section 17C-1-102, under the community reinvestment project area plan; or
 - (b) property tax differential from a parcel of land:
 - (i) that was substantially developed before December 1, 2018;
 - (ii) for which a certificate of occupancy was issued before December 1, 2018; and
 - (iii) that is identified in a list that the municipality in which the land is located provides to the authority and the county assessor by April 1, 2020.
- (6)
 - (a) Subsection (6)(b) applies if:
 - (i) the primary municipality, the primary municipality's agency, as defined in Section 11-58-604, and the authority have entered into the agreement described in Section 11-58-604; and
 - (ii) the primary municipality and the authority have entered into the agreement described in Subsection 11-58-205(9).
 - (b) If the conditions under Subsection (6)(a) have been met, beginning with the first tax year that begins on or after January 1, 2023:
 - (i) the distribution of exempt area property tax to the authority:
 - (A) is not governed by Subsections (2) and (3); and
 - (B) is governed by Section 11-58-604; and
 - (ii) the primary municipality shall be paid, for the primary municipality's use for municipal operations, all exempt area property tax remaining after the payment of exempt area property tax as required under Section 11-58-604.
- (7)
 - (a) As used in this Subsection (7):
 - (i) "Agency land" means authority jurisdictional land that is within the boundary of an eligible community reinvestment agency and from which the authority is paid property tax differential.
 - (ii) "Applicable differential" means the amount of property tax differential paid to the authority that is generated from agency land.
 - (iii) "Eligible community reinvestment agency" means the community reinvestment agency in which agency land is located.
 - (b) The authority shall pay 10% of applicable differential to the eligible community reinvestment agency, to be used for affordable housing as provided in Section 17C-1-412.
- (8)
 - (a) Subject to Subsection (8)(b), a county that collects property tax on property within a project area shall, in the manner and at the time provided in Section 59-2-1365:
 - (i) pay and distribute to the authority the property tax differential that the authority is entitled to collect under this chapter, including exempt area property tax the authority is entitled to collect under Section 11-58-604;

- (ii) pay and distribute to a primary municipality's agency, as defined in Section 11-58-604, the exempt area property tax that the primary municipality's agency is required to use for affordable housing, as provided in Subsection 11-58-604(4)(c); and
 - (iii) pay and distribute to a primary municipality the exempt area property tax described in Subsection (6)(b)(ii).
- (b) For property tax differential that a county collects for tax year 2019, a county shall pay and distribute to the authority, on or before June 30, 2020, the property tax differential that the authority is entitled to collect:
 - (i) according to the provisions of this section; and
 - (ii) based on the boundary of the authority jurisdictional land as of May 31, 2020.
- (9) Notwithstanding any other provision of this chapter, beginning with the first tax year that begins on or after January 1, 2023, the authority may not use the portion of property tax differential generated by a property tax levied by a primary municipality on the exempt area unless the primary municipality, the primary municipality's agency, as defined in Section 11-58-604, and the authority have entered into an agreement as provided in Section 11-58-604.