

**TAX INCREMENT FINANCING FOR
MUNICIPAL INFRASTRUCTURE**

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: L. Alma Mansell

AN ACT RELATING TO SPECIAL DISTRICTS; EXPANDING THE PERMISSIBLE USES OF TAX INCREMENT FINANCING IN SOME CIRCUMSTANCES; AUTHORIZING A REDEVELOPMENT AGENCY TO COLLECT TAX INCREMENT FOR AN ADDITIONAL PERIOD AND FOR CERTAIN USES UNDER CERTAIN CIRCUMSTANCES; MAKING TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

17A-2-1247, as last amended by Chapters 211 and 308, Laws of Utah 1998

17A-2-1247.5, as last amended by Chapter 279, Laws of Utah 1998

17A-2-1260, as last amended by Chapter 183, Laws of Utah 1996

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **17A-2-1247** is amended to read:

17A-2-1247. Tax increment financing authorized -- Division of tax revenues -- Greater allocation allowed if authorized by taxing agency.

(1) This section applies to projects for which a preliminary plan has been prepared prior to April 1, 1993, and for which all of the following have occurred prior to July 1, 1993: the agency blight study has been completed, and a hearing under Section 17A-2-1221 has in good faith been commenced by the agency.

(2) Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the state, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be

28 divided as follows:

29 (a) That portion of the taxes which would be produced by the rate upon which the tax is
30 levied each year by or for each of the taxing agencies upon the total sum of the taxable value of
31 the taxable property in the redevelopment project as shown upon the assessment roll used in
32 connection with the taxation of the property by the taxing agency, last equalized prior to the
33 effective date of the ordinance, shall be allocated to and when collected shall be paid into the funds
34 of the respective taxing agencies as taxes by or for the taxing agencies on all other property are
35 paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did
36 not include the territory in a redevelopment project on the effective date of the ordinance but to
37 which the territory has been annexed or otherwise included after the effective date, the assessment
38 roll of the county last equalized on the effective date of the ordinance shall be used in determining
39 the taxable value of the taxable property in the project on the effective date).

40 (b) In a redevelopment project with a redevelopment plan adopted before April 1, 1983,
41 that portion of the levied taxes each year in excess of the amount allocated to and when collected
42 paid into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to
43 and when collected shall be paid into a special fund of the redevelopment agency to pay the
44 principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded,
45 assumed, or otherwise) incurred by the redevelopment agency before April 1, 1983, to finance or
46 refinance, in whole or in part, the redevelopment project. Payment of tax revenues to the
47 redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the
48 same manner as payments of taxes to other taxing agencies are subject to collection. Unless and
49 until the total taxable value of the taxable property in a redevelopment project exceeds the total
50 taxable value of the taxable property in the project as shown by the last equalized assessment roll
51 referred to in Subsection (2)(a), all of the taxes levied and collected upon the taxable property in
52 the redevelopment project shall be paid into the funds of the respective taxing agencies. When
53 the loans, advances, and indebtedness, if any, and any interest have been paid, all moneys received
54 from taxes upon the taxable property in the redevelopment project shall be paid into the funds of
55 the respective taxing agencies as taxes on all other property are paid.

56 (c) Notwithstanding the provisions of Subsections (2)(a) and (e), Subsection
57 17A-2-1210(5), or any other provision of this part, any loans, moneys advanced to, or indebtedness
58 (whether funded, refunded, assumed, or otherwise) issued prior to April 1, 1983, may be

59 refinanced and repaid from 100% of that portion of the levied taxes paid into the special fund of
60 the redevelopment agency each year in excess of the amount allocated to and when collected paid
61 into the funds of the respective taxing agencies under Subsection (2)(a) if the principal amount of
62 loans, moneys advanced to, or indebtedness is not increased in the refinancing.

63 (d) In a redevelopment project with a redevelopment plan adopted before April 1, 1983,
64 that portion of the levied taxes each year in excess of the amount allocated to and when collected
65 paid into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to
66 and when collected shall be paid into a special fund of the redevelopment agency according to the
67 limits established in Subsection (2)(f) to pay the principal of and interest on loans, moneys
68 advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the
69 redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, the
70 redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to
71 and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other
72 taxing agencies are subject to collection. Unless and until the total taxable value of the taxable
73 property in a redevelopment project exceeds the total taxable value of the taxable property in the
74 project as shown by the last equalized assessment roll referred to in Subsection (2)(a), all of the
75 taxes levied and collected upon the taxable property in the redevelopment project shall be paid into
76 the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any,
77 and any interest have been paid, all moneys received from taxes upon the taxable property in the
78 redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all
79 other property are paid.

