

Effective 5/12/2015

Chapter 3 Economic Development Programs

Part 1 Industrial Assistance Account

63N-3-101 Title -- Purpose.

- (1) This chapter is known as "Economic Development Programs."
- (2) This part is known as the "Industrial Assistance Account."
- (3) The Legislature finds and declares that the fostering and development of industry in Utah is a state public purpose necessary to assure the welfare of its citizens, the growth of its economy, and adequate employment for its citizens.

Renumbered and Amended by Chapter 283, 2015 General Session

63N-3-102 Definitions.

As used in this part:

- (1) "Administrator" means the executive director or the executive director's designee.
- (2) "Applicant" means an individual, for profit business entity, nonprofit, corporation, partnership, unincorporated association, government entity, executive branch department or division of a department, a political subdivision, a state institution of higher education, or any other administrative unit of the state.
- (3) "Economic opportunities" means business situations or community circumstances which lend themselves to the furtherance of the economic interests of the state by providing a catalyst or stimulus to the growth or retention, or both, of commerce and industry in the state, including retention of companies whose relocation outside the state would have a significant detrimental economic impact on the state as a whole, regions of the state, or specific components of the state.
- (4) "Restricted Account" means the restricted account known as the Industrial Assistance Account created in Section 63N-3-103.
- (5) "Talent development grant" means a grant awarded under Section 63N-3-112.

Amended by Chapter 159, 2024 General Session

63N-3-103 Industrial Assistance Account created -- Uses -- Administrator duties -- Costs.

- (1) There is created a restricted account within the General Fund known as the "Industrial Assistance Account".
- (2) The administrator shall administer the restricted account.
- (3) The administrator may hire appropriate support staff to perform the duties required under this section.
- (4) The cost of administering the restricted account shall be paid from money in the restricted account.
- (5) Interest accrued from investment of money in the restricted account shall remain in the restricted account.

- (6) The office shall review the activities and progress of grant recipients under this chapter on a regular basis and, as part of the office's annual written report described in Section 63N-1a-306, report on the economic impact of activities funded by each grant.

Amended by Chapter 282, 2021 General Session

63N-3-105 Qualification for assistance -- Application requirements.

- (1) Subject to the requirements of this part, the administrator may provide loans, grants, or other financial assistance from the restricted account to an entity offering an economic opportunity if that entity:
 - (a) applies to the administrator in a form approved by the administrator; and
 - (b) meets the qualifications of Subsection (2).
- (2) As part of an application for receiving financial assistance under this part, an applicant shall demonstrate the following to the satisfaction of the administrator:
 - (a) the nature of the economic opportunity and the related benefit to the economic well-being of the state by providing evidence documenting the expenditure of money necessitated by the economic opportunity;
 - (b) how the economic opportunity will act in concert with other state, federal, or local agencies to achieve the economic benefit;
 - (c) that the applicant will expend funds in the state with employees, vendors, subcontractors, or other businesses in an amount proportional with money provided from the restricted account at a minimum ratio of one to one per year or other more stringent requirements as established on a per project basis by the administrator;
 - (d) for an application for a loan, the applicant's ability to sustain economic activity in the state sufficient to repay, by means of cash or appropriate credits, the loan provided by the restricted account; and
 - (e) any other criteria the administrator considers appropriate.
- (3)
 - (a) The administrator may exempt an applicant from any of the requirements of Subsection (2) if:
 - (i) the applicant is part of a targeted industry; or
 - (ii) the applicant is a quasi-public corporation organized under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, or Title 63E, Chapter 2, Independent Corporations Act, and the applicant's operations, as demonstrated to the satisfaction of the administrator, will provide significant economic stimulus to the growth of commerce and industry in the state.
 - (b) The administrator may not exempt the applicant from the requirement under Subsection 63N-3-106(1)(b) that the loan be structured so that the repayment or return to the state equals at least the amount of the assistance together with an annual interest charge.
- (4) Before awarding any money under this part, the administrator shall:
 - (a) make findings as to whether an applicant has satisfied the requirements of Subsection (2);
 - (b) establish benchmarks and timeframes in which progress toward the completion of the agreed upon activity is to occur;
 - (c) monitor compliance by an applicant with any contract or agreement entered into by the applicant and the state as provided by Section 63N-3-107; and
 - (d) make funding decisions based upon appropriate findings and compliance.

Amended by Chapter 159, 2024 General Session

63N-3-106 Structure of loans, grants, and assistance -- Repayment -- Earned credits.

- (1)
 - (a) Subject to Subsection (1)(b), the administrator has authority to determine the structure, amount, and nature of any loan, grant, or other financial assistance from the restricted account.
 - (b) Loans made under this part shall be structured so the intended repayment or return to the state, including cash or credit, equals at least the amount of the assistance together with an annual interest charge as negotiated by the administrator.
 - (c) Payments resulting from grants awarded from the restricted account shall be made only after the administrator has determined that the company has satisfied the conditions upon which the payment or earned credit was based.
- (2)
 - (a) The administrator may provide for a system of earned credits that may be used to support grant payments or in lieu of cash repayment of a restricted account loan obligation.
 - (b) The value of the credits described in Subsection (2)(a) shall be based on factors determined by the administrator, including:
 - (i) the number of Utah jobs created;
 - (ii) the increased economic activity in Utah; or
 - (iii) other events and activities that occur as a result of the restricted account assistance.
- (3)
 - (a) A cash loan repayment or other cash recovery from a company receiving assistance under this section, including interest, shall be deposited into the restricted account.
 - (b) The administrator and the Division of Finance shall determine the manner of recognizing and accounting for the earned credits used in lieu of loan repayments or to support grant payments as provided in Subsection (2).
- (4)
 - (a)
 - (i) At the end of each fiscal year, the Division of Finance shall transfer the balance of the General Fund revenue surplus as defined in Section 63J-1-312 after the transfers of General Fund revenue surplus described in Subsection (4)(b) to the Industrial Assistance Account in an amount equal to any credit that has accrued under this part.
 - (ii) The transfer under Subsection (4)(a)(i) is capped at \$50,000,000 and the Division of Finance shall deposit any interest accrued above the \$50,000,000 cap into the General Fund.
 - (b) The Division of Finance shall make the transfer required by Subsection (4)(a) after the Division of Finance transfers the General Fund revenue surplus to:
 - (i) the Medicaid Growth Reduction and Budget Stabilization Restricted Account, as provided in Section 63J-1-315;
 - (ii) the General Fund Budget Reserve Account, as provided in Section 63J-1-312; and
 - (iii) as provided in Section 63J-1-314:
 - (A) the Wildland Fire Suppression Fund or the Wildland-urban Interface Prevention, Preparedness, and Mitigation Fund; and
 - (B) the State Disaster Recovery Restricted Account.
 - (c) These credit amounts may not be used for purposes of the restricted account as provided in this part until appropriated by the Legislature.

Amended by Chapter 77, 2024 General Session
Amended by Chapter 159, 2024 General Session

63N-3-107 Agreements.

The administrator shall enter into agreements with each successful applicant that have specific terms and conditions for each loan, grant, or financial assistance under this part, including:

- (1) for a loan:
 - (a) repayment schedules;
 - (b) interest rates;
 - (c) specific economic activity required to qualify for the loan or for repayment credits;
 - (d) collateral or security, if any; and
 - (e) other terms and conditions considered appropriate by the administrator; and
- (2) for a grant or other financial assistance:
 - (a) requirements for compliance monitoring;
 - (b) repayment for nonperformance or departure from the state;
 - (c) collateral or security, if any; and
 - (d) other terms and conditions considered appropriate by the administrator.

Amended by Chapter 159, 2024 General Session

63N-3-111 Annual policy considerations.

- (1)
 - (a) The office shall make recommendations to state and federal agencies, local governments, the governor, and the Legislature regarding policies and initiatives that promote the economic development of targeted industries.
 - (b) The office may create one or more voluntary advisory committees that may include public and private stakeholders to solicit input on policy guidance and best practices in encouraging the economic development of targeted industries.
- (2) The administrator may establish:
 - (a) minimum interest rates to be applied to loans granted that reflect a fair social rate of return to the state comparable to prevailing market-based rates such as the prime rate, U.S. Government T-bill rate, or bond coupon rate as paid by the state, adjusted by social indicators such as the rate of unemployment; and
 - (b) minimum applicant expense ratios, as long as they are at least equal to those required under Subsection 63N-3-105(2).

Amended by Chapter 159, 2024 General Session

63N-3-112 Talent development grants.

- (1) A for-profit business that is creating new incremental high paying jobs in the state, may apply to receive a talent development grant from the restricted account.
- (2) In accordance with the provisions of this section and in consultation with the GOEO board, the administrator may award up to \$10,000 per new job created.
- (3) The administrator shall designate an application process for a business to apply for the grant.
- (4) A business may apply to receive a grant only after each employee has been employed at qualifying wage levels for at least 12 consecutive months.
- (5) The office shall deduct money granted for a talent development grant under this section from any other money or incentive awarded by the office to the business.
- (6) Grants awarded under this section are only to reimburse a business for the costs incurred to recruit, hire, train, and otherwise employ an employee in a newly created job.
- (7) As part of the application process, a business shall submit a hiring and training plan detailing how the grant money will be used.

- (8) The administrator may grant an award only up to an amount that is no more than 25% of the estimated costs to be incurred by the business for the costs in the hiring and training plan.

Amended by Chapter 159, 2024 General Session

63N-3-113 Financial assistance to entities offering technical assistance to municipalities in connection with planning.

- (1) The administrator may provide money from the Industrial Assistance Account to an entity offering technical assistance to a municipality in connection with planning for housing, transportation, and growth.
- (2) As part of an application for receiving money under this section, an applicant shall:
 - (a) describe the activities the entity will undertake to provide technical assistance to a municipality in connection with planning for housing, transportation, and growth; and
 - (b) satisfy other criteria the administrator considers appropriate.
- (3) Before awarding any money under this section, the administrator shall:
 - (a) make findings as to whether an applicant has satisfied the requirements of Subsection (2);
 - (b) establish benchmarks and timeframes in which progress toward the completion of the agreed upon activities are to occur;
 - (c) monitor compliance by an applicant with any contract or agreement entered into by the applicant and the state as provided by Section 63N-3-107; and
 - (d) make funding decisions based upon appropriate findings and compliance.

Enacted by Chapter 406, 2022 General Session

Part 2
Technology Commercialization and Innovation Act

63N-3-204 Administration -- Grants and loans.

- (1) The office shall administer this part.
- (2)
 - (a)
 - (i) The office may award Utah Technology Innovation Funding Program grants or issue loans under this part to small businesses.
 - (ii) If loans are issued under Subsection (2)(a)(i), the Division of Finance may set up a fund or account as necessary for the proper accounting of the loans.
 - (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules establishing procedures for applying for and issuing grants or loans under this part.
 - (c)
 - (i) An applicant that receives a grant or loan under this part shall return the grant or loan proceeds or a portion of the grant or loan proceeds to the office if the applicant:
 - (A) does not maintain the applicant's principal place of business in the state; or
 - (B) initially maintains the applicant's principal place of business in the state, but within five years after issuance of the grant or loan, the applicant transfers the applicant's principal place of business to an out-of-state location.

- (ii) A repayment by an applicant shall be prorated based on the number of full years the applicant operated in the state from the date of the awarded grant or loan.
- (3) In considering each proposal, the office shall weigh technical merit, the level of matching funds from private and federal sources, and the potential for commercialization and broad impact.
- (4) The office shall review the activities and progress of grant or loan recipients on a regular basis and, as part of the office's annual written report described in Section 63N-1a-306, report on the accomplishments, direction, and usefulness of the Utah Technology Innovation Funding Program, including recommendations on:
 - (a) whether the program is beneficial to the state and should continue; and
 - (b) whether other office programs or programs in other agencies could provide similar state benefits more effectively or at a lower cost.

Amended by Chapter 362, 2022 General Session

Part 4

Transient Room Tax Fund Act

63N-3-401 Title.

This part is known as the "Transient Room Tax Fund Act."

Renumbered and Amended by Chapter 283, 2015 General Session

63N-3-402 Definitions.

As used in this part, "fund" means the Transient Room Tax Fund created by Section 63N-3-403.

Renumbered and Amended by Chapter 283, 2015 General Session

Effective until 7/1/2024

63N-3-403 Transient Room Tax Fund -- Source of revenues -- Interest -- Expenditure or pledge of revenues.

