

**Effective 5/10/2016**

**Part 2**  
**Community Reinvestment Project Area Funds**

**17C-5-201 Title.**

This part is known as "Community Reinvestment Project Area Funds."

Enacted by Chapter 350, 2016 General Session

**17C-5-202 Community reinvestment project area funding options.**

- (1)
  - (a) Except as provided in Subsection (1)(b), for the purpose of receiving project area funds for use within a community reinvestment project area, an agency shall negotiate and enter into an interlocal agreement with a taxing entity in accordance with Section 17C-5-204 to receive all or a portion of the taxing entity's tax increment or sales and use tax revenue in accordance with the interlocal agreement.
  - (b) If an agency plans to use eminent domain to acquire property within a community reinvestment project area, the agency shall create a taxing entity committee as described in Section 17C-1-402 and receive tax increment in accordance with Section 17C-5-203.
- (2) An agency shall comply with Chapter 5, Part 3, Community Reinvestment Project Area Budget, regardless of whether an agency enters into an interlocal agreement under Subsection (1)(a) or creates a taxing entity committee under Subsection (1)(b).

Enacted by Chapter 350, 2016 General Session

**17C-5-203 Community reinvestment project area subject to taxing entity committee -- Tax increment.**

- (1) This section applies to a community reinvestment project area that is subject to a taxing entity committee under Subsection 17C-5-202(1)(b).
- (2) Subject to the taxing entity committee's approval of a community reinvestment project area budget under Section 17C-5-304, and for the purpose of implementing a community reinvestment project area plan, an agency may receive up to 100% of a taxing entity's tax increment, or any specified dollar amount of tax increment, for any period of time.
- (3) Notwithstanding Subsection (2), an agency that adopts a community reinvestment project area plan that is subject to a taxing entity committee may negotiate and enter into an interlocal agreement with a taxing entity and receive all or a portion of the taxing entity's sales and use tax revenue for any period of time.

Enacted by Chapter 350, 2016 General Session

**17C-5-204 Community reinvestment project area subject to interlocal agreement -- Consent of a taxing entity to an agency receiving project area funds.**

- (1) As used in this section, "successor taxing entity" means a taxing entity that:
  - (a) is created after the day on which an interlocal agreement is executed to allow an agency to receive a taxing entity's project area funds; and
  - (b) levies or imposes a tax within the community reinvestment project area.

- (2) This section applies to a community reinvestment project area that is subject to an interlocal agreement under Subsection 17C-5-202(1)(a).
- (3) For the purpose of implementing a community reinvestment project area plan, an agency may negotiate with a taxing entity for all or a portion of the taxing entity's project area funds.
- (4) A taxing entity may agree to allow an agency to receive the taxing entity's project area funds by executing an interlocal agreement with the agency in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.
- (5) Before an agency may use project area funds received under an interlocal agreement described in Subsection (4), the agency shall:
  - (a) obtain a written certification, signed by an attorney licensed to practice law in the state, stating that the agency and the taxing entity have each followed all legal requirements relating to the adoption of the interlocal agreement; and
  - (b) provide a signed copy of the certification described in Subsection (5)(a) to the taxing entity.
- (6) An interlocal agreement described in Subsection (4) shall:
  - (a) if the interlocal agreement provides for the agency to receive tax increment, state:
    - (i) the method of calculating the amount of the taxing entity's tax increment from the community reinvestment project area that the agency receives, including the base year and base taxable value;
    - (ii) the project area funds collection period; and
    - (iii) the percentage of the taxing entity's tax increment or the maximum cumulative dollar amount of the taxing entity's tax increment that the agency receives;
  - (b) if the interlocal agreement provides for the agency to receive the taxing entity's sales and use tax revenue, state:
    - (i) the method of calculating the amount of the taxing entity's sales and use tax revenue that the agency receives;
    - (ii) the project area funds collection period; and
    - (iii) the percentage of sales and use tax revenue or the maximum cumulative dollar amount of sales and use tax revenue that the agency receives; and
  - (c) include a copy of the community reinvestment project area budget.
- (7) A school district may consent to allow an agency to receive tax increment from the school district's basic levy only to the extent that the school district also consents to allow the agency to receive tax increment from the school district's local levy.
- (8) The parties may amend an interlocal agreement under this section by mutual consent.
- (9) A taxing entity's consent to allow an agency to receive project area funds under this section is not subject to the requirements of Section 10-8-2.
- (10) An interlocal agreement executed by a taxing entity under this section may be enforced by or against any successor taxing entity.

Enacted by Chapter 350, 2016 General Session

**17C-5-205 Interlocal agreement to provide project area funds for the community reinvestment project area subject to interlocal agreement -- Notice -- Effective date of interlocal agreement -- Time to contest interlocal agreement -- Availability of interlocal agreement.**

- (1) The agency shall approve and adopt an interlocal agreement described in Section 17C-5-204 at an open and public meeting.
- (2)

- (a) Upon the execution of an interlocal agreement described in Section 17C-5-204, the agency shall provide notice of the execution by:
  - (i)
    - (A) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or
    - (B) if there is no newspaper of general circulation within the agency's boundaries, causing the notice to be posted in at least three public places within the agency's boundaries; and
  - (ii) publishing or causing the notice to be published on the Utah Public Notice Website created in Section 63F-1-701.
- (b) A notice described in Subsection (2)(a) shall include:
  - (i) a summary of the interlocal agreement; and
  - (ii) a statement that the interlocal agreement is available for public inspection and the hours for inspection.
- (3) An interlocal agreement described in Section 17C-5-204 is effective the day on which the notice described in Subsection (2) is published or posted in accordance with Subsection (2)(a).
- (4)
  - (a) Within 30 days after the day on which the interlocal agreement is effective, a person may contest the interlocal agreement or the procedure used to adopt the interlocal agreement if the interlocal agreement or procedure fails to comply with a provision of this title.
  - (b) After the 30-day period described in Subsection (4)(a) expires, a person may not contest:
    - (i) the interlocal agreement;
    - (ii) a distribution of tax increment to the agency under the interlocal agreement; or
    - (iii) the agency's use of project area funds under the interlocal agreement.
- (5) A taxing entity that enters into an interlocal agreement under Section 17C-5-204 shall make a copy of the interlocal agreement available to the public at the taxing entity's office for inspection and copying during normal business hours.

Enacted by Chapter 350, 2016 General Session

**17C-5-206 Requirement to file a copy of the interlocal agreement -- County payment of tax increment.**

- (1) An agency that receives project area funds under an interlocal agreement shall, within 30 days after the day on which the interlocal agreement is effective, file a copy of the interlocal agreement with:
  - (a) the State Tax Commission, the State Board of Education, and the state auditor; and
  - (b) the auditor of the county in which the community reinvestment project area is located, if the interlocal agreement authorizes the agency to receive tax increment.
- (2) A county that collects property tax on property within a community reinvestment project area that is subject to an interlocal agreement shall, in accordance with Section 59-2-1365, pay and distribute to the agency the tax increment that the agency is authorized to receive under the interlocal agreement.

Enacted by Chapter 350, 2016 General Session