80 (e) In a redevelopment project with a redevelopment plan adopted after April 1, 1983, that
81 portion of the levied taxes each year in excess of the amount allocated to and when collected paid
82 into the funds of the respective taxing agencies under Subsection (2)(a) shall be allocated to and
83 when collected shall be paid into a special fund of the redevelopment agency according to the
84 limits established in Subsection (2)(f) to pay the principal of and interest on loans, moneys
85 advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the
86 redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, the
87 redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to
88 and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other
89 taxing agencies are subject to collection. Unless and until the total taxable value of the taxable

90 property in a redevelopment project exceeds the total taxable value of the taxable property in the
91 project as shown by the last equalized assessment roll referred to in Subsection (2)(a), all of the
92 taxes levied and collected upon the taxable property in the redevelopment project shall be paid into
93 the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any,
94 and any interest have been paid, all moneys received from taxes upon the taxable property in the
95 redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all
96 other property are paid.

97 (f) For purposes of Subsections (2)(d) and (e), the maximum amounts which shall be
98 allocated to and when collected shall be paid into the special fund of a redevelopment agency may
99 not exceed the following percentages:

100 (i) for a period of the first five tax years commencing from the first tax year a
101 redevelopment agency accepts an amount allocated to and when collected paid into a special fund
102 of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or
103 indebtedness (whether funded, refunded, assumed, or otherwise) which loans, advances, or
104 indebtedness are incurred by the redevelopment agency after April 1, 1983, 100% of that portion
105 of the levied taxes each year in excess of the amount allocated to and when collected paid into the
106 funds of the respective taxing agencies under Subsection (2)(a);

107 (ii) for a period of the next five tax years 80% of that portion of the levied taxes each year
108 in excess of the amount allocated to and when collected paid into the funds of the respective taxing
109 agencies under Subsection (2)(a);

110 (iii) for a period of the next five tax years 75% of that portion of the levied taxes each year
111 in excess of the amount allocated to and when collected paid into the funds of the respective taxing
112 agencies under Subsection (2)(a);

113 (iv) for a period of the next five tax years 70% of that portion of the levied taxes each year
114 in excess of the amount allocated to and when collected paid into the funds of the respective taxing
115 agencies under Subsection (2)(a); and

116 (v) for a period of the next five tax years 60% of that portion of the levied taxes each year
117 in excess of the amount allocated to and when collected paid into the funds of the respective taxing
118 agencies under Subsection (2)(a).

119 (g) (i) In addition to the maximum amounts allocated to and when collected paid into the
120 special fund of a redevelopment agency under Subsection (2)(f), a redevelopment agency may

121 receive an additional percentage greater than those described in Subsection (2)(f) if the amount of
 122 the tax increment funding received from the greater percentage is used:

123 (A) for an agency established by the governing body of a first class city:

124 (I) solely to pay all or part of the value of the land for and the cost of the installation and
 125 construction of any building, facility, structure, or other improvement of a publicly or
 126 privately-owned convention center or sports complex, including parking and infrastructure
 127 improvements related to such convention center or sports complex; [or]

128 (II) solely to pay all or part of the cost of the installation and construction of an underpass
 129 that has not received funding from the Centennial Highway [Trust] Fund under Section [63-49-22]
 130 72-2-118 as part of the construction of Interstate 15; or

131 (III) solely to pay all or part of the cost of the land for and the installation and construction
 132 of a recreational facility as defined in Section 59-12-702, including parking and infrastructure
 133 improvements related to the recreational facility; or

134 (B) for any agency, to pay all or part of the cost of the installation, construction, or
 135 reconstruction of the 10000 South underpass or the 11400 South or 12300 South interchange on
 136 I-15 in Salt Lake County.

137 (ii) The additional percentage a redevelopment agency may receive under Subsection
 138 (2)(g)(i) shall be:

139 (A) 100% of that portion of the levied taxes each year in excess of the amount allocated
 140 to and when collected paid into the funds of the respective taxing agencies under Subsection (2)(a);
 141 and

142 (B) paid for a period of the first 32 years commencing from the first tax year a
 143 redevelopment agency accepts an amount allocated to and when collected paid into a special fund
 144 of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or
 145 indebtedness, whether funded, refunded, assumed, or otherwise, that are incurred by the
 146 redevelopment agency after April 1, 1983.