- (1) There is created an expendable special revenue fund known as the Transient Room Tax Fund.
- (2)
 - (a) The fund shall be funded by the portion of the sales and use tax described in Subsection 59-12-301(2).
 - (b)
 - (i) The fund shall earn interest.
 - (ii) Any interest earned on fund money shall be deposited into the fund.
- (3)
 - (a) Subject to Subsection (3)(b), the executive director shall expend or pledge the money deposited into the fund:
 - (i) to mitigate the impacts of traffic and parking relating to a convention facility within a county of the first class;
 - (ii) for a purpose listed in Section 17-31-2, except that any requirements in Section 17-31-2 for the expenditure of money do not apply; or
 - (iii) for a combination of Subsections (3)(a)(i) and (ii).

- (b) The executive director may not expend more than \$20,000,000 in total to mitigate the impacts of traffic and parking relating to a convention facility within a county of the first class.

Renumbered and Amended by Chapter 283, 2015 General Session

Effective 7/1/2024

63N-3-403 Transient Room Tax Fund -- Source of revenues -- Interest -- Expenditure or pledge of revenues.

- (1) There is created a fiduciary fund held by the state in a purely custodial capacity known as the Transient Room Tax Fund.
- (2)
 - (a) The fund shall be funded by the portion of the sales and use tax described in Subsection 59-12-301(2).
 - (b)
 - (i) The fund shall earn interest.
 - (ii) Any interest earned on fund money shall be deposited into the fund.
- (3)
 - (a) Subject to Subsection (3)(b), the executive director shall expend or pledge the money deposited into the fund:
 - (i) to mitigate the impacts of traffic and parking relating to a convention facility within a county of the first class;
 - (ii) for a purpose listed in Section 17-31-2, except that any requirements in Section 17-31-2 for the expenditure of money do not apply; or
 - (iii) for a combination of Subsections (3)(a)(i) and (ii).
 - (b) The executive director may not expend more than \$20,000,000 in total to mitigate the impacts of traffic and parking relating to a convention facility within a county of the first class.

Amended by Chapter 268, 2024 General Session

**Part 6
Housing and Transit Reinvestment Zone Act**

63N-3-601 Title.

This part is known as the "Housing and Transit Reinvestment Zone Act."

Enacted by Chapter 411, 2021 General Session

63N-3-602 Definitions.

As used in this part:

- (1) "Affordable housing" means housing occupied or reserved for occupancy by households with a gross household income:
 - (a) equal to or less than 80% of the median gross income of the applicable municipal or county statistical area for households of the same size, in certain circumstances as provided in this part; or

- (b) equal to or less than 60% of the median gross income of the applicable municipal or county statistical area for households of the same size, in certain circumstances as provided in this part.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for each tax increment collection period triggered within a proposed housing and transit reinvestment zone area, the calendar year prior to the calendar year the tax increment begins to be collected for those parcels triggered for that collection period.
- (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations.
- (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal that is specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:
 - (a) along an existing bus rapid transit line; or
 - (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.
- (7)
 - (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a large public transit district.
 - (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public transit district.
- (8) "Commuter rail station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range transit plan:
 - (a) along an existing commuter rail line;
 - (b) along an extension to an existing commuter rail line or new commuter rail line; or
 - (c) along a fixed guideway extension from an existing commuter rail line.
- (9)
 - (a) "Developable area" means the portion of land within a housing and transit reinvestment zone available for development and construction of business and residential uses.
 - (b) "Developable area" does not include portions of land within a housing and transit reinvestment zone that are allocated to:
 - (i) parks;
 - (ii) recreation facilities;
 - (iii) open space;
 - (iv) trails;
 - (v) publicly-owned roadway facilities; or
 - (vi) other public facilities.
- (10) "Dwelling unit" means one or more rooms arranged for the use of one or more individuals living together, as a single housekeeping unit normally having cooking, living, sanitary, and sleeping facilities.
- (11) "Enhanced development" means the construction of mixed uses including housing, commercial uses, and related facilities.
- (12) "Enhanced development costs" means extra costs associated with structured parking costs, vertical construction costs, horizontal construction costs, life safety costs, structural costs,

- conveyor or elevator costs, and other costs incurred due to the increased height of buildings or enhanced development.
- (13) "First home investment zone" means the same as that term is defined in Section 63N-3-1601.
 - (14) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
 - (15) "Horizontal construction costs" means the additional costs associated with earthwork, over excavation, utility work, transportation infrastructure, and landscaping to achieve enhanced development in the housing and transit reinvestment zone.
 - (16) "Housing and transit reinvestment zone" means a housing and transit reinvestment zone created pursuant to this part.
 - (17) "Housing and transit reinvestment zone committee" means a housing and transit reinvestment zone committee created pursuant to Section 63N-3-605.
 - (18) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.
 - (19) "Light rail" means a passenger rail public transit system with right-of-way and fixed rails:
 - (a) dedicated to exclusive use by light-rail public transit vehicles;
 - (b) that may cross streets at grade; and
 - (c) that may share parts of surface streets.
 - (20) "Light rail station" means an existing station, stop, or terminal or a proposed station, stop, or terminal, which has been specifically identified as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range plan:
 - (a) along an existing light rail line; or
 - (b) along an extension to an existing light rail line or new light rail line.
 - (21) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.
 - (22) "Mixed use development" means development with a mix of:
 - (a) multi-family residential use; and
 - (b) at least one additional land use, which shall be a significant part of the overall development.
 - (23) "Municipality" means the same as that term is defined in Section 10-1-104.
 - (24) "Participant" means the same as that term is defined in Section 17C-1-102.
 - (25) "Participation agreement" means the same as that term is defined in Section 17C-1-102, except that the agency may not provide and the person may not receive a direct subsidy.
 - (26) "Public transit county" means a county that has created a small public transit district.
 - (27) "Public transit hub" means a public transit depot or station where four or more routes serving separate parts of the county-created transit district stop to transfer riders between routes.
 - (28) "Sales and use tax base year" means a sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a housing and transit reinvestment zone is established.
 - (29) "Sales and use tax boundary" means a boundary created as described in Section 63N-3-604, based on state sales and use tax collection that corresponds as closely as reasonably practicable to the housing and transit reinvestment zone boundary.
 - (30) "Sales and use tax increment" means the difference between:
 - (a) the amount of state sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a housing and transit reinvestment zone designated in the housing and transit reinvestment zone proposal as the area from which sales and use tax increment is to be collected; and
 - (b) the amount of state sales and use tax revenue that was generated from that same area during the sales and use tax base year.

- (31) "Sales and use tax revenue" means revenue that is generated from the tax imposed under Section 59-12-103.
- (32) "Small public transit district" means the same as that term is defined in Section 17B-2a-802.
- (33) "Tax Commission" means the State Tax Commission created in Section 59-1-201.
- (34)
 - (a) "Tax increment" means the difference between:
 - (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a housing and transit reinvestment zone designated in the housing and transit reinvestment zone proposal as the area from which tax increment is to be collected, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
 - (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.
 - (b) "Tax increment" does not include property tax revenue from:
 - (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2); or
 - (ii) a county additional property tax described in Subsection 59-2-1602(4).
- (35) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- (36) "Vertical construction costs" means the additional costs associated with construction above four stories and structured parking to achieve enhanced development in the housing and transit reinvestment zone.

Amended by Chapter 521, 2024 General Session
Amended by Chapter 537, 2024 General Session

63N-3-603 Applicability, requirements, and limitations on a housing and transit reinvestment zone.

- (1) A housing and transit reinvestment zone proposal created under this part shall promote the following objectives:
 - (a) higher utilization of public transit;
 - (b) increasing availability of housing, including affordable housing, and fulfillment of moderate income housing plans;
 - (c) promoting and encouraging development of owner-occupied housing;
 - (d) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;
 - (e) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
 - (f) conserving water resources through efficient land use;
 - (g) improving air quality by reducing fuel consumption and motor vehicle trips;
 - (h) encouraging transformative mixed-use development and investment in transportation and public transit infrastructure in strategic areas;
 - (i) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2);
 - (j) increasing access to employment and educational opportunities; and
 - (k) increasing access to child care.
- (2)
 - (a) In order to accomplish the objectives described in Subsection (1), a municipality or public transit county that initiates the process to create a housing and transit reinvestment zone as

described in this part shall ensure that the proposal for a housing and transit reinvestment zone includes:

- (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units within the housing and transit reinvestment zone are affordable housing units, with:
 - (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the applicable municipal or county statistical area for households of the same size; and
 - (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy by households with a gross household income equal to or less than 60% of the median gross income of the applicable municipal or county statistical area for households of the same size;
 - (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone shall include:
 - (A) at least 51% of the developable area within a housing and transit reinvestment zone as residential uses; and
 - (B) an average of at least 50 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential uses;
 - (iii) mixed-use development; and
 - (iv) a mix of dwelling units to ensure that a reasonable percentage of the dwelling units has more than one bedroom.
- (b)
- (i) If a housing and transit reinvestment zone is phased, a municipality or public transit county shall ensure that a housing and transit reinvestment zone is phased and developed to provide the required 12% of affordable housing units in each phase of development.
 - (ii) A municipality or public transit county may allow a housing and transit reinvestment zone to be phased and developed in a manner to provide more of the required affordable housing units in early phases of development.
 - (iii) A municipality or public transit county shall include in a housing and transit reinvestment zone proposal an affordable housing plan, which may include deed restrictions, to ensure the affordable housing required in the proposal will continue to meet the definition of affordable housing at least throughout the entire term of the housing and transit reinvestment zone.
- (c) For a housing and transit reinvestment zone proposed by a public transit county at a public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at a bus rapid transit station, the housing and transit reinvestment zone shall include:
- (i) at least 51% of the developable area within a housing and transit reinvestment zone as residential uses; and
 - (ii) an average of at least 39 dwelling units per acre within the acreage of the housing and transit reinvestment zone dedicated to residential uses.
- (3) A municipality or public transit county that, at the time the housing and transit reinvestment zone proposal is approved by the housing and transit reinvestment zone committee, meets the affordable housing guidelines of the United States Department of Housing and Urban Development at 60% area median income is exempt from the requirement described in Subsection (2)(a).
- (4)

- (a) A municipality may only propose a housing and transit reinvestment zone at a commuter rail station, and a public transit county may only propose a housing and transit reinvestment zone at a public transit hub, that:
 - (i) subject to Subsection (5)(a):
 - (A)
 - (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not exceed a 1/3 mile radius of a commuter rail station;
 - (II) for a municipality that is a city of the first class with a population greater than 150,000 that is within a county of the first class, with an opportunity zone created pursuant to Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail station located within the opportunity zone; or
 - (III) for a public transit county, does not exceed a 1/3 mile radius of a public transit hub; and
 - (B) has a total area of no more than 125 noncontiguous acres;
 - (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each taxing entity's tax increment above the base year for a term of no more than 25 consecutive years on each parcel within a 45-year period not to exceed the tax increment amount approved in the housing and transit reinvestment zone proposal; and
 - (iii) the commencement of collection of tax increment, for all or a portion of the housing and transit reinvestment zone, will be triggered by providing notice as described in Subsection (6), but a housing and transit reinvestment zone proposal may not propose or include triggering more than three tax increment collection periods during the applicable 45-year period.
- (b) A municipality or public transit county may only propose a housing and transit reinvestment zone at a light rail station or bus rapid transit station that:
 - (i) subject to Subsection (5):
 - (A) does not exceed:
 - (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a 1/4 mile radius of a bus rapid transit station or light rail station;
 - (II) for a municipality that is a city of the first class with a population greater than 150,000 that is within a county of the first class, a 1/2 mile radius of a light rail station located in an opportunity zone created pursuant to Section 1400Z-1, Internal Revenue Code; or
 - (III) a 1/2 mile radius of a light rail station located within a master-planned development of 500 acres or more; and
 - (B) has a total area of no more than 100 noncontiguous acres;
 - (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a maximum of 80% of each taxing entity's tax increment above the base year for a term of no more than 15 consecutive years on each parcel within a 30-year period not to exceed the tax increment amount approved in the housing and transit reinvestment zone proposal; and
 - (iii) the commencement of collection of tax increment, for all or a portion of the housing and transit reinvestment zone, will be triggered by providing notice as described in Subsection (6), but a housing and transit reinvestment zone proposal may not propose or include triggering more than three tax increment collection periods during the applicable 30-year period.
- (c) For a housing and transit reinvestment zone proposed by a public transit county at a public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at a bus rapid transit station, if the proposed housing density within the housing and transit

reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each taxing entity's tax increment above the base year is 60%.

