

Effective 5/5/2021

Part 10
Agency Taxing Authority

17C-1-1001 Definitions.

As used in this part:

- (1)
 - (a) "Agency-wide project development" means activity within the agency's boundaries that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of achieving the results described in an implementation plan, including affordable housing.
 - (b) "Agency-wide project development" does not include project area development under a project area plan.
- (2) "Certified tax rate" means the same as that term is defined in Section 59-2-924.
- (3) "Cooperative development project" means project area development with impacts that extend beyond an agency's geographic boundaries to the benefit of two or more communities.
- (4) "Economic development project" means project area development for the purpose of:
 - (a) creating, developing, attracting, and retaining business;
 - (b) creating or preserving jobs;
 - (c) stimulating business and economic activity; or
 - (d) providing a local incentive as required by the Governor's Office of Economic Opportunity under Title 63N, Economic Opportunity Act.
- (5) "Eligible taxing entity" means a taxing entity that:
 - (a) is a municipality, a county, or a school district; and
 - (b) contains an agency partially or completely within the taxing entity's geographic boundaries.
- (6) "Final tax rate" means:
 - (a) the certified rate; or
 - (b) if the agency adopts a rate that is different than the certified rate, the rate the agency adopts in accordance with the provisions of Title 59, Chapter 2, Part 9, Levies.
- (7) "Implementation plan" means a plan adopted in accordance with Section 17C-1-1004 that:
 - (a) describes how the agency uses property tax revenue; and
 - (b) guides and controls agency-wide project development.
- (8) "Project area incremental revenue" means the amount of revenue generated by the incremental value that a taxing entity receives after a project area funds collection period ends.
- (9) "Property tax revenue" means the amount of revenue generated by an agency from the property within the agency using the current taxable value of the property and the agency's final tax rate.

Amended by Chapter 459, 2025 General Session

17C-1-1002 Transferring project area incremental revenue -- Agency may levy a property tax.

- (1) An agency and an eligible taxing entity may enter into an interlocal agreement for the purpose of transferring all or a portion of the eligible taxing entity's project area incremental revenue.
- (2) An agency shall ensure that an interlocal agreement described in Subsection (1):
 - (a) identifies each project area that is subject to the interlocal agreement;
 - (b) is adopted by the board and the taxing entity in accordance with Section 17C-1-1003;

- (c) for each project area:
 - (i) states the amount of project area incremental revenue that the eligible taxing entity agrees to transfer to the agency;
 - (ii) states the year in which the eligible taxing entity will transfer the amount described in Subsection (2)(c)(i); and
 - (iii) for the year described in Subsection (2)(c)(ii), requires the agency to add the project area incremental revenue transferred in the agency's budget;
- (d) includes a copy of the implementation plan described in Section 17C-1-1004;
- (e) requires the agency to dissolve, in accordance with Section 17C-1-702, any project area:
 - (i) that is subject to the interlocal agreement; and
 - (ii) for which the project area funds collection period will expire; and
- (f) is filed with the county auditor, the State Tax Commission, and the eligible taxing entity.
- (3) If an agency and an eligible taxing entity enter into an interlocal agreement under this section:
 - (a) subject to Subsection (4) and Section 17C-1-1004, the agency may levy a property tax on taxable property within the agency's geographic boundaries; and
 - (b) except as provided in Subsection (5), the agency may not:
 - (i) create a new community reinvestment project area within the taxing entity's geographic boundaries; or
 - (ii) amend a project area plan or budget if the amendment:
 - (A) enlarges the project area from which tax increment is collected;
 - (B) permits the agency to receive a greater amount of tax increment; or
 - (C) extends the project area funds collection period.
- (4)
 - (a) An agency may levy a property tax for a fiscal year that:
 - (i) is after the year in which the agency receives project area incremental revenue; and
 - (ii) begins on or after the January 1 on which the agency has authority to impose a property tax under this section.
 - (b) An agency board shall calculate the agency's certified tax rate in accordance with Section 59-2-924.
 - (c) An agency may levy a property tax rate that exceeds the agency's certified rate only if the agency complies with Sections 59-2-919 through 59-2-923.
- (5) For a cooperative development project or an economic development project, an agency may, in accordance with Chapter 5, Community Reinvestment:
 - (a) create a new community reinvestment project area; or
 - (b) amend a community reinvestment project area plan or budget.

Enacted by Chapter 214, 2021 General Session

17C-1-1003 Interlocal agreement -- Notice requirements -- Effective date.