147 (iii) This Subsection (2)(g) applies only to a redevelopment agency created by a city in
 148 [whose project area] which:

149 (A) construction has begun on a building, facility, structure, or other improvement of a
 150 publicly or privately-owned convention center or sports complex, including parking and
 151 infrastructure improvements related to such convention center or sports complex, on or before June

152 30, 1997;

153 (B) construction has begun on or before June 30, [~~1998~~] 2000, on an underpass that has
154 not received funding from the Centennial Highway [~~Trust~~] Fund under Section [~~63-49-22~~]
155 72-2-118 as part of the construction of Interstate 15; or

156 (C) the installation, construction, or reconstruction of the 10000 South underpass or the
157 11400 South or 12300 South interchange on I-15 in Salt Lake County has begun on or before June
158 30, [~~1998~~] 2000.

159 (iv) An additional amount described in Subsection (2)(g)(i) may no longer be allocated to
160 or used by the redevelopment agency, notwithstanding any other law to the contrary, if the
161 additional amount is not pledged:

162 (A) to pay all or part of the value of the land for and the cost of the installation and
163 construction of any building, facility, structure, or other improvement described in Subsection
164 (2)(g)(i)(A)(I) on or before June 30, 1997;

165 (B) on or before June 30, [~~1998~~] 2000, to pay all or part of the cost of the installation and
166 construction of an underpass that has not received funding from the Centennial Highway [~~Trust~~]
167 Fund under Section [~~63-49-22~~] 72-2-118 as part of the construction of Interstate 15; or

168 (C) on or before June 30, [~~1998~~] 2000, to pay all or part of the cost of the installation,
169 construction, or reconstruction of the 10000 South underpass or the 11400 South or 12300 South
170 interchange on I-15 in Salt Lake County.

171 (3) Nothing contained in Subsections (2)(d), (e), (f), and (g) prevents an agency from
172 receiving a greater percentage than those established in Subsections (2)(f) and (g) of the levied
173 taxes of any local taxing agency each year in excess of the amount allocated to and when collected
174 paid into the funds of the respective local taxing agency if the governing body of the local taxing
175 agency consents in writing.

176 (4) Nothing in this section may be construed to prevent an agency from using funds
177 allocated under Subsection (2)(f) for a project allowed under Subsection (2)(g)(i).

178 Section 2. Section **17A-2-1247.5** is amended to read:

179 **17A-2-1247.5. Tax increment financing -- Project area budget approval.**

180 (1) This section applies to projects for which a preliminary plan has been adopted on or
181 after July 1, 1993.

182 (2) (a) A taxing agency committee shall be created for each redevelopment or economic

183 development project. The committee membership shall be selected as follows:

184 (i) two representatives appointed by the school district in the project area;

185 (ii) two representatives appointed by resolution of the county commission or county
186 council for the county in which the project area is located;

187 (iii) two representatives appointed by resolution of the city or town's legislative body in
188 which the project area is located if the project is located within a city or town;

189 (iv) a representative approved by the State School Board; and

190 (v) one representative who shall represent all of the remaining governing bodies of the
191 other local taxing agencies that levy taxes upon the property within the proposed project area. The
192 representative shall be selected by resolution of each of the governing bodies of those taxing
193 agencies within 30 days after the notice provided in Subsection 17A-2-1256(3).

194 (b) If the project is located within a city or town, a quorum of a taxing agency committee
195 consists of five members. If the project is not located within a city or town, a quorum consists of
196 four members.

197 (c) A taxing agency committee formed in accordance with this section has the authority
198 to:

199 (i) represent all taxing entities in a project area and cast votes that will be binding on the
200 governing boards of all taxing entities in a project area;

201 (ii) negotiate with the agency concerning the redevelopment plan;

202 (iii) approve or disapprove project area budgets under Subsection (3); and

203 (iv) approve an exception to the limits on the value and size of project areas imposed by
204 Section 17A-2-1210, or the time and amount of tax increment financing under this section.

