

Effective 8/31/2020

17C-1-416 Extension of collection period for project areas impacted by COVID-19 emergency -- Requirements -- Limitations.

(1) For purposes of this section:

- (a) "COVID-19 emergency" means the same as that term is defined in Section 53-2c-102.
- (b) "Extension period" means the period of an impacted project area's project area funds collection period that is the result of an extension under this section.
- (c) "Impacted project area" means a project area:
 - (i) from which an agency expects to receive tax increment;
 - (ii) that is subject to a project area funds collection period;
 - (iii) that is subject to a project area plan that was adopted on or before December 31, 2019; and
 - (iv) in which the agency determines the conditions resulting from the COVID-19 emergency will likely:
 - (A) delay the agency's implementation of the project area plan; or
 - (B) cause the agency to receive an amount of tax increment from the project area that is less than the amount of tax increment the agency expected the agency would receive from the project area.
- (d) "Tax increment" includes additional tax increment as that term is defined in Section 17C-1-403.

(2)

- (a) Subject to Subsection (3), an agency may extend the project area funds collection period of an impacted project area for a period not to exceed two years from the day on which the project area funds collection period ends if:
 - (i) the board adopts a resolution on or before December 31, 2021, describing:
 - (A) the conditions resulting from the COVID-19 emergency that the board determines will likely delay the implementation of the project area plan or reduce the amount of tax increment that the agency receives from the impacted project area;
 - (B) why an extension of the project area funds collection period is needed; and
 - (C) the date on which the extension period will end; and
 - (ii) no later than November 1 of the year immediately preceding the year in which the project area funds collection period, not including any extension under this section, ends, the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to:
 - (A) the State Tax Commission;
 - (B) the State Board of Education;
 - (C) the state auditor;
 - (D) the auditor of the county in which the impacted project area is located; and
 - (E) each taxing entity affected by the agency's collection of tax increment from the impacted project area.
- (b) Notwithstanding any other provision of law, an agency is not required to obtain taxing entity or taxing entity committee approval to extend a project area funds collection period under this section.
- (c) An extension of a project area funds collection period under this section takes effect on the day on which the agency mails or electronically submits a copy of the resolution described in Subsection (2)(a)(i) to each entity specified in Subsection (2)(a)(ii).

(3)

- (a) This section does not allow an agency to change:

- (i) the amount or percentage of tax increment that the agency is authorized to receive from the impacted project area in the final two years of the project area funds collection period; or
 - (ii) the cumulative dollar amount of tax increment that the agency is authorized to receive from the impacted project area, if the agency's receipt of tax increment is limited to a maximum cumulative dollar amount.
- (b) An agency that extends a project area funds collection period under this section shall use any tax increment received during the extension period in the same manner as provided in:
 - (i) the project area plan; and
 - (ii)
 - (A) the project area budget; or
 - (B) the resolution or interlocal agreement authorizing the agency to receive tax increment from the impacted project area.
- (c)
 - (i) An extension of a project area funds collection period under this section does not automatically extend the payment of tax increment under a previously approved participation agreement for the extension period, regardless of any contrary term in the participation agreement.
 - (ii) An agency that extends a project area funds collection period under this section may only extend the payment of tax increment under a previously approved participation agreement for the extension period by:
 - (A) amending the previously approved participation agreement; or
 - (B) entering into a new participation agreement.
- (d) Nothing in this section limits the right of an agency to extend the agency's collection of tax increment as otherwise provided in this title.

Enacted by Chapter 11, 2020 Special Session 6