- (d) A municipality that is a city of the first class with a population greater than 150,000 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within an opportunity zone.
- (e)
- (i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to an area between two light rail stations located within a city of the third class if the two light rail stations are within a .95 mile distance on the same light rail line.
 - (ii) If a housing and transit reinvestment zone is extended to accommodate two light rail stations as described in Subsection (4)(e)(i):
 - (A) the housing and transit reinvestment zone is limited to a total area not to exceed 100 noncontiguous acres; and
 - (B) the housing and transit reinvestment zone may not exceed a 1/4 mile radius from the light rail stations or any point on the light rail line between the two stations.
- (f) If a parcel within the housing and transit reinvestment zone is included as an area that is part of a project area, as that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.
- (5)
- (a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the housing and transit reinvestment zone area and will not count against the limitations described in Subsection (4)(a)(i).
 - (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the housing and transit reinvestment zone area and will not count against the limitations described in Subsection (4)(b)(i).
 - (c) A housing and transit reinvestment zone may not be smaller than 10 acres.
- (6) The notice of commencement of collection of tax increment required in Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the following entities no later than January 1 of the year for which the tax increment collection is proposed to commence:
- (a) the tax commission;
 - (b) the State Board of Education;
 - (c) the state auditor;
 - (d) the auditor of the county in which the housing and transit reinvestment zone is located;
 - (e) each taxing entity affected by the collection of tax increment from the housing and transit reinvestment zone; and
 - (f) the Governor's Office of Economic Opportunity.
- (7)
- (a) The maximum number of housing and transit reinvestment zones at light rail stations is eight in any given county.
 - (b) Within a county of the first class, the maximum number of housing and transit reinvestment zones at bus rapid transit stations is three.

- (c) Within a county of the first class, the maximum total combined number of housing and transit reinvestment zones described in Subsections (7)(a) and (b) and first home investment zones created under Part 13, First Home Investment Zone Act, is 11.
- (8)
 - (a) This Subsection (8) applies to a specified county, as defined in Section 17-27a-408, that has created a small public transit district on or before January 1, 2022.
 - (b)
 - (i) A county described in Subsection (8)(a) shall, in accordance with Section 63N-3-604, prepare and submit to the Governor's Office of Economic Opportunity a proposal to create a housing and transit reinvestment zone on or before December 31, 2022.
 - (ii) A county described in Subsection (8)(a) that, on December 31, 2022, was noncompliant under Section 17-27a-408 for failure to demonstrate in the county's moderate income housing report that the county complied with Subsection (8)(b)(i), may cure the deficiency in the county's moderate income housing report by submitting satisfactory proof to the Housing and Community Development Division that, notwithstanding the deadline in Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic Opportunity a proposal to create a housing and transit reinvestment zone.
 - (c)
 - (i) A county described in Subsection (8)(a) may not propose a housing and transit reinvestment zone if more than 15% of the acreage within the housing and transit reinvestment zone boundary is owned by the county.
 - (ii) For purposes of determining the percentage of acreage owned by the county as described in Subsection (8)(c)(i), a county may exclude any acreage owned that is used for highways, bus rapid transit, light rail, or commuter rail within the boundary of the housing and transit reinvestment zone.
 - (d) To accomplish the objectives described in Subsection (1), if a county described in Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit an application before December 31, 2022, an owner of undeveloped property who has submitted a land use application to the county on or before December 31, 2022, and is within a 1/3 mile radius of a public transit hub in a county described in Subsection (8)(a), including parcels that are bisected by the 1/3 mile radius, shall have the right to develop and build a mixed-use development including the following:
 - (i) excluding the parcels devoted to commercial uses as described in Subsection (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area, with at least 10% of the dwelling units as affordable housing units;
 - (ii) commercial uses including office, retail, educational, and healthcare in support of the mixed-use development constituting up to 1/3 of the total planned gross building square footage of the subject parcels; and
 - (iii) any other infrastructure element necessary or reasonable to support the mixed-use development, including parking infrastructure, streets, sidewalks, parks, and trails.

Amended by Chapter 521, 2024 General Session

Amended by Chapter 537, 2024 General Session

63N-3-604 Process for a proposal of a housing and transit reinvestment zone -- Analysis.

- (1) Subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-605, in order to create a housing and transit reinvestment zone, a municipality

or public transit county that has general land use authority over the housing and transit reinvestment zone area, shall:

- (a) prepare a proposal for the housing and transit reinvestment zone that:
 - (i) demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1);
 - (ii) explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a)(i);
 - (iii) defines the specific transportation infrastructure needs, if any, and proposed improvements;
 - (iv) defines the boundaries of:
 - (A) the housing and transit reinvestment zone; and
 - (B) the sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;
 - (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:
 - (A) the proposed boundary and radius from a public transit hub;
 - (B) proposed housing density within the housing and transit reinvestment zone; and
 - (C) existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;
 - (vi) identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;
 - (vii) describes the proposed development plan, including the requirements described in Subsections 63N-3-603(2) and (4);
 - (viii) establishes a base year and collection period to calculate the tax increment within the housing and transit reinvestment zone;
 - (ix) establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone in accordance with Section 63N-3-610;
 - (x) describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;
 - (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
 - (xii) evaluates possible benefits to active and public transportation availability and impacts on air quality;
 - (xiii) proposes a finance schedule to align expected revenue with required financing costs and payments;
 - (xiv) provides a pro-forma for the planned development that:
 - (A) satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4); and
 - (B) includes data showing the cost difference between what type of development could feasibly be developed absent the housing and transit reinvestment zone tax increment and the type of development that is proposed to be developed with the housing and transit reinvestment zone tax increment; and
 - (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail station, or bus rapid transit station that is proposed and not in public transit service operation as of the date of submission of the proposal, demonstrates that the proposed station is:
 - (A) included as needed in phase one of a metropolitan planning organization's adopted long-range transportation plan and in phase one of the relevant public transit district's adopted long-range plan; and
 - (B) reasonably anticipated to be constructed in the near future; and

- (b) submit the housing and transit reinvestment zone proposal to the Governor's Office of Economic Opportunity.
- (2) As part of the proposal described in Subsection (1), a municipality or public transit county shall study and evaluate possible impacts of a proposed housing and transit reinvestment zone on parking within the city and housing and transit reinvestment zone.
- (3)
 - (a) After receiving the proposal as described in Subsection (1)(b), the Governor's Office of Economic Opportunity shall:
 - (i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives the proposal described in Subsection (1)(b), provide notice of the proposal to all affected taxing entities, including the Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the housing and transit reinvestment zone is located; and
 - (ii) at the expense of the proposing municipality or public transit county as described in Subsection (5), contract with an independent entity to perform the gap analysis described in Subsection (3)(b).
 - (b) The gap analysis required in Subsection (3)(a)(ii) shall include:
 - (i) a description of the planned development;
 - (ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality or public transit county absent the proposed housing and transit reinvestment zone;
 - (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency of the proposal;
 - (iv) an evaluation of the proposed increment capture needed to cover the enhanced development costs associated with the housing and transit reinvestment zone proposal and enable the proposed development to occur; and
 - (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).
 - (c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the Tax Commission shall:
 - (i) evaluate the feasibility of administering the tax implications of the proposal; and
 - (ii) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the Tax Commission can feasibly administer the proposal.
- (4) After receiving the results from the analysis described in Subsection (3)(b), the municipality or public transit county proposing the housing and transit reinvestment zone may:
 - (a) amend the housing and transit reinvestment zone proposal based on the findings of the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity submit the amended housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee; or
 - (b) request that the Governor's Office of Economic Opportunity submit the original housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee.
- (5)
 - (a) The Governor's Office of Economic Opportunity may accept, as a dedicated credit, up to \$20,000 from a municipality or public transit county for the costs of the gap analysis described in Subsection (3)(b).

- (b) The Governor's Office of Economic Opportunity may expend funds received from a municipality or public transit county as dedicated credits to pay for the costs associated with the gap analysis described in Subsection (3)(b).

Amended by Chapter 521, 2024 General Session

63N-3-605 Housing and Transit Reinvestment Zone Committee -- Creation.

- (1) For any housing and transit reinvestment zone proposed under this part, or for a first home investment zone proposed in accordance with Part 16, First Home Investment Zone Act, there is created a housing and transit reinvestment zone committee with membership described in Subsection (2).
- (2) Each housing and transit reinvestment zone committee shall consist of the following members:
 - (a) one representative from the Governor's Office of Economic Opportunity, designated by the executive director of the Governor's Office of Economic Opportunity;
 - (b) one representative from each municipality that is a party to the proposed housing and transit reinvestment zone or first home investment zone, designated by the chief executive officer of each respective municipality;
 - (c) a member of the Transportation Commission created in Section 72-1-301;
 - (d) a member of the board of trustees of a large public transit district;
 - (e) one individual from the Office of the State Treasurer, designated by the state treasurer;
 - (f) two members designated by the president of the Senate;
 - (g) two members designated by the speaker of the House of Representatives;
 - (h) one member designated by the chief executive officer of each county affected by the housing and transit reinvestment zone or first home investment zone;
 - (i) two representatives designated by the school superintendent from the school district affected by the housing and transit reinvestment zone or first home investment zone; and
 - (j) one representative, representing the largest participating local taxing entity, after the municipality, county, and school district.
- (3) The individual designated by the Governor's Office of Economic Opportunity as described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone committee.
- (4)
 - (a) A majority of the members of the housing and transit reinvestment zone committee constitutes a quorum of the housing and transit reinvestment zone committee.
 - (b) An action by a majority of a quorum of the housing and transit reinvestment zone committee is an action of the housing and transit reinvestment zone committee.
- (5)
 - (a) After the Governor's Office of Economic Opportunity receives the results of the analysis described in Section 63N-3-604, and after the Governor's Office of Economic Opportunity has received a request from the submitting municipality or public transit county to submit the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each of the entities described in Subsection (2) of the formation of the housing and transit reinvestment zone committee.
 - (b) For a first home investment zone, the housing and transit reinvestment zone committee shall follow the procedures described in Section 63N-3-1604.
- (6)
 - (a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed housing and transit reinvestment zone.

- (b) A meeting of the housing and transit reinvestment zone committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.
- (7)
 - (a) The proposing municipality or public transit county shall present the housing and transit reinvestment zone proposal to the housing and transit reinvestment zone committee in a public meeting.
 - (b) The housing and transit reinvestment zone committee shall:
 - (i) evaluate and verify whether the elements of a housing and transit reinvestment zone described in Subsections 63N-3-603(2) and (4) have been met; and
 - (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis described in Subsection 63N-3-604(2).
- (8)
 - (a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee may:
 - (i) request changes to the housing and transit reinvestment zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-604; or
 - (ii) vote to approve or deny the proposal.
 - (b) Before the housing and transit reinvestment zone committee may approve the housing and transit reinvestment zone proposal, the municipality or public transit county proposing the housing and transit reinvestment zone shall ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate the requirements of a housing and transit reinvestment zone described in this section and the proposed development.
- (9) If a housing and transit reinvestment zone is approved by the committee:
 - (a) the proposed housing and transit reinvestment zone is established according to the terms of the housing and transit reinvestment zone proposal;
 - (b) affected local taxing entities are required to participate according to the terms of the housing and transit reinvestment zone proposal; and
 - (c) each affected taxing entity is required to participate at the same rate .
- (10) A housing and transit reinvestment zone proposal may be amended by following the same procedure as approving a housing and transit reinvestment zone proposal.

Amended by Chapter 521, 2024 General Session

Amended by Chapter 537, 2024 General Session

63N-3-606 Notice requirements.

- (1) In approving a housing and transit reinvestment zone proposal the housing and transit reinvestment zone committee shall follow the hearing and notice requirements for creating a housing and transit reinvestment zone area proposal.
- (2) Within 30 days after the housing and transit reinvestment zone committee approves a proposed housing and transit reinvestment zone, the municipality or public transit county shall:
 - (a) record with the recorder of the county in which the housing and transit reinvestment zone is located a document containing:
 - (i) a description of the land within the housing and transit reinvestment zone;
 - (ii) a statement that the proposed housing and transit reinvestment zone has been approved; and
 - (iii) the date of adoption;

- (b) transmit a copy of the description of the land within the housing and transit reinvestment zone and an accurate map or plat indicating the boundaries of the housing and transit reinvestment zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and
- (c) transmit a copy of the approved housing and transit reinvestment zone proposal, map, and description of the land within the housing and transit reinvestment zone, to:
 - (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the housing and transit reinvestment zone is located;
 - (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;
 - (iii) the legislative body or governing board of each taxing entity;
 - (iv) the tax commission; and
 - (v) the State Board of Education.

Enacted by Chapter 411, 2021 General Session

63N-3-607 Payment, use, and administration of revenue from a housing and transit reinvestment zone.