205 (3) (a)(i) If the project area budget does not allocate 20% of the tax increment for housing
206 as provided in Subsection 17A-2-1264(2)(a):

207 (A) an agency may not collect any tax increment for a project area until after the agency
208 obtains the majority consent of a quorum of the taxing agency committee for the project area
209 budget; and

210 (B) a project area budget adopted under Subsection (3)(a)(i)(A) may be amended if the
211 agency obtains the majority consent of a quorum of the taxing agency committee.

212 (ii) If the project area budget allocates 20% of the tax increment for housing as provided
213 in Subsection 17A-2-1264(2)(a):

214 (A) an agency may not collect tax increment from all or part of a project area until after:

215 (I) the Olene Walker Housing Trust Fund Board, established under Title 9, Chapter 4, Part
216 7, Olene Walker Housing Trust Fund, has certified the project area budget as complying with the
217 requirements of Section 17A-2-1264; and

218 (II) the agency's governing body has approved and adopted the project area budget by a
219 2/3 vote; and

220 (B) a project area budget adopted under Subsection (3)(a)(ii)(A) may be amended if:

221 (I) the Olene Walker Housing Trust Fund Board, established under Title 9, Chapter 4, Part
222 7, Olene Walker Housing Trust Fund, certifies the amendment as complying with the requirements
223 of Section 17A-2-1264; and

224 (II) the agency's governing body approves and adopts the amendment by a 2/3 vote.

225 (b) Within 30 days after the approval and adoption of a project area budget, each agency
226 shall file a copy of the budget with the county auditor, the State Tax Commission, the state auditor,
227 and each property taxing entity affected by the agency's collection of tax increment under the
228 project area budget.

229 (c) (i) Beginning on January 1, 1997, before an amendment to a project area budget is
230 approved, the agency shall advertise and hold one public hearing on the proposed change in the
231 project area budget.

232 (ii) The public hearing under Subsection (3)(c)(i) shall be conducted according to the
233 procedures and requirements of Subsection 17A-2-1222(2), except that if the amended budget
234 allocates a greater proportion of tax increment to a project area than was allocated to the project
235 area under the previous budget, the advertisement shall state the percentage allocated under the
236 previous budget and the percentage allocated under the amended budget.

237 (d) If an amendment is not approved, the agency shall continue to operate under the
238 previously approved, unamended project area budget.

239 (4) (a) An agency may collect tax increment from all or a part of a project area. The tax
240 increment shall be paid to the agency in the same manner and at the same time as payments of
241 taxes to other taxing agencies to pay the principal of and interest on loans, moneys advanced to,
242 or indebtedness, whether funded, refunded, assumed, or otherwise, to finance or refinance, in
243 whole or in part, the redevelopment or economic development project and the housing projects and
244 programs under Sections 17A-2-1263 and 17A-2-1264.

245 (b) (i) An agency may elect to be paid:

246 (A) if 20% of the project area budget is not allocated for housing as provided in Subsection
247 17A-2-1264(2)(a):

248 (I) 100% of annual tax increment for 12 years; or

249 (II) 75% of annual tax increment for 20 years; or

250 (B) if 20% of the project area budget is allocated for housing as provided in Subsection
251 17A-2-1264(2)(a):

252 (I) 100% of annual tax increment for 15 years; or

253 (II) 75% of annual tax increment for 24 years.

254 (ii) Tax increment paid to an agency under this Subsection (4)(b) shall be paid for the
255 applicable length of time beginning the first tax year the agency accepts tax increment from a
256 project area.

257 (c) An agency may receive a greater percentage of tax increment or receive tax increment
258 for a longer period of time than that specified in Subsection (4)(b) if the agency obtains the
259 majority consent of the taxing agency committee.

260 (5) (a) The redevelopment plan shall provide that the portion of the taxes, if any, due to
261 an increase in the tax rate by a taxing agency after the date the project area budget is approved by
262 the taxing agency committee may not be allocated to and when collected paid into a special fund
263 of the redevelopment agency according to the provisions of Subsection (4) unless the taxing
264 agency committee approves the inclusion of the increase in the tax rate at the time the project area
265 budget is approved. If approval of the inclusion of the increase in the tax rate is not obtained, the
266 portion of the taxes attributable to the increase in the rate shall be distributed by the county to the
267 taxing agency imposing the tax rate increase in the same manner as other property taxes.