- (1) An agency that enters into an interlocal agreement under Section 17C-1-1002 shall:
 - (a) adopt the interlocal agreement at an open and public meeting; and
 - (b) provide a notice, in accordance with Subsections (2) and (3), titled "Authorization to Levy a Property Tax."
- (2) Upon the execution of an interlocal agreement, the agency shall provide, subject to Subsection (3), notice of the execution by publishing the notice for the agency's jurisdiction, as a class A notice under Section 63G-30-102, for at least 14 days.
- (3) A notice described in Subsection (2) shall include:
 - (a) a summary of the interlocal agreement; and

- (b) a statement that the interlocal agreement:
 - (i) is available for public inspection and the place and the hours for inspection; and
 - (ii) authorizes the agency to:
 - (A) receive all or a portion of a taxing entity's project area incremental revenue; and
 - (B) levy a property tax on taxable property within the agency's boundaries.
- (4) An interlocal agreement described in Section 17C-1-1002 is effective the day on which the notice is published or posted in accordance with Subsections (2) and (3).
- (5) An eligible taxing entity that enters into an interlocal agreement under Section 17C-1-1002 shall make a copy of the interlocal agreement available to the public for inspecting and copying at the eligible taxing entity's office during normal business hours.

Amended by Chapter 435, 2023 General Session

17C-1-1004 Plan hearing -- Implementation plan -- Use of an agency's property tax revenue -- Eminent domain.

- (1) Before an agency may levy a property tax, an agency board shall hold a plan hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements, to:
 - (a) adopt an implementation plan that:
 - (i) contains a boundary description and a map of the geographic area within which the agency will use the agency's property tax revenue;
 - (ii) contains a general description of the existing land uses, zoning, infrastructure conditions, population densities, and demographics of the area described in Subsection (1)(b)(i);
 - (iii) describes the physical, social, and economic conditions that exist in the area described in Subsection (1)(b)(i);
 - (iv) describes the goals and strategies that will guide the agency's use of property tax revenue;
 - (v) shows how agency-wide project development will further the purposes of this title;
 - (vi) is consistent with the general plan of the community that created the agency and shows that agency-wide project development will conform to the community's general plan;
 - (vii) generally describes the type of financial assistance and tools that the agency anticipates providing to participants;
 - (viii) includes an analysis or description of the anticipated public benefits resulting from agency-wide project development, including benefits to economic activity and taxing entities' tax bases;
 - (ix) includes any identified geographic target areas within which the agency will focus investment; and
 - (x) includes other information that the agency determines to be necessary or advisable;
 - (b) inform the public about:
 - (i) the amount of revenue that the agency will receive as property tax revenue that a participating taxing entity would have otherwise received;
 - (ii) the property tax rate that the agency will levy;
 - (iii) any changes to the use of revenue; and
 - (iv) how the agency will be using property tax revenue under the implementation plan; and
 - (c) allow individuals present at the plan hearing to comment on the proposed property tax.
- (2) An agency that levies a property tax under this part shall allocate an amount of property tax revenue for housing:
 - (a) in an amount that is the same as the agency's housing allocation under Section 17C-5-307 before entering into an interlocal agreement under Section 17C-1-1002; and

- (b) for a period of time that is the same as the agency's project area funds collection period before entering into an interlocal agreement under Section 17C-1-1002.
- (3)
 - (a) Except as provided in Subsection (3)(b), an agency that levies a property tax under this part may not use eminent domain to acquire property for agency-wide project development.
 - (b) An agency that levies a property tax under this part may use eminent domain for an urban renewal project area or a community reinvestment project area in accordance with Part 9, Eminent Domain.

Enacted by Chapter 214, 2021 General Session

17C-1-1005 Agency property tax levy -- Budget -- Accounting for property tax revenue.

- (1)
 - (a) Each agency that levies and collects property tax under this part shall levy and collect the property tax in accordance with Title 59, Chapter 2, Property Tax Act.
 - (b) Except as provided in Subsection (1)(c), an agency, at a regular meeting or special meeting called for that purpose, shall, by resolution, set the property tax rate by the date described in Section 59-2-912.
 - (c) An agency may set the rate described in Subsection (1)(b) at an appropriate later date in accordance with Sections 59-2-919 through 59-2-923.
- (2)
 - (a) An agency shall include in the agency's budget any project area incremental revenue transferred by an eligible taxing entity under this part.
 - (b) The amount of project area incremental revenue described in Subsection (2)(a) plus the ad valorem property tax revenue that the agency budgeted for the prior year shall constitute the basis for determining the property tax levy that the agency sets for the corresponding tax year.
- (3)
 - (a) An agency shall create a property tax revenue fund and separately account for property tax revenue generated under this part.
 - (b) An agency shall include revenue and expenditures of the property tax revenue fund described in Subsection (3)(a) in the annual budget adopted in accordance with Section 17C-1-601.5.

Enacted by Chapter 214, 2021 General Session