- (1) A municipality or public transit county may receive and use tax increment and housing and transit reinvestment zone funds in accordance with this part.
- (2)
 - (a) A county that collects property tax on property located within a housing and transit reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the municipality or public transit county any tax increment the municipality or public transit county is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.
 - (b) Tax increment distributed to a municipality or public transit county in accordance with Subsection (2)(a) is not revenue of the taxing entity or municipality or public transit county.
 - (c)
 - (i) Tax increment paid to the municipality or public transit county are housing and transit reinvestment zone funds and shall be administered by an agency created by the municipality or public transit county within which the housing and transit reinvestment zone is located.
 - (ii) Before an agency may receive housing and transit reinvestment zone funds from the municipality or public transit county, the municipality or public transit county and the agency shall enter into an interlocal agreement with terms that:
 - (A) are consistent with the approval of the housing and transit reinvestment zone committee; and
 - (B) meet the requirements of Section 63N-3-603.
- (3)
 - (a) A municipality or public transit county and agency shall use housing and transit reinvestment zone funds within, or for the direct benefit of, the housing and transit reinvestment zone.
 - (b) If any housing and transit reinvestment zone funds will be used outside of the housing and transit reinvestment zone there must be a finding in the approved proposal for a housing and transit reinvestment zone that the use of the housing and transit reinvestment zone funds outside of the housing and transit reinvestment zone will directly benefit the housing and transit reinvestment zone.

- (4) A municipality or public transit county shall use housing and transit reinvestment zone funds to achieve the purposes described in Subsections 63N-3-603(1) and (2), by paying all or part of the costs of any of the following:
 - (a) income targeted housing costs;
 - (b) structured parking within the housing and transit reinvestment zone;
 - (c) enhanced development costs;
 - (d) horizontal construction costs;
 - (e) vertical construction costs;
 - (f) property acquisition costs within the housing and transit reinvestment zone; or
 - (g) the costs of the municipality or public transit county to create and administer the housing and transit reinvestment zone, which may not exceed 2% of the total housing and transit reinvestment zone funds, plus the costs to complete the gap analysis described in Subsection 63N-3-604(2).
- (5) Housing and transit reinvestment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement which requires the participant to utilize the housing and transit reinvestment zone funds as allowed in this section.
- (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.
- (7) A municipality or public transit county may create one or more public infrastructure districts within the housing and transit reinvestment zone under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing and transit reinvestment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

Amended by Chapter 521, 2024 General Session

63N-3-608 Applicability to an existing community reinvestment project.

For a housing and transit reinvestment zone created under this part that overlaps any portion of an existing inactive industrial site community reinvestment project area plan created pursuant to Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act:

- (1) if the community reinvestment project area plan captures less than 80% of the tax increment from a taxing entity, or if a taxing entity is not participating in the community reinvestment project area plan, the housing and transit reinvestment zone may capture the difference between:
 - (a) 80%; and
 - (b) the percentage of tax increment captured pursuant to the community reinvestment project area plan; and
- (2) if a community reinvestment project area plan expires before the housing and transit reinvestment zone, the housing and transit reinvestment zone may capture the tax increment allocated to the community reinvestment project area plan for any remaining portion of the term of the housing and transit reinvestment zone.

Enacted by Chapter 411, 2021 General Session

63N-3-609 Tax increment protections.

- (1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a housing and transit reinvestment zone, a housing

and transit reinvestment zone may suspend or terminate the collection of tax increment in a housing and transit reinvestment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

- (a) a substantial portion of the tax increment collected in the housing and transit reinvestment zone has not or will not be used for the purposes provided in Section 63N-3-607; and
- (b)
 - (i) the housing and transit reinvestment zone has no indebtedness; or
 - (ii) the housing and transit reinvestment zone has no binding financial obligations.
- (2) A housing and transit reinvestment zone may not collect tax increment in excess of the tax increment projections or limitations set forth in the housing and transit reinvestment proposal.
- (3) The agency administering the tax increment collected in a housing and transit reinvestment zone under Subsection 63N-3-607(2)(c), shall have standing in a court with proper jurisdiction to enforce provisions of the housing and transit reinvestment zone proposal, participation agreements, and other agreements for the use of the tax increment collected.
- (4) The agency administering tax increment from a housing and transit reinvestment zone under Subsection 63N-3-607(2)(c) which is collecting tax increment shall follow the reporting requirements described in Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.
- (5) For each housing and transit reinvestment zone collecting tax increment within a county, the county auditor shall follow the reporting requirement found in Section 17C-1-606.

Enacted by Chapter 411, 2021 General Session

63N-3-610 Sales and use tax increment in a housing and transit reinvestment zone.

- (1) A housing and transit reinvestment proposal shall, in consultation with the tax commission:
 - (a) create a sales and use tax boundary as described in Subsection (2); and
 - (b) establish a sales and use tax base year and collection period to calculate and transfer the state sales and use tax increment within the housing and transit reinvestment zone, which sales and use tax base year is established prospectively, 90 days after the date of the notice described in Subsection (4).
- (2)
 - (a) The municipality or public transit county, in consultation with the tax commission, shall establish a sales and use tax boundary that:
 - (i) is based on state sales and use tax collection boundaries, which are determined using the ZIP Code as defined in Section 59-12-102, including the four digit delivery route extension;
 - (ii) follows as closely as reasonably practicable the boundary of the housing and transit reinvestment zone; and
 - (iii) is one contiguous area that includes at least the entire boundary of the housing and transit reinvestment zone.
 - (b) If a state sales and use tax boundary is bisected by the boundary of the housing and transit reinvestment zone, the housing and transit reinvestment zone may include the entire state sales and use tax boundary.
 - (c) The municipality or public transit county shall include the sales and use tax boundary in the housing and transit reinvestment zone proposal as described in Section 63N-3-604.
- (3)
 - (a) Beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the tax commission shall, at least

annually, transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary into the Transit Transportation Investment Fund created in Section 72-2-124.

- (b) A municipality or public transit county may only propose one sales and use tax increment period for a housing and transit reinvestment zone established under this section.
- (4)
- (a) The establishment of a sales and use tax base year and the requirement described in Subsection (3) to transfer incremental sales tax revenue shall take effect:
 - (i) on the first day of a calendar quarter; and
 - (ii) after a 90-day waiting period, beginning on the date the commission receives notice from the municipality or public transit county meeting the requirements of Subsection (4)(b).
 - (b) The notice described in Subsection (4)(a) shall include:
 - (i) a statement that the housing and transit reinvestment zone will be established under this part;
 - (ii) the approval date and effective date of the housing and transit reinvestment zone; and
 - (iii) the definitions of the sales and use tax boundary and sales and use tax base year.

Amended by Chapter 521, 2024 General Session

63N-3-611 Boundary adjustments.

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a housing and transit reinvestment zone, the municipality administering the tax increment collected in the housing and transit reinvestment zone may make corresponding adjustments to the boundary of the housing and transit reinvestment zone.

Enacted by Chapter 521, 2024 General Session

Part 8
State Small Business Credit Initiative Program Fund

63N-3-801 Creation and administration.

- (1) There is created an enterprise fund known as the "State Small Business Credit Initiative Program Fund" administered by the office.
- (2) The executive director or the executive director's designee is the administrator of the fund.
- (3) Revenues deposited into the fund shall consist of:
 - (a) grants, pay backs, bonuses, entitlements, and other money received from the federal government to implement the State Small Business Credit Initiative; and
 - (b) transfers, grants, gifts, bequests, and other money made available from any source to implement this part.
- (4)
 - (a) The state treasurer shall invest the money in the fund according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act.
 - (b) Interest and other earnings derived from the fund money shall be deposited in the fund.
- (5) The office may use fund money for administration of the fund.

Amended by Chapter 499, 2023 General Session

63N-3-802 Distribution of fund money.

- (1) The office shall distribute federal money in the fund according to the procedures, conditions, and restrictions placed upon the use of the money by the federal government under the Small Business Jobs Act of 2010, 12 U.S.C. Sec. 5701 et seq., as amended.
- (2) The office may:
 - (a) enact rules to establish procedures for the distribution of fund money by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and
 - (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the servicing of loans made by the fund.

Amended by Chapter 499, 2023 General Session

63N-3-803 Annual accounting.

- (1) The office shall monitor the activities of recipients of the loans and loan guarantees issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the office under this part.
- (2) An entity receiving a loan or loan guarantee under this part shall provide the office with an annual accounting of how the money it received from the fund was spent.
- (3) The office shall include the following information in the office's annual written report described in Section 63N-1a-306:
 - (a) an accounting of expenditures made from the fund; and
 - (b) an evaluation of the effectiveness of the loan and loan guarantee program.

Renumbered and Amended by Chapter 22, 2022 General Session

**Part 9
Strategic Innovation Grant Pilot Program**

63N-3-901 Definitions.

As used in this part:

- (1) "Applicable agency" means:
 - (a) for a project related to air quality, the Division of Air Quality created in Section 19-1-105; or
 - (b) for a project related to water resources, the Division of Water Resources created in Section 73-10-18.
- (2) "Business entity" means a for-profit or nonprofit business entity.
- (3) "Grant" means a grant awarded as part of the pilot program.
- (4) "Pilot program" means the Strategic Innovation Grant Pilot Program created in Section 63N-3-902.

Enacted by Chapter 361, 2022 General Session

63N-3-902 Strategic Innovation Grant Pilot Program.

- (1) There is created within the office the Strategic Innovation Grant Pilot Program.

- (2) Subject to available funds, the office, in consultation with each applicable agency, shall award grants to business entities to implement projects to improve:
 - (a) air quality in the state; or
 - (b) the conservation or more efficient utilization of water resources in the state.
- (3)
 - (a) The office, in consultation with each applicable agency, shall develop goals and objectives specific to each type of project described in Subsection (2).
 - (b) The office shall issue a public solicitation for participation in the pilot program that describes the goals and objectives developed for each particular type of project.
- (4)
 - (a) A business entity may apply to the office for a grant under the pilot program.
 - (b) An application under Subsection (4)(a) shall:
 - (i) specify:
 - (A) the expected outcomes that the funding would be used to achieve;
 - (B) how the business entity intends to achieve the expected outcomes;
 - (C) how the project is expected to meet the goals and objectives developed for that particular type of project under Subsection (3);
 - (D) the extent to which the project offers a strategic and innovative solution to achieve the expected outcomes;
 - (E) the date on which the business entity expects to complete the project, subject to Subsection (6)(b)(vii); and
 - (F) the total amount of money needed for the project; and
 - (ii) include any other information requested by the office.
- (5) The office shall review and make a determination regarding a grant application after consulting with the applicable agency.
- (6)
 - (a) Before the office may award a grant to a business entity under the pilot program, the office, in consultation with the applicable agency, shall enter into a written agreement with the business entity.
 - (b) The written agreement described in Subsection (6)(a) shall:
 - (i) specify the amount of the grant;
 - (ii) specify the time period for distributing the grant;
 - (iii) specify the terms and conditions for receiving the grant, including reporting requirements;
 - (iv) identify specific targets and benchmarks that align with the grant proposal;
 - (v) require the business entity to coordinate or partner with the applicable agency in implementing the project;
 - (vi) require the business entity to submit to independent evaluations over the course of the project's implementation by the Kem C. Gardner Policy Institute at the University of Utah, the Institute of Land, Water, and Air at Utah State University, or the Bingham Research Center at Utah State University to determine whether the project is meeting:
 - (A) the targets and benchmarks specified in the written agreement; and
 - (B) the goals and objectives developed for that particular type of project under Subsection (3);and
 - (vii) require the business entity to complete the project no later than July 1, 2026.
 - (c) In awarding grants under this section, the office, in consultation with each applicable agency, shall prioritize projects that:
 - (i) offer a strategic and innovative solution for achieving the intended outcomes; or
 - (ii) demonstrate a funding match from a private entity.

- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office, in consultation with each applicable agency, shall make rules to administer the pilot program.
- (8) The office shall, as part of the office's written report under Section 63N-1a-306 submitted in 2026, and if otherwise requested by the Economic Development and Workforce Services Interim Committee, report the following information:
 - (a) the total amount of grants the office awarded to business entities under the pilot program;
 - (b) a description of the projects for which the office awarded grants under the pilot program;
 - (c) a summary of the results of the independent evaluations conducted in accordance with Subsection (6)(b)(vi); and
 - (d) the office's recommendations regarding the effectiveness of the pilot program and any suggestions for legislation.

Enacted by Chapter 361, 2022 General Session

Part 10

Economic Assistance Grant Program

63N-3-1001 Definitions.

As used in this part:

- (1) "Business entity" means a for-profit or nonprofit entity.
- (2) "Grant" means a grant awarded as part of the Economic Assistance Grant Program created in Section 63N-3-1002.
- (3) "Grant program" means the Economic Assistance Grant Program created in Section 63N-3-1002.