268 (b) The amount of the tax rate to be used in determining tax increment shall be increased
269 or decreased by the amount of an increase or decrease as a result of:

270 (i) a statute enacted by the Legislature, a judicial decision, or an order from the State Tax
271 Commission to a county to adjust or factor its assessment rate under Subsection 59-2-704(2);

272 (ii) a change in exemption provided in Utah Constitution Article XIII, Section 2, or Section
273 59-2-103;

274 (iii) an increase or decrease in the percentage of fair market value, as defined under
275 Section 59-2-102; or

276 (iv) a decrease in the certified tax rate under Subsection 59-2-924(2)(c) or (2)(d)(i).

277 (c) (i) Notwithstanding the increase or decrease resulting from Subsection (5)(b), the
278 amount of money allocated to, and when collected paid to the agency each year for payment of
279 bonds or other indebtedness may not be less than would have been allocated to and when collected
280 paid to the agency each year if there had been no increase or decrease under Subsection (5)(b).

281 (ii) For a decrease resulting from Subsection (5)(b)(iv), the taxable value for the base year
282 under Subsection 17-2-1247(2)(a) or 17A-2-1202(2), as the case may be, shall be reduced for any
283 year to the extent necessary, including below zero, to provide an agency with approximately the
284 same amount of money the agency would have received without a reduction in the county's
285 certified tax rate if:

286 (A) in that year there is a decrease in the certified tax rate under Subsection 59-2-924(2)(c)
287 or (2)(d)(i);

288 (B) the amount of the decrease is more than 20% of the county's certified tax rate of the
289 previous year; and

290 (C) the decrease results in a reduction of the amount to be paid to the agency under Section
291 17A-2-1247 or 17A-2-1247.5.

292 (6) (a) For redevelopment plans first adopted before May 4, 1993, beginning January 1,
293 1994, all of the taxes levied and collected upon the taxable property in the redevelopment project
294 under Section 59-2-906.1 which are not pledged to support bond indebtedness and other
295 contractual obligations are exempt from the provisions of Subsection (4).

296 (b) For redevelopment plans first adopted after May 3, 1993, beginning January 1, 1994,
297 all of the taxes levied and collected upon the taxable property in the redevelopment project under
298 Section 59-2-906.1 are exempt from the provisions of Subsection (4).

299 (7) (a) In addition to the amounts and periods that an agency may elect to be paid tax
300 increment under Subsection (4)(b), an agency may elect to be paid 100% of annual tax increment
301 for an additional period, as provided in Subsection (7)(b), beyond those periods provided under
302 Subsection (4)(b), without the approval of the taxing agency committee, if the tax increment
303 funding for the additional period is used:

304 (i) for an agency in a city in which is located all or a portion of an interchange on I-15 or
305 that would directly benefit from an interchange on I-15, to pay some or all of the cost of the
306 installation, construction, or reconstruction of:

307 (A) an interchange on I-15; or
308 (B) frontage and other roads connecting to the interchange, as determined by the
309 Department of Transportation created under Section 72-1-201 and the Transportation Commission
310 created under Section 72-1-301; or

311 (ii) for an agency in a city of the first class, to pay some or all of the cost of the land for
312 and installation and construction of a recreational facility, as defined in Subsection 59-12-702(3),
313 including parking and infrastructure improvements related to the recreational facility.

314 (b) The additional period for which an agency may be paid 100% of annual tax increment
315 under Subsection (7)(a) is an additional:

316 (i) 13 years, for an agency that initially elected to be paid under Subsection (4)(b)(i)(A)(I);

317 (ii) five years, for an agency that initially elected to be paid under Subsection
318 (4)(b)(i)(A)(II);

319 (iii) ten years, for an agency that initially elected to be paid under Subsection
320 (4)(b)(i)(B)(I); and

321 (iv) one year, for an agency that initially elected to be paid under Subsection
322 (4)(b)(i)(B)(II).

