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**RECODIFICATION AND AMENDMENTS OF
REDEVELOPMENT AGENCIES STATUTES**

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Wayne A. Harper

**This act modifies Special Districts provisions by repealing, reenacting, and rewriting
statutory provisions relating to redevelopment agencies.**

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

AMENDS:

10-3-1303, as last amended by Chapter 280, Laws of Utah 1992

ENACTS:

17B-3-101, Utah Code Annotated 1953

17B-3-102, Utah Code Annotated 1953

17B-3-103, Utah Code Annotated 1953

17B-3-104, Utah Code Annotated 1953

17B-3-105, Utah Code Annotated 1953

17B-3-201, Utah Code Annotated 1953

17B-3-202, Utah Code Annotated 1953

17B-3-203, Utah Code Annotated 1953

17B-3-204, Utah Code Annotated 1953

17B-3-205, Utah Code Annotated 1953

17B-3-301, Utah Code Annotated 1953

17B-3-302, Utah Code Annotated 1953

17B-3-303, Utah Code Annotated 1953

17B-3-401, Utah Code Annotated 1953

17B-3-402, Utah Code Annotated 1953

17B-3-403, Utah Code Annotated 1953

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28 **17B-3-404**, Utah Code Annotated 1953
29 **17B-3-405**, Utah Code Annotated 1953
30 **17B-3-406**, Utah Code Annotated 1953
31 **17B-3-407**, Utah Code Annotated 1953
32 **17B-3-408**, Utah Code Annotated 1953
33 **17B-3-409**, Utah Code Annotated 1953
34 **17B-3-410**, Utah Code Annotated 1953
35 **17B-3-411**, Utah Code Annotated 1953
36 **17B-3-412**, Utah Code Annotated 1953
37 **17B-3-413**, Utah Code Annotated 1953
38 **17B-3-414**, Utah Code Annotated 1953
39 **17B-3-501**, Utah Code Annotated 1953
40 **17B-3-502**, Utah Code Annotated 1953
41 **17B-3-503**, Utah Code Annotated 1953
42 **17B-3-504**, Utah Code Annotated 1953
43 **17B-3-505**, Utah Code Annotated 1953
44 **17B-3-506**, Utah Code Annotated 1953
45 **17B-3-601**, Utah Code Annotated 1953
46 **17B-3-602**, Utah Code Annotated 1953
47 **17B-3-603**, Utah Code Annotated 1953
48 **17B-3-604**, Utah Code Annotated 1953
49 **17B-3-605**, Utah Code Annotated 1953
50 **17B-3-701**, Utah Code Annotated 1953
51 **17B-3-801**, Utah Code Annotated 1953
52 **17B-3-802**, Utah Code Annotated 1953
53 **17B-3-803**, Utah Code Annotated 1953
54 **17B-3-804**, Utah Code Annotated 1953
55 **17B-3-805**, Utah Code Annotated 1953
56 **17B-3-901**, Utah Code Annotated 1953
57 **17B-3-902**, Utah Code Annotated 1953
58 **17B-3-903**, Utah Code Annotated 1953

- 59 **17B-3-904**, Utah Code Annotated 1953
- 60 **17B-3-905**, Utah Code Annotated 1953
- 61 **17B-3-906**, Utah Code Annotated 1953
- 62 **17B-3-907**, Utah Code Annotated 1953
- 63 **17B-3-908**, Utah Code Annotated 1953
- 64 **17B-3-909**, Utah Code Annotated 1953
- 65 **17B-3-910**, Utah Code Annotated 1953
- 66 **17B-3-911**, Utah Code Annotated 1953
- 67 **17B-3-912**, Utah Code Annotated 1953
- 68 **17B-3-913**, Utah Code Annotated 1953
- 69 **17B-3-914**, Utah Code Annotated 1953
- 70 **17B-3-1001**, Utah Code Annotated 1953
- 71 **17B-3-1002**, Utah Code Annotated 1953
- 72 **17B-3-1003**, Utah Code Annotated 1953
- 73 **17B-3-1004**, Utah Code Annotated 1953
- 74 **17B-3-1101**, Utah Code Annotated 1953
- 75 **17B-3-1102**, Utah Code Annotated 1953
- 76 **17B-3-1103**, Utah Code Annotated 1953
- 77 **17B-3-1104**, Utah Code Annotated 1953
- 78 **17B-3-1105**, Utah Code Annotated 1953
- 79 **17B-3-1106**, Utah Code Annotated 1953
- 80 **17B-3-1107**, Utah Code Annotated 1953
- 81 **17B-3-1108**, Utah Code Annotated 1953
- 82 **17B-3-1109**, Utah Code Annotated 1953
- 83 **17B-3-1201**, Utah Code Annotated 1953
- 84 **17B-3-1206**, Utah Code Annotated 1953
- 85 **17B-3-1301**, Utah Code Annotated 1953