Enacted by Chapter 362, 2022 General Session

63N-3-1002 Creation of Economic Assistance Grant Program -- Requirements -- Rulemaking -- Annual report.

- (1) There is created the Economic Assistance Grant Program administered by the office.
- (2) Subject to appropriations from the Legislature, the office may award one or more grants to a business entity to provide funding for projects that:
 - (a) promote and support economic opportunities in the state; and
 - (b) provide a service in the state related to industry, education, community development, or infrastructure.
- (3) In awarding grants, the office may prioritize projects:
 - (a) that develop targeted industries in the state;
 - (b) where an applicant identifies clear metrics to measure the progress, effectiveness, and scope of the project;
 - (c) where an applicant demonstrates comprehensive planning of the project; and
 - (d) that require one-time funds.
- (4) Before a business entity may receive a grant, the business entity shall enter into a written agreement with the office that specifies:
 - (a) the amount of the grant;
 - (b) the time period for distributing the grant;
 - (c) the terms and conditions that the business entity shall meet to receive the grant;

- (d) the structure of the grant; and
- (e) the expenses for which the business entity may expend the grant.
- (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules to administer the grant program.
- (6) The office shall include in the annual written report described in Section 63N-1a-306 a report on the grant program.

Amended by Chapter 499, 2023 General Session

Part 11

Manufacturing Modernization Grant Program

63N-3-1101 Definitions.

As used in this part:

- (1) "Grant" means a grant awarded under Section 63N-3-1102.
- (2) "Program" means the Manufacturing Modernization Grant Program created in Section 63N-3-1102.
- (3) "Targeted industry" means an industry or group of industries targeted by the GOEO board under Section 63N-3-111 for economic development in the state.

Amended by Chapter 159, 2024 General Session

63N-3-1102 Manufacturing Modernization Grant Program -- Creation -- Purpose -- Requirements -- Rulemaking -- Report.

- (1)
 - (a) There is created the Manufacturing Modernization Grant Program to be administered by the office.
 - (b) The purpose of the program is to award grants to existing Utah businesses to establish, relocate, retain, or develop manufacturing industry in the state and lessen dependence on manufacturing overseas.
- (2)
 - (a) An entity that submits a proposal for a grant to the office shall include details in the proposal regarding:
 - (i) the entity's plan to use the grant to fulfill the purpose described in Subsection (1)(b);
 - (ii) any plan to use funding sources in addition to a grant for the proposal; and
 - (iii) any existing or planned partnerships between the entity and another individual or entity to implement the proposal.
 - (b) In evaluating a proposal for a grant, the office shall consider:
 - (i) the likelihood the proposal will accomplish the purpose described in Subsection (1)(b);
 - (ii) the extent to which any additional funding sources or existing or planned partnerships will benefit the proposal; and
 - (iii) the viability and sustainability of the proposal.
 - (c) In determining a grant award, the office:
 - (i) may consult with the GOEO board; and
 - (ii) may prioritize a targeted industry or an entity with fewer than 250 employees.

- (3) Before receiving the grant, a grant recipient shall enter into a written agreement with the office that specifies:
 - (a) the grant amount;
 - (b) the time period and structure for distribution of the grant, including any terms and conditions the recipient is required to meet to receive a distribution; and
 - (c) the expenses for which the recipient may use the grant, including:
 - (i) acquisition of manufacturing equipment;
 - (ii) production, design, or engineering costs;
 - (iii) specialized employee training;
 - (iv) technology upgrades; or
 - (v) provision of a grant to another individual or entity for the expenses described in Subsections (3)(c)(i) through (iv) or to otherwise fulfill the recipient's proposal.
- (4) Subject to Subsection (2), the office may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to establish:
 - (a) the form and process for submitting a proposal to the office for a grant;
 - (b) the entities that are eligible to apply for a grant;
 - (c) the method and formula for determining a grant amount; and
 - (d) the reporting requirements for a grant recipient.
- (5) On or before October 1 of each year, the office shall provide a written report to the Economic Development and Workforce Services Interim Committee regarding:
 - (a) each grant awarded; and
 - (b) the economic impact of each grant.

Amended by Chapter 159, 2024 General Session

Part 12

Redevelopment Matching Grant Program

63N-3-1201 Definitions.

As used in this part:

- (1) "American Rescue Plan Act" means the American Rescue Plan Act, Pub. L. 117-2.
- (2) "Grant" means a financial grant awarded as part of the Redevelopment Matching Grant Program created in Section 63N-3-1202.
- (3) "Grant program" means the Redevelopment Matching Grant Program created in Section 63N-3-1202.
- (4) "Local government" means a county or municipality.

Enacted by Chapter 499, 2023 General Session

63N-3-1202 Creation of Redevelopment Matching Grant Program -- Eligibility and program requirements -- Rulemaking -- Reporting.

- (1) There is created the Redevelopment Matching Grant Program administered by the office.
- (2) Subject to appropriations from the Legislature, the office shall award grants to:
 - (a) local governments that meet the qualifications described in Subsection (3), to provide support for projects or services that increase the supply of affordable and high quality living units; and

- (b) water conservancy districts, special districts, and special service districts that meet the qualifications described in Subsection (4), to provide support for projects or services that conserve or develop water assets.
- (3) To qualify for a grant, a local government shall:
 - (a) demonstrate that the local government has approved a development application after January 1, 2021, that allows for the creation of new or additional affordable housing units, attached or detached, at a density of at least eight units per acre;
 - (b) demonstrate that the project for which grant funds are sought is not subject to a land use referendum or initiative;
 - (c) provide an equal amount of matching funds; and
 - (d) certify that the local government will spend grant funds:
 - (i) on a project or service that increases the supply of affordable and high quality living units;
 - (ii) within six months of receiving the grant; and
 - (iii) in accordance with the American Rescue Plan Act.
- (4) To qualify for a grant, a water conservancy district, special district, or special service district shall:
 - (a) provide an equal amount of matching funds; and
 - (b) certify that the water conservancy district, special district, or special service district will spend grant funds:
 - (i) on a project or service that conserves or develops water assets; and
 - (ii) in accordance with the American Rescue Plan Act.
- (5) In awarding grants to local governments, the office may award an initial grant to a local government in an amount of up to \$2,500,000, and an additional grant of up to \$1,500,000, if the project includes a minimum of 1,000 housing units or a minimum of 40 units per acre.
- (6) The office may not award more than 35% of the total amount of grant funds available for projects to conserve or develop water assets.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may make rules establishing the eligibility and reporting criteria for grants, including:
 - (a) the form and process of applying for grants;
 - (b) the method and formula for determining grant amounts; and
 - (c) the reporting requirements of grant recipients.
- (8) The office shall annually prepare and submit a report describing the distribution and uses of grants to the Governor's Office of Planning and Budget and to the Office of the Legislative Fiscal Analyst.
- (9) In addition to the report described in Subsection (8), the office shall include in the annual written report described in Section 63N-1a-306 a report on the grant program.

Enacted by Chapter 499, 2023 General Session

Effective 1/1/2025

Part 13 Industrial Hemp Grant Program

Effective 1/1/2025

63N-3-1301 Definitions.

As used in this part:

- (1) "Cannabinoid processor license" means the same as that term is defined in Section 4-41-102.
- (2) "Cannabinoid product" means the same as that term is defined in Section 4-41-102.
- (3) "Industrial hemp" means the same as that term is defined in Section 4-41-102.
- (4) "Industrial hemp producer registration" means the same as that term is defined in Section 4-41-102.

Enacted by Chapter 35, 2024 General Session

Effective 1/1/2025

63N-3-1302 Industrial Hemp Grant Program.

- (1)
 - (a) There is created the Industrial Hemp Grant Program to be administered by the office.
 - (b) The purpose of the program is to award grants to existing Utah businesses that have a cannabinoid processor license or an industrial hemp producer registration to develop industrial hemp products.
- (2)
 - (a) An entity that submits a proposal for a grant to the office shall include details in the proposal regarding:
 - (i) how the entity plans to use the grant to fulfill the purpose described in Subsection (1)(b);
 - (ii) any plan to use funding sources in addition to a grant for the proposal; and
 - (iii) any existing or planned partnerships between the entity and another individual or entity to implement the proposal.
 - (b) In evaluating a proposal for a grant, the office shall consider:
 - (i) the likelihood the proposal will accomplish the purpose described in Subsection (1)(b);
 - (ii) the extent to which any additional funding sources or existing or planned partnerships will benefit the proposal; and
 - (iii) the viability and sustainability of the proposal.
 - (c) In determining a grant award, the office:
 - (i) shall consult with the Department of Agriculture and Food; and
 - (ii) may prioritize a business that is committed to switching from producing cannabinoid products to industrial hemp products.
- (3) Before receiving the grant, a grant recipient shall enter into a written agreement with the office that specifies:
 - (a) the grant amount;
 - (b) the time period and structure for distribution of the grant, including any terms and conditions the recipient is required to meet to receive a distribution; and
 - (c) the expenses for which the recipient may use the grant.
- (4) Subject to Subsection (2), the office may, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to establish:
 - (a) the form and process for submitting a proposal to the office for a grant;
 - (b) which entities are eligible to apply for a grant;
 - (c) the method and formula for determining a grant amount; and
 - (d) the reporting requirements for a grant recipient.

Enacted by Chapter 35, 2024 General Session

Part 14

Capital City Revitalization Zone

63N-3-1401 Definitions.

As used in this part:

- (1) "Committee" means the Revitalization Zone Committee created in Section 63N-3-1607.
- (2) "Franchise agreement" means a legally binding and valid agreement under which:
 - (a) a major professional sports league has awarded a franchise to a franchise recipient; and
 - (b) the major professional sports league team that is the subject of the agreement is playing, or will play, home games in a qualified stadium that exists or will be constructed within the project area.
- (3) "Local government" means the municipality in which the project area is located.
- (4) "Major professional sports league" means the National Basketball Association or the National Hockey League.
- (5) "Project area" means the area created and designated to receive funds and revenue according to the terms and requirements of this part.
- (6) "Project participant" means a person that is approved to participate in the use of public funds in a project area according to the procedures and requirements of this part.
- (7) "Qualified stadium" means a sports facility that:
 - (a) provides seating for spectators in a number that is reasonably consistent with the capacity of other stadiums used by other teams in the major professional sports league;
 - (b) is located within the project area; and
 - (c)
 - (i) is in active use as the home venue of a major professional sports league team; or
 - (ii) in the case of a stadium that is proposed to be constructed or remodeled, will be the home venue of a major professional sports league.
- (8) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

Enacted by Chapter 436, 2024 General Session

63N-3-1402 Project area.

- (1) A local government may, according to the requirements and procedures of this part, create a project area for the use of revenue authorized under Section 59-12-402.5, which revenue shall be used only for the allowed purposes under Section 63N-3-1403.
- (2) A project area created under this part shall:
 - (a) be located entirely within the boundaries of the local government;
 - (b) be no greater than 100 acres in area;
 - (c) be roughly centered around, and include the entire property footprint of a currently existing qualified stadium;
 - (d) include the entire property footprint of any qualified stadium that is planned to be built;
 - (e) be contiguous; and
 - (f) have boundaries that are reasonably compact in relation to their distance from the currently existing qualified stadium.

Enacted by Chapter 436, 2024 General Session

63N-3-1403 Allowable uses of funds.

- (1) A local government shall use any funds or revenue provided under Section 59-12-402.5 within and for the direct benefit of the project area, and subject to the requirements of this section.
- (2) In addition to the requirements of Subsection (1), the allowable uses for the funds and revenue collected as authorized under this part are:
 - (a) costs for, including debt service or the costs of bonds issued by the local government or state:
 - (i) paid to or for the benefit of a project participant for the construction or remodel of a qualified stadium within the project area in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay bonds and interest; and
 - (ii) the construction, demolition, modification, or realignment of infrastructure or structures within the project area for the purpose of:
 - (A) complementing a qualified stadium and its associated uses, including entertainment and recreational uses on land within the project area; and
 - (B) improvement, demolition, modification, realignment, or restoration of areas within the project area for pedestrian and traffic flow, and for aesthetic, entertainment, recreational, and safety purposes;
 - (b) infrastructure and roads, including state roads, within the project area;
 - (c) traffic mitigation costs within the project area;
 - (d) law enforcement or public security needs within the project area; and
 - (e) costs of the local government to create a project area or participation agreement and to administer the funds, which cost may not exceed 1% of the tax revenue collected under Section 59-12-402.5.
- (3)
 - (a) The amount of funds and revenue used for, or for the benefit of, the project participant shall be limited to a maximum dollar amount that shall be explicitly stated in the participation agreement.
 - (b) A project participant may not receive the benefit of funds or revenue in an amount greater than the maximum dollar amount referred to in Subsection (3)(a).