323 Section 3. Section **17A-2-1260** is amended to read:

324 **17A-2-1260. Payment authorized for land or cost of improvements within or without**
325 **project area if of benefit to project area -- Reimbursement of costs -- Limitation on use of tax**
326 **increment.**

327 (1) (a) An agency may, with the consent of the legislative body:

328 (i) subject to Subsection (5), pay all or part of the value of the land for and the cost of the
329 installation and construction of any building, facility, structure, landscaping, or other improvement
330 which is publicly owned within the project area, upon a determination by resolution of the agency
331 and local legislative body that such buildings, facilities, structures, landscaping, or other
332 improvements are of benefit to the project area regardless of whether such improvement is within
333 another project area, or in the case of a project area in which substantially all of the land is publicly
334 owned that such improvement is of benefit to the community;

335 (ii) in first-class cities, pay all or part of the value of the land for and the cost of the
336 installation and construction of any building, facility, structure, or other improvement of a publicly
337 or privately owned convention center or sports complex, including parking and infrastructure

338 improvements related to the convention center or sports complex, either within or without the
339 project area, upon a determination by resolution of the agency and local legislative body that these
340 buildings, facilities, structures, or other improvements are of benefit to the project area regardless
341 of whether the improvement is within another project area, or in the case of a project area in which
342 substantially all of the land is publicly owned, that the improvement is of benefit to the
343 community; and

344 (iii) subject to Subsection (5) and approval by the taxing agency committee in accordance
345 with Section 17A-2-1247.5, pay all or part of the cost of the installation of utilities and access
346 which are publicly owned within or without the project area, upon a determination by resolution
347 of the agency and local legislative body that the utilities and access are of benefit to the project
348 area.

349 (b) This determination by the agency and the local legislative body shall be final and
350 conclusive as to the issue of benefit to the project area.

351 (2) When the value of such land or the cost of the installation and construction of such
352 building, facility, structure, or other improvement, or both, has been, or will be, paid or provided
353 for initially by the community or other public corporation, the agency may enter into a contract
354 with the community or other public corporation under which it agrees to reimburse the community
355 or other public corporation for all or part of the value of such land or all or part of the cost of such
356 building, facility, structure, or other improvement, or both, by periodic payments over a period of
357 years.

358 (3) The obligation of the agency under such contract shall constitute an indebtedness of
359 the agency for the purpose of carrying out the redevelopment project for such project area, which
360 indebtedness may be made payable out of tax increment under Subsection 17A-2-1247(2)(b) or
361 out of any other available funds.

362 (4) In a case where such land has been or will be acquired by, or the cost of the installation
363 and construction of such building, facility, structure, or other improvement has been paid by, a
364 parking authority, joint powers entity, or other public corporation to provide a building, facility,
365 structure, or other improvement which has been or will be leased to the community, such contract
366 may be made with, and such reimbursement may be made payable to the community.

367 (5) Tax increment financing under Sections 17A-2-1247 and 17A-2-1247.5 may not be
368 used to construct municipal buildings, courts or other judicial buildings, and fire stations, but may

369 be used to retire bonds or other indebtedness on existing publicly owned structures located within
370 a project area if the agency by resolution determines that the structures are of benefit to the project
371 area.

372 (6) This section does not apply to any land, building, facility, structure, or other
373 improvement for which:

374 (a) bonds or other indebtedness of the agency have been issued or contracted;

375 (b) the purchase by the agency has been accomplished; or

376 (c) construction has commenced before April 1, 1983.

377 (7) (a) Tax increment under Sections 17A-2-1247 and 17A-2-1247.5 from one project area
378 may, in first-class cities, be used in another project area to pay all or part of the value of the land
379 for and the cost of installation and construction of any building, facility, structure, or other
380 improvement of a publicly or privately owned convention center or sports complex, including
381 parking and infrastructure improvements related to such convention center or sports complex.

382 (b) This Subsection (7) applies only to a redevelopment agency in whose project area
383 construction has begun on a building, facility, structure, or other improvement of a publicly or
384 privately owned convention center or sports complex, including parking and infrastructure
385 improvements related to such convention center or sports complex, on or before June 30, 1997.

386 (c) If tax increment allocated for use in another project area as described in Subsection
387 (7)(a) are not pledged to pay all or part of the value of the land for and the cost of the installation
388 and construction of any building, facility, structure, or other improvement described in Subsection
389 (7)(a) on or before June 30, 1997, the tax increment may no longer be allocated to or used by the
390 redevelopment agency for use in another project area, notwithstanding any other law to the
391 contrary.

392 Section 4. **Effective date.**

393 If approved by two-thirds of all the members elected to each house, this act takes effect
394 upon approval by the governor, or the day following the constitutional time limit of Utah
395 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the
396 date of veto override.

Legislative Review Note

as of 2-12-99 2:39 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel