

Effective 3/21/2022

Superseded 3/14/2023

11-58-604 Agreement relating to expenditure of mitigation money -- Distribution and use of exempt area property tax.

(1) As used in this section:

- (a) "Exempt area" means the same as that term is defined in Section 11-58-601.
- (b) "Exempt area property tax" means the portion of property tax differential generated by a property tax levied by a primary municipality on property in the exempt area.
- (c) "Mitigation money" means the exempt area property tax required to be used as provided in Subsections (6)(a) and (b).
- (d) "Participating entities" means a primary municipality, the primary municipality's agency, and the authority.
- (e) "Primary municipality" means the same as that term is defined in Section 11-58-601.
- (f) "Primary municipality's agency" means the community development and renewal agency created by a primary municipality.

(2)

- (a) No later than December 31, 2022, participating entities shall enter into an agreement as provided in this section.
- (b) An agreement under Subsection (2)(a) shall:
 - (i) provide:
 - (A) how the authority is to spend mitigation money; or
 - (B) a process for determining how the authority is to spend mitigation money;
 - (ii) include a requirement that the authority consult with the primary municipality in determining how to spend mitigation money; and
 - (iii) require the primary municipality's agency to spend money the primary municipality's agency receives under Subsection (4)(c) for affordable housing, as provided in Section 17C-1-412.

(3) If participating entities enter into an agreement under this section, beginning January 1, 2023:

- (a) Subsections 11-58-601(2) and (3) do not apply to exempt area property tax; and
- (b) exempt area property tax shall be paid and distributed as provided in Subsection 11-58-601(8) and in accordance with Subsections (4) and (5).

(4) If participating entities enter into an agreement under this section, beginning the first tax year that begins on or after January 1, 2023:

- (a) the authority shall be paid 25% of the exempt area property tax:
 - (i) for the authority's use as provided in Subsection (6); and
 - (ii)
 - (A) for a period of 25 years beginning January 1, 2023; and
 - (B) for a period of time not exceeding an additional 15 years beyond the period stated in Subsection (4)(a)(ii)(A) if the board determines by resolution, adopted before the expiration of the 25-year period under Subsection (4)(a)(ii)(A), that the additional years will produce a significant benefit to the uses described in Subsection (6) and if the primary municipality and the authority agree to the additional period of time;
- (b) the authority shall be paid, in addition to the amounts under Subsection (4)(a), a percentage, as defined in Subsection (5), of the exempt area property tax for the authority's use as provided in Subsection (6); and
- (c) the primary municipality's agency shall be paid, for the same period of time that the authority is paid exempt area property tax under Subsection (4)(a), 10% of exempt area property tax, to be used for affordable housing as provided in Section 17C-1-412.

- (5) The percentage of the exempt area property tax paid to the authority as provided in Subsection (4)(b):
 - (a) shall be 40% for the first tax year that begins on or after January 1, 2023, decreasing 2% each year after the 2023 tax year, so that in 2029 the percentage is 28;
 - (b) beginning January 1, 2030, and for a period of seven years, shall be 10%;
 - (c) beginning January 1, 2037, and for a period of 11 years, shall be 8%; and
 - (d) after 2047, shall be 0%.
- (6) Of the exempt area property tax the authority receives, the authority shall use:
 - (a) 40% for environmental mitigation projects within the authority jurisdictional land;
 - (b) 40% for mitigation projects, which may include a regional traffic study and an environmental impact mitigation analysis, for communities that are:
 - (i) within the primary municipality;
 - (ii) adjacent to the authority jurisdictional land; and
 - (iii) west of the east boundary of the right of way of a fixed guideway used, as of January 1, 2022, for commuter rail within the primary municipality; and
 - (c) 20% for economic development activities on the authority jurisdictional land.