Enacted by Chapter 436, 2024 General Session

63N-3-1404 Application for approval as a project participant in a project area.

A person that seeks to have a local government create a project area under this part, and to be a project participant within that project area, shall provide a local government with a written application that certifies that the applicant:

- (1) is a party to a franchise agreement;
- (2) is or will be operating the team that is subject to the franchise agreement:
 - (a) in an existing qualified stadium located within the project area to be created; or
 - (b) in a new qualified stadium that will be located within the project area;
- (3) shows the existing and, as applicable, the proposed location and footprint of the qualified stadium;
- (4) lists any public funds that are currently being received by, or are authorized to be received by:
 - (a) the applicant; or
 - (b) any major professional sports league team that is owned or operated by the applicant; and
- (5) any proposals or information related to the application, including specific details about the franchise agreement or plans for a qualified stadium, a proposed boundary for the project area, proposals for land or stadium ownership arrangements or stadium revenue-sharing arrangements, or plans or requests for urban renewal or reconstruction.

Enacted by Chapter 436, 2024 General Session

63N-3-1405 Local government review -- Participation agreement requirements -- Proposed project area and proposed participation agreement -- Zoning -- Deadline.

- (1) Upon receipt of an application described in Section 63N-3-1604, a local government shall review the application and, if the application is complete, may negotiate with the applicant to develop:
- (a) a description of a proposed project area that meets the requirements of Section 63N-3-1502; and
 - (b) a proposed participation agreement with the applicant, which agreement shall contain:
 - (i) a map or description of the project area;
 - (ii) a description of the type and extent of each type of tax or other revenue that would be available to the applicant within the project area if the applicant is approved as a project participant;
 - (iii) the location and footprint of the qualified stadium, and if applicable, the location, footprint, and design of any proposed future or remodeled qualified stadium;
 - (iv) if a qualified stadium is to be constructed, remodeled, or replaced, requirements and plans for the design, remodel, operation, and other terms related to the existing or new qualified stadium;
 - (v) a master plan that:
 - (A) provides an overview of challenges and issues to be addressed within the project area, including land use, infrastructure, economic issues, and public safety issues;
 - (B) provides a 30-year plan for the physical development and the ongoing management of the project area, including maps, plats, charts, drawings, time lines, and descriptive, explanatory, and other related information that supports and demonstrates the plan; and
 - (C) provides a specific plan for each of the following subject areas, each of which shall include, to the extent possible, detailed and specific information on projects and time lines for the named subject area, and where specific details cannot be provided, provides a list of specific goals, planned outcomes, and time lines for achieving those goals and outcomes:
 - (I) a financial plan, including the planned sources, uses, distribution, and time lines for the use of funds and revenue;
 - (II) a land use plan, including designs, ownership, demolition, construction, and time lines, including plans for modification of roads and infrastructure layout, removal or construction of buildings, and creation of new spaces, facilities, and landmarks;
 - (III) a public asset plan, including plans for modifications, renovations, and use scenarios for existing buildings and public assets within the project area, including buildings owned by a city or county, features, and other public assets that will be affected by revitalization of the project area;
 - (IV) a public safety plan, including plans for mitigating crime and ensuring safety and physical security within the project area;
 - (V) a homelessness mitigation plan, including plans to provide resources for homeless individuals and to mitigate and manage camping and other related social issues within the project area;
 - (VI) a transportation plan, including plans to enable access to and from, and public transportation, vehicle, and pedestrian traffic flow within the project area; and
 - (VII) a parking plan, including estimates for parking needs and plans for accommodating those needs within the project area;

- (vi) a provision that the local government may not provide, and that a project participant may not receive, a direct subsidy;
- (vii)
 - (A) the maximum dollar amount that may be used for, or for the benefit of, the project participant, as required under Subsection 63N-3-1603(3); and
 - (B) a clear description of what fund and revenue uses will or will not be considered for the benefit of the project participant and therefore subject to the limit required under Subsection 63N-3-1603(3);
- (viii) terms, procedures, and remedies related to breach of a participation agreement, which shall contain:
 - (A) specific descriptions of what constitutes breach of the participation agreement;
 - (B) a requirement that access to funds ceases and that a project participant shall repay to the local government the full amount of revenue or funds received subject to Subsection 63N-3-1603(3) if the major professional sports league team leaves or ceases to use a qualified stadium as its exclusive home stadium, subject to any additional terms agreed to in the participation agreement;
 - (C) a description of all remedies available to the local government in association with a breach; and
 - (D) designation of a guarantor, security interests, or other measures to ensure repayment of revenue and funds in the event of a breach;
- (ix) procedures and penalties that apply in the event that the local government or project participant fails to meet requirements, goals, or objectives set under Subsection (1)(b)(v);
- (x) an acknowledgment that the parties to the agreement are subject to the requirements of this part;
- (xi) any additional obligations, terms, or conditions mutually agreed upon by the local government and the project participant; and
- (xii) may contain:
 - (A) any terms and conditions that affect a project participant's ability to receive or use project area funds;
 - (B) any terms or agreements regarding the qualified stadium and its associated property, including ownership, management, maintenance, operation, revenue sharing, or other agreements;
 - (C) terms, procedures, or remedies related to breach of a participation agreement; and
 - (D) any other relevant agreement between the applicant and the local government.
- (2) Before finalizing a proposed project area under Subsection (3), a local government shall ensure that any zoning modifications or requirements within the project area are complete.
- (3) If the applicant and the local government develop a proposed project area and a proposed participation agreement as described in Subsection (1), the local government shall, no later than September 1, 2024, provide notice of the proposed agreement and provide a copy of the application, the proposed project area, and the proposed participation agreement to:
 - (a) the legislative body of the local government; and
 - (b) the Revitalization Zone Committee.

Enacted by Chapter 436, 2024 General Session

63N-3-1406 Local government endorsement -- Revitalization Zone Committee approval -- Final approval by local government -- Imposition of tax.

(1)

- (a) The legislative body of the local government shall, no later than the date that is 14 calendar days after the date that notice of a proposed project area and proposed participation agreement is provided under Subsection 63N-3-1405(2), in a public meeting by a majority vote:
 - (i) endorse the application by:
 - (A) endorsing the proposed project area, with or without amendment; and
 - (B) endorsing the proposed participation agreement, with or without amendment; or
 - (ii) reject the application.
 - (b) If the legislative body of the local government endorses the application, the legislative body shall provide notice of the endorsement to the Revitalization Zone Committee, and provide the committee with any amended project area or amended participation agreement.
 - (c) If the legislative body of the local government rejects the application:
 - (i) the legislative body shall provide notice of the rejection to the mayor of the local government; and
 - (ii) the applicant and the local government may develop another proposed project area and proposed participation agreement and present those documents according to the procedures and requirements of Section 63N-3-1405.
- (2) If the legislative body of the local government endorses the application under Subsection (1):
- (a) The Revitalization Zone Committee shall, no later than 30 calendar days after the date that notice of the local government's endorsement of an application is provided under Subsection (1)(b), in a public meeting by a majority vote:
 - (i) approve or reject the endorsed project area; and
 - (ii) approve or reject the endorsed project participation agreement.
 - (b) If the committee approves the endorsed project area and the endorsed participation agreement:
 - (i) the committee shall give notice of the approval to the mayor and the legislative body of the local government; and
 - (ii) the legislative body of the local government may meet to consider final approval as provided under Subsection (3).
 - (c) If the committee fails to approve the endorsed project area, the endorsed participation agreement, or both the project area and participation agreement:
 - (i) the committee may adopt a statement or findings as to why the committee failed to provide its approval;
 - (ii) the committee shall give notice of the failure to approve to the mayor and the legislative body of the local government; and
 - (iii) the local government may:
 - (A) develop another proposed project area and proposed participation agreement according to the procedures and requirements of Section 63N-3-1405;
 - (B) in a public meeting of the legislative body of the local government, review, amend, or endorse another project area or participation agreement according to the procedures and requirements of Subsection (1); or
 - (C) take no further action on the application.
- (3) If the Revitalization Zone Committee approves the endorsed project area and the endorsed public participation agreement under Subsection (2), the legislative body of the local government may, by a majority vote in a public meeting:
- (a) give final approval to the application by:
 - (i) approving the project area in the form approved by the committee;
 - (ii) approving the proposed participation agreement in the form approved by the committee; and

- (iii) designating the applicant as a project participant; or
 - (b) reject the application.
- (4) After giving final approval to the application, the local government shall:
- (a) impose taxes or revenue sources that may be used within the project area, including taxes or funds authorized under Section 59-12-402.5; and
 - (b) provide reports to the committee as required under Subsection 63N-3-1408(2).

Enacted by Chapter 436, 2024 General Session

63N-3-1407 Revitalization Zone Committee -- Creation -- Membership -- Staff.

- (1) There is created the Revitalization Zone Committee to review the activities of, and advise a local government and project participants in a project area created under this part.
- (2) The committee consists of the following members:
- (a) two members of the Senate, appointed by the president of the Senate;
 - (b) two members of the House of Representatives, appointed by the speaker of the House; and
 - (c) one individual appointed by the governor.
- (3)
- (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (2) as cochair of the committee.
 - (b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (2) as cochair of the committee.
- (4)
- (a) A majority of the members of the committee constitutes a quorum.
 - (b) The action of a majority of a quorum constitutes action of the Revitalization Zone Committee.
- (5) The committee shall meet to review an endorsed application as provided under Section 63N-3-1606.
- (6) The committee may meet, upon the agreement of both cochairs:
- (a) to review a report provided under Subsection 63N-3-1608(2);
 - (b) at the discretion of the cochairs; and
 - (c) at the request of a local government.
- (7) A legislative member of the committee shall be paid salary and expenses in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislative Compensation.
- (8) A member who is not a legislator may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses as allowed in:
- (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.
- (9) The Office of Legislative Research and General Counsel shall:
- (a) provide staff support to the committee; and
 - (b) consult with the Office of the Legislative Fiscal Analyst on fiscal issues reviewed by the committee.

Enacted by Chapter 436, 2024 General Session

Effective until 7/1/2025

63N-3-1408 Revitalization Zone Committee -- Duties -- Reporting requirements of local government -- Executive Appropriations Committee.

- (1) The Revitalization Zone Committee shall have the following duties:

- (a) to approve or reject an endorsed project area and an endorsed project participation agreement according to the procedures and requirements of Section 63N-3-1606;
 - (b) to review reports that are issued by a local government in accordance with Subsection (2);
 - (c) to review the financial activities of a local government and project participants in relation to a project area; and
 - (d) to make recommendations to the Legislature regarding a project area and participation agreement, requirements or procedures related to a project area, taxes or public funds, or other matters relating to a project area or participation agreement.
- (2) A local government shall, after giving final approval to an application under Section 63N-3-1606, and each six months thereafter, or upon a request of the committee, provide a report to the committee that contains:
- (a) a summary of the projects and uses that are currently underway or planned in relation to the project area;
 - (b) if not previously provided, or if modified, a copy of the project area and participation agreement;
 - (c) a detailed accounting of:
 - (i) all public funds collected within the project area since the last report;
 - (ii) all public funds provided to each project participant since the last report; and
 - (iii) all public funds committed or spent, and a description of their use, since the last report;
 - (d) the projected budget and time line for each project or use that is currently underway or planned in relation to the project area; and
 - (e) an accounting or a detailed summary of the financial impact of the project area on the state and its residents.
- (3) At the discretion of the Executive Appropriations Committee of the Legislature, the local government and the Revitalization Zone Committee shall provide an in-person report to the Executive Appropriations Committee:
- (a) at least once per calendar year, that shall contain at least the following information:
 - (i) a summary of the projects and uses that are currently underway or planned in relation to the project area;
 - (ii) a detailed accounting of:
 - (A) all public funds collected within the project area since the last report;
 - (B) all public funds provided to each project participant since the last report; and
 - (C) all public funds committed or spent, and a description of their use, since the last report;
 - (iii) the projected budget and time line for each project or use that is currently underway or planned in relation to the project area;
 - (iv) an accounting or a detailed summary of the financial impact of the project area on the state and its residents;
 - (v) any recommendations or requests from the local government; and
 - (vi) any recommendations or requests from the Revitalization Zone Committee;
 - (b) after the local government provides a proposed project area and proposed participation agreement under Section 63N-3-1605; and
 - (c) after the local government gives final approval to an application under Section 63N-3-1606.

Enacted by Chapter 436, 2024 General Session

Effective 7/1/2025

63N-3-1408 Revitalization Zone Committee -- Duties -- Reporting requirements of local government -- Executive Appropriations Committee.

- (1) The Revitalization Zone Committee shall have the following duties:
 - (a) to approve or reject an endorsed project area and an endorsed project participation agreement according to the procedures and requirements of Section 63N-3-1606;
 - (b) to review reports that are issued by a local government in accordance with Subsection (2);
 - (c) to review the financial activities of a local government and project participants in relation to a project area; and
 - (d) to make recommendations to the Legislature regarding a project area and participation agreement, requirements or procedures related to a project area, taxes or public funds, or other matters relating to a project area or participation agreement.
- (2) A local government shall, after giving final approval to an application under Section 63N-3-1606, and each six months thereafter, or upon a request of the committee, provide a report to the committee that contains:
 - (a) a summary of the projects and uses that are currently underway or planned in relation to the project area;
 - (b) if not previously provided, or if modified, a copy of the project area and participation agreement;
 - (c) a detailed accounting of:
 - (i) all public funds collected within the project area since the last report;
 - (ii) all public funds provided to each project participant since the last report; and
 - (iii) all public funds committed or spent, and a description of their use, since the last report;
 - (d) the projected budget and time line for each project or use that is currently underway or planned in relation to the project area; and
 - (e) an accounting or a detailed summary of the financial impact of the project area on the state and its residents.
- (3) At the discretion of the Executive Appropriations Committee of the Legislature, the local government and the Revitalization Zone Committee shall provide an in-person report to the Executive Appropriations Committee:
 - (a) at least once per calendar year, that shall contain at least the following information:
 - (i) a summary of the projects and uses that are currently underway or planned in relation to the project area;
 - (ii) a detailed accounting of:
 - (A) all public funds collected within the project area since the last report;
 - (B) all public funds provided to each project participant since the last report; and
 - (C) all public funds committed or spent, and a description of their use, since the last report;
 - (iii) the projected budget and time line for each project or use that is currently underway or planned in relation to the project area;
 - (iv) an accounting or a detailed summary of the financial impact of the project area on the state and its residents;
 - (v) any recommendations or requests from the local government; and
 - (vi) any recommendations or requests from the Revitalization Zone Committee;
 - (b) after the local government provides a proposed project area and proposed participation agreement under Section 63N-3-1605; and
 - (c) after the local government gives final approval to an application under Section 63N-3-1606.
- (4)
 - (a) As used in this Subsection (4), "replacement prosecutor" means a prosecutor pro tempore that the Utah Supreme Court is authorized to appoint under Utah 4-109 Constitution, Article VIII, Section 16.

- (b) The committee may, by majority vote in a public meeting, adopt a recommendation to the Utah Supreme Court that the Utah Supreme Court appoint a replacement prosecutor in a county of the first class to prosecute crimes within the project area in the place of the district attorney if the committee determines that the district attorney has failed or refused to adequately prosecute crimes within the project area.
- (c) If the Utah Supreme Court appoints a replacement prosecutor in response to a recommendation under this Subsection (4), the temporary prosecutor shall prosecute crimes within the project area in the place of the district attorney until the temporary prosecutor's appointment expires.

Enacted by Chapter 538, 2024 General Session

Part 15

Innovation in Artificial Intelligence Grant Pilot Program

63N-3-1501 Definitions.

As used in this part:

- (1) "Business entity" means a for-profit or nonprofit organization.
- (2) "Pilot program" means the Innovation in Artificial Intelligence Grant Pilot Program created in Section 63N-3-1502.
- (3) "Student" means a child enrolled in a public or private school, grades kindergarten through twelfth grade.

Enacted by Chapter 159, 2024 General Session

63N-3-1502 Innovation in Artificial Intelligence Grant Pilot Program created -- Purpose -- Requirements -- Report.

- (1) There is created the Innovation in Artificial Intelligence Grant Pilot Program, to be administered subject to the availability of funds by the office as described in this section.
- (2)
 - (a) The purpose of the pilot program is to award a grant to a business entity to develop a program, material, and curriculum to:
 - (i) teach a course on artificial intelligence to students, with an emphasis on practical training; and
 - (ii) prepare students for career opportunities in technology.
 - (b) A business entity that is awarded a grant under this section shall work in partnership with a public or private school.
- (3) A business entity that submits an application for a grant to the office shall include the following details in the application:
 - (a) how the business entity proposes to fulfill the purpose described in Subsection (2)(a);
 - (b) how the business entity proposes to work with a public or private school, as described in Subsection (2)(b); and
 - (c) any existing or planned partnership between the business entity and another individual or business entity to implement the proposal in the application.
- (4) In evaluating an application for a grant, the office shall consider:

- (a) the likelihood that the business entity's proposal will accomplish the purpose described in Subsection (2)(a); and
 - (b) the overall viability of the proposal.
- (5) Before a business entity that has an approved application for a grant may receive grant funds, the business entity shall enter into a written agreement with the office that specifies:
- (a) the grant amount; and
 - (b) the time period and structure for distribution of grant funds, including any terms and conditions the office requires.
- (6) The office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the pilot program, including:
- (a) establishing criteria and procedures for applying for and awarding a grant under this section; and
 - (b) reporting requirements from a business entity after a grant is awarded.
- (7) The office shall include an annual written update on the pilot program in the report described in Section 63N-1a-306.

Enacted by Chapter 159, 2024 General Session

Part 16

First Home Investment Zone Act

63N-3-1601 Definitions.

- (1) "Affordable housing" means:
- (a) for homes that are not owner occupied, housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the applicable municipal statistical area for households of the same size; or
 - (b) for homes that are owner occupied, housing that is priced at 80% of the county median home price.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means the same as that term is defined in Section 63N-3-602.
- (4) "Base year" means the same as that term is defined in Section 63N-3-602.
- (5) "Developable area" means the same as that term is defined in Section 63N-3-602.
- (6) "Dwelling unit" means the same as that term is defined in Section 63N-3-602.
- (7) "Extraterritorial home" means a dwelling unit that is included as part of the first home investment zone proposal that:
- (a) is located within the municipality proposing the first home investment zone but outside the boundary of the first home investment zone;
 - (b) is part of a development with a density of at least six units per acre;
 - (c) is not located within an existing housing and transit reinvestment zone or an area that could be included in a housing and transit reinvestment zone;
 - (d) has not been issued a building permit by the municipality as of the date of the approval of the first home investment zone; and
 - (e) is required to be owner occupied for no less than 25 years.
- (8) "First home investment zone" means a first home investment zone created in accordance with this part.
- (9) "Home" means a dwelling unit.

- (10) "Housing and transit reinvestment zone" means the same as that term is defined in Section 63N-3-602.
- (11) "Housing and transit reinvestment zone committee" means the housing and transit reinvestment zone committee described in Section 63N-3-605.
- (12) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.
- (13) "Mixed use development" means the same as that term is defined in Section 63N-3-603.
- (14) "Moderate income housing plan" means the same as that term is defined in Section 11-41-102.
- (15) "Municipality" means the same as that term is defined in Section 10-1-104.
- (16) "Owner occupied" means private real property that is:
 - (a) used for a single-family residential purpose; and
 - (b) required to be occupied by the owner of the real property for no less than 25 years.
- (17) "Project area" means the same as that term is defined in Section 17C-1-102.
- (18)
 - (a) "Project improvements" means site improvements and facilities that are:
 - (i) planned and designed to provide service for development resulting from a development activity;
 - (ii) necessary for the use and convenience of the occupants or users of development resulting from a development activity; and
 - (iii) not identified or reimbursed as a system improvement.
 - (b) "Project improvements" does not mean system improvements.
- (19) "State Tax Commission" means the State Tax Commission created in Section 59-1-201.
- (20)
 - (a) "System improvements" means existing and future public facilities that are designed to provide services to service areas within the community at large.
 - (b) "System improvements" does not mean project improvements.
- (21)
 - (a) "Tax increment" means the difference between:
 - (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a first home investment zone designated in the first home investment zone proposal as the area from which tax increment is to be collected, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and
 - (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value and each taxing entity's current certified tax rate as defined in Section 59-2-924.
 - (b) "Tax increment" does not include property tax revenue from:
 - (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2); or
 - (ii) a county additional property tax described in Subsection 59-2-1602(4).
- (22) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- (23) "Unencumbered annual community reinvestment agency revenue" means tax increment revenue received by the agency for purposes identified in Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, that:
 - (a) have not been designated or restricted for future qualified uses as approved by the agency board related to a specific project area; and
 - (b) do not have a date certain by which the tax increment revenues will be used.

63N-3-1602 Applicability, requirements, and limitations on a first home investment zone.

- (1) A first home investment zone created pursuant to this part shall promote the following objectives:
- (a) encouraging efficient development and opportunities for home ownership by providing a variety of housing options, including affordable housing and for sale, owner-occupied housing;
 - (b) improving availability of housing options;
 - (c) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
 - (d) conserving water resources through efficient land use;
 - (e) improving air quality by reducing fuel consumption and motor vehicle trips;
 - (f) encouraging transformative mixed-use development;
 - (g) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2);
 - (h) increasing access to employment and educational opportunities;
 - (i) increasing access to child care; and
 - (j) improving efficiencies in parking and transportation, including walkability of communities, street and path interconnectivity within the proposed development and connections to surrounding communities, and access to roadways, public transportation, and active transportation.
- (2) In order to accomplish the objectives described in Subsection (1), a municipality or county that initiates the process to create a first home investment zone as described in this part shall ensure that the proposal for a first home investment zone includes:
- (a) subject to Subsection (3), a minimum of 30 housing units per acre in at least 51% of the developable area within the first home investment zone;
 - (b) a mixed use development;
 - (c) a requirement that at least 25% of homes within the first home investment zone remain owner occupied for at least 25 years from the date of original purchase;
 - (d) for homes inside the first home investment zone, a requirement that at least 12% of the owner occupied homes and 12% of the homes that are not owner occupied are affordable housing; and
 - (e) a requirement that at least 20% of the extraterritorial homes are affordable housing.
- (3)
- (a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection (2)(a), a first home investment zone may include an extraterritorial home to count toward the required density of the first home investment zone by:
 - (i)
 - (A) taking the total number of extraterritorial homes related to the first home investment zone; and
 - (B) adding the total number under Subsection (3)(a)(i)(A) to the number of homes within the first home investment zone; and
 - (ii) dividing the total described in Subsection (3)(a)(i) by the total number of developable acres with the first home investment zone.
 - (b) Extraterritorial homes may account for no more than half of the total homes to calculate density within a first home investment zone.
- (4)
- (a) If a municipality proposes a first home investment zone, the proposal shall comply with the limitations described in this Subsection (4).

- (b) A first home investment zone may not be less than 10 acres and no more than 100 acres in size.
- (c)
 - (i) Except as provided in Subsection (4)(c)(ii), a first home investment zone is required to be one contiguous area.
 - (ii) While considering a first home investment zone proposal as described in Section 63N-3-1605, the housing and transit reinvestment zone committee may consider and approve a first home investment zone that is not one contiguous area if:
 - (A) the municipality provides evidence in the proposal showing that the deviation from the contiguity requirement will enhance the ability of the first home investment zone to achieve the objectives described in Subsection (1); and
 - (B) the housing and transit reinvestment zone committee determines that the deviation is reasonable and circumstances justify deviation from the contiguity requirement.
 - (iii) The first home investment zone area contiguity is not affected by roads or other rights-of-way.
- (d)
 - (i) A first home investment zone proposal may propose the capture of a maximum of 60% of each taxing entity's tax increment above the base year for a term of no more than 25 consecutive years within a 45-year period not to exceed the tax increment amount approved in the first home investment zone proposal.
 - (ii) A first home investment zone proposal may not propose or include triggering more than three tax increment collection periods during the applicable 25-year period.
 - (iii) Subject to Subsection (4)(d)(iv), a municipality shall ensure that the required affordable housing units are included proportionally in each phase of the first home investment zone development.
 - (iv) A municipality may allow a first home investment zone to be phased and developed in a manner to provide more of the required affordable housing units in early phases of development.
- (e) If a municipality proposes a first home investment zone, commencement of the collection of tax increment, for all or a portion of the first home investment zone, is triggered by providing notice as described in Subsection (5).
- (f) A municipality may restrict homes within a first home investment zone and related extraterritorial homes from being used as a short-term rental.
- (g) A municipality shall ensure that affordable housing within a first home investment zone and related extraterritorial homes that are reserved as affordable housing are spread throughout the overall development.
- (h) A municipality shall ensure that at least 80% of extraterritorial homes included in a first home investment zone proposal are single-family detached homes.
- (i) A municipality shall include in a first home investment zone proposal:
 - (i) an affordable housing plan, which may include deed restrictions, to ensure the affordable housing required in the proposal will continue to meet the definition of affordable housing at least throughout the entire term of the first home investment zone; and
 - (ii) an owner occupancy plan, which may include deed restrictions, to ensure the owner occupancy requirements in the proposal will continue to meet the definition of owner occupancy at least throughout the entire term of the first home investment zone.
- (j) A municipality shall include in the first home investment zone proposal evidence to demonstrate how the first home investment zone proposal complies with the municipality's moderate income housing plan and general plan.

- (5) Notice of commencement of collection of tax increment shall be sent by mail or electronically to the following entities no later than January 1 of the year for which the tax increment collection is proposed to commence:
 - (a) the State Tax Commission;
 - (b) the State Board of Education;
 - (c) the state auditor;
 - (d) the auditor of the county in which the first home investment zone is located;
 - (e) each taxing entity affected by the collection of tax increment from the first home investment zone;
 - (f) the assessor of the county in which the first home investment zone is located; and
 - (g) the Governor's Office of Economic Opportunity.
- (6) A first home investment zone proposal may not include a proposal to capture sales and use tax increment.
- (7) A municipality may not propose a first home investment zone in a county of the first class if the limitation described in Subsection 63N-3-603(7)(c) has been reached.
- (8) A municipality may not propose a first home investment zone in a location that is eligible for a housing and transit reinvestment zone.
- (9) A municipality may not propose a first home investment zone if the municipality's community reinvestment agency, based on the most recent annual comprehensive financial report, retains cash and cash equivalent assets of more than 20% of ongoing and unencumbered annual community reinvestment agency revenue.

Enacted by Chapter 537, 2024 General Session

63N-3-1603 Process for a proposal of a first home investment zone.

- (1) Subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-1604, in order to create a first home investment zone, a municipality that has general land use authority over the first home investment zone area, shall:
 - (a) prepare a proposal for the first home investment zone that:
 - (i) demonstrates that the proposed first home investment zone will meet the objectives described in Subsection 63N-3-1502(1);
 - (ii) explains how the municipality will achieve the requirements of Subsection 63N-3-1502(2);
 - (iii) defines the specific infrastructure needs, if any, and proposed improvements;
 - (iv) demonstrates how the first home investment zone will ensure:
 - (A) sufficient pedestrian access to schools and other areas of community; and
 - (B) inclusion of child care facilities and access;
 - (v) defines the boundaries of the first home investment zone;
 - (vi) includes maps of the proposed first home investment zone to illustrate:
 - (A) proposed housing density within the first home investment zone;
 - (B) extraterritorial homes relevant to the first home investment zone, including density of the development of extraterritorial homes; and
 - (C) existing zoning and proposed zoning changes related to the first home investment zone;
 - (vii) identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;
 - (viii) describes the proposed development plan, including the requirements described in Subsections 63N-3-1502(2) and (4);
 - (ix) establishes the collection period or periods to calculate the tax increment;

- (x) describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the first home investment zone;
 - (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;
 - (xii) proposes a finance schedule to align expected revenue with required financing costs and payments;
 - (xiii) evaluates possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality; and
 - (xiv) provides a pro forma for the planned development that:
 - (A) satisfies the requirements described in Subsections 63N-3-1502(2) and (4); and
 - (B) includes data showing the cost difference between what type of development could feasibly be developed absent the first home investment zone tax increment and the type of development that is proposed to be developed with the first home investment zone tax increment;
 - (b) submit the proposal to the relevant school district to discuss the requirements of the proposal and whether the proposal provides the benefits and achieves the objectives described in this part; and
 - (c) submit the first home investment zone proposal to the Governor's Office of Economic Opportunity.
- (2) As part of the proposal described in Subsection (1), a municipality shall:
- (a) study and evaluate possible impacts of a proposed first home investment zone on parking and efficient use of land within the municipality and first home investment zone; and
 - (b) include in the first home investment zone proposal the findings of the study described in Subsection (2)(a) and proposed strategies to efficiently address parking impacts.
- (3)
- (a) After receiving the proposal as described in Subsection (1)(c), the Governor's Office of Economic Opportunity shall:
 - (i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives the proposal described in Subsection (1)(c), provide notice of the proposal to all affected taxing entities, including the State Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the first home investment zone is located; and
 - (ii) at the expense of the proposing municipality as described in Subsection (5), contract with an independent entity to:
 - (A) perform the gap analysis described in Subsection (3)(b); and
 - (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B) and the feasibility of the proposed development absent the tax increment.
 - (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
 - (i) a description of the planned development;
 - (ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality absent the proposed first home investment zone;
 - (iii) an evaluation of the proposal and a determination of the adequacy and efficiency of the proposal;
 - (iv) an evaluation of the proposed tax increment capture needed to cover the system improvements and project improvements associated with the first home investment zone proposal and enable the proposed development to occur, and for the benefit of affordable housing projects; and

- (v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-1502(1).
- (c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed first home investment zone as described in Subsection (3)(a)(i), the municipality, in consultation with the county assessor and the State Tax Commission, shall:
 - (i) evaluate the feasibility of administering the tax implications of the proposal; and
 - (ii) provide a letter to the Governor's Office of Economic Opportunity describing any challenges in the administration of the proposal, or indicating that the county assessor can feasibly administer the proposal.
- (4) After receiving the results from the analysis described in Subsection (3)(b), the municipality proposing the first home investment zone may:
 - (a) amend the first home investment zone proposal based on the findings of the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic Opportunity submit the amended first home investment zone proposal to the housing and transit reinvestment zone committee; or
 - (b) request that the Governor's Office of Economic Opportunity submit the original first home investment zone proposal to the housing and transit reinvestment zone committee.
- (5)
 - (a) The Governor's Office of Economic Opportunity may accept, as a dedicated credit, up to \$20,000 from a municipality for the costs of the gap analysis described in Subsection (3)(b).
 - (b) The Governor's Office of Economic Opportunity may expend funds received from a municipality as dedicated credits to pay for the costs associated with the gap analysis described in Subsection (3)(b).

Enacted by Chapter 537, 2024 General Session

63N-3-1604 Consideration of proposals by housing and transit reinvestment zone committee.

- (1) A first home investment zone proposed under this part is subject to approval by the housing and transit reinvestment zone committee.
- (2) After the Governor's Office of Economic Opportunity receives the results of the analysis described in Section 63N-3-1603, and after the Governor's Office of Economic Opportunity has received a request from the submitting municipality to submit the first home investment zone proposal to the housing and transit reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each of the relevant entities of the formation of the housing and transit reinvestment zone committee as described in Section 63N-3-605.
- (3)
 - (a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed first home investment zone in the same manner as described in Section 63N-3-605.
 - (b) A meeting of the housing and transit reinvestment zone committee is subject to Title 52, Chapter 4, Open and Public Meetings Act.
- (4)
 - (a) The proposing municipality shall present the first home investment zone proposal to the housing and transit reinvestment zone committee in a public meeting.
 - (b) The housing and transit reinvestment zone committee shall:

- (i) evaluate and verify whether the objectives and elements of a first home investment zone described in Subsections 63N-3-1502(1), (2), and (4) have been met; and
 - (ii) evaluate the proposed first home investment zone relative to the analysis described in Subsection 63N-3-1603(2).
- (5)
- (a) Subject to Subsection (5)(b), the housing and transit reinvestment zone committee may:
 - (i) request changes to the first home investment zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-1603; or
 - (ii) vote to approve or deny the proposal.
 - (b) Before the housing and transit reinvestment zone committee may approve the first home investment zone proposal, the municipality proposing the first home investment zone shall ensure that the area of the proposed first home investment zone is zoned in such a manner to accommodate the requirements of a first home investment zone described in this section and the proposed development.
- (6) If a first home investment zone is approved by the committee:
- (a) the proposed first home investment zone is established according to the terms of the first home investment zone proposal;
 - (b) affected local taxing entities are required to participate according to the terms of the first home investment zone proposal; and
 - (c) each affected taxing entity is required to participate at the same rate.
- (7) A first home investment zone proposal may be amended by following the same procedure as approving a first home investment zone proposal.

Enacted by Chapter 537, 2024 General Session

63N-3-1605 Notice requirements.

- (1) In approving a first home investment zone proposal, the housing and transit reinvestment zone committee shall follow the hearing and notice requirements for proposing a first home investment zone as described in this section.
- (2) Within 30 days after the housing and transit reinvestment zone committee approves a proposed first home investment zone, the municipality shall:
 - (a) record with the recorder of the county in which the first home investment zone is located a document containing:
 - (i) a description of the land within the first home investment zone;
 - (ii) a statement that the proposed first home investment zone has been approved; and
 - (iii) the date of adoption;
 - (b) transmit a copy of the description of the land within the first home investment zone and an accurate map or plat indicating the boundaries of the first home investment zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and
 - (c) transmit a copy of the approved first home investment zone proposal, map, and description of the land within the first home investment zone, to:
 - (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the first home investment zone is located;
 - (ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;
 - (iii) the legislative body or governing board of each taxing entity;
 - (iv) the State Tax Commission; and

(v) the State Board of Education.

Enacted by Chapter 537, 2024 General Session

63N-3-1606 Payment, use, and administration of tax increment from a first home investment zone.

- (1) A municipality may receive and use tax increment and first home investment zone funds in accordance with this part.
- (2)
 - (a) A county that collects property tax on property located within a first home investment zone shall, in accordance with Section 59-2-1365, distribute to the municipality any tax increment the municipality is authorized to receive up to the maximum approved by the housing and transit reinvestment zone committee.
 - (b)
 - (i) Except as provided in Subsection (2)(b)(ii), tax increment paid to the municipality are first home investment zone funds and shall be administered by the municipality within which the first home investment zone is located.
 - (ii) A municipality may contract with an agency, county, or a housing authority to administer tax increment and the first home investment zone, ensure compliance with first home investment zone requirements, and administer deed restrictions.
 - (iii) Before an agency may receive first home investment zone funds from the municipality, the municipality and the agency shall enter into an interlocal agreement with terms that:
 - (A) are consistent with the approval of the housing and transit reinvestment zone committee; and
 - (B) meet the requirements of Section 63N-3-1502.
- (3)
 - (a) A municipality and the agency shall use first home investment zone funds for the benefit of the first home investment zone and related extraterritorial housing.
 - (b) If any first home investment zone funds will be used outside of the first home investment zone there must be a finding in the approved proposal for a first home investment zone that the use of the first home investment zone funds outside of the first home investment zone will directly benefit the first home investment zone or related extraterritorial homes.
- (4) In accordance with Subsection 63N-3-1502(4)(e), a municipality shall use the first home investment zone funds to achieve the purposes described in Subsections 63N-3-1502(1) and (2), by paying all or part of the costs associated with the first home investment zone and extraterritorial homes, including:
 - (a) project improvements;
 - (b) system improvements; and
 - (c) the costs of the municipality to create and administer the first home investment zone, which may not exceed 2% of the total first home investment zone funds, plus the costs to complete the gap analysis described in Subsection 63N-3-1603(2).
- (5) First home investment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement which requires the participant to utilize the first home investment zone funds as allowed in this section.
- (6) First home investment zone funds may be used to pay all of the costs of bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

- (7) A municipality may create one or more public infrastructure districts within the city under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the first home investment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

Enacted by Chapter 537, 2024 General Session

63N-3-1607 Applicability to an existing first home investment zone or community reinvestment project.

If a parcel within a first home investment zone is included as an area that is part of a project area, as that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.

Enacted by Chapter 537, 2024 General Session

63N-3-1608 Tax increment protections.

- (1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a first home investment zone, a first home investment zone may suspend or terminate the collection of tax increment in a first home investment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:
 - (a) a substantial portion of the tax increment collected in the first home investment zone has not or will not be used for the purposes provided in Section 63N-3-1606; and
 - (b)
 - (i) the first home investment zone has no indebtedness; or
 - (ii) the first home investment zone has no binding financial obligations.
- (2) A first home investment zone may not collect tax increment in excess of the tax increment projections or limitations set forth in the first home investment zone proposal.
- (3) The agency administering the tax increment collected in a first home investment zone under Subsection 63N-3-1606(2), shall have standing in a court with proper jurisdiction to enforce provisions of the first home investment zone proposal, participation agreements, and other agreements for the use of the tax increment collected.
- (4) The agency administering tax increment from a first home investment zone under Subsection 63N-3-1606(2) shall follow the reporting requirements described in Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.
- (5) For each first home investment zone collecting tax increment within a county, the county auditor shall follow the reporting requirement found in Section 17C-1-606.

Enacted by Chapter 537, 2024 General Session

63N-3-1609 Boundary adjustments.

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a first home investment zone, the municipality administering the tax increment collected in the first home investment zone may make corresponding adjustments to the boundary of the first home investment zone.

Enacted by Chapter 537, 2024 General Session