86 REPEALS:

- 87 **17A-2-1201**, as last amended by Chapter 50, Laws of Utah 1993
- 88 **17A-2-1202**, as last amended by Chapters 1 and 349, Laws of Utah 2000
- 89 **17A-2-1203**, as last amended by Chapter 349, Laws of Utah 2000

- 90 **17A-2-1204**, as last amended by Chapter 349, Laws of Utah 2000
91 **17A-2-1205**, as last amended by Chapter 349, Laws of Utah 2000
92 **17A-2-1206**, as last amended by Chapter 349, Laws of Utah 2000
93 **17A-2-1207**, as last amended by Chapter 349, Laws of Utah 2000
94 **17A-2-1208**, as repealed and reenacted by Chapter 50, Laws of Utah 1993
95 **17A-2-1209**, as last amended by Chapter 349, Laws of Utah 2000
96 **17A-2-1210**, as last amended by Chapter 1, Laws of Utah 2000
97 **17A-2-1210.5**, as enacted by Chapter 50, Laws of Utah 1993
98 **17A-2-1211**, as last amended by Chapter 249, Laws of Utah 1996
99 **17A-2-1212**, as last amended by Chapter 183, Laws of Utah 1996
100 **17A-2-1213**, as last amended by Chapter 249, Laws of Utah 1996
101 **17A-2-1214**, as last amended by Chapter 50, Laws of Utah 1993
102 **17A-2-1215**, as last amended by Chapter 50, Laws of Utah 1993
103 **17A-2-1216**, as last amended by Chapter 50, Laws of Utah 1993
104 **17A-2-1217**, as last amended by Chapter 50, Laws of Utah 1993
105 **17A-2-1218**, as last amended by Chapter 320, Laws of Utah 1995
106 **17A-2-1219**, as renumbered and amended by Chapter 186, Laws of Utah 1990
107 **17A-2-1220**, as last amended by Chapter 349, Laws of Utah 2000
108 **17A-2-1221**, as renumbered and amended by Chapter 186, Laws of Utah 1990
109 **17A-2-1222**, as last amended by Chapter 349, Laws of Utah 2000
110 **17A-2-1223**, as renumbered and amended by Chapter 186, Laws of Utah 1990
111 **17A-2-1224**, as renumbered and amended by Chapter 186, Laws of Utah 1990
112 **17A-2-1225**, as last amended by Chapter 349, Laws of Utah 2000
113 **17A-2-1226**, as renumbered and amended by Chapter 186, Laws of Utah 1990
114 **17A-2-1227**, as last amended by Chapter 50, Laws of Utah 1993
115 **17A-2-1228**, as last amended by Chapter 320, Laws of Utah 1995
116 **17A-2-1229**, as last amended by Chapter 80, Laws of Utah 1996
117 **17A-2-1230**, as last amended by Chapter 349, Laws of Utah 2000
118 **17A-2-1231**, as renumbered and amended by Chapter 186, Laws of Utah 1990
119 **17A-2-1232**, as last amended by Chapter 10, Laws of Utah 1997
120 **17A-2-1233**, as renumbered and amended by Chapter 186, Laws of Utah 1990

- 121 **17A-2-1234**, as renumbered and amended by Chapter 186, Laws of Utah 1990
122 **17A-2-1235**, as renumbered and amended by Chapter 186, Laws of Utah 1990
123 **17A-2-1236**, as last amended by Chapter 349, Laws of Utah 2000
124 **17A-2-1237**, as renumbered and amended by Chapter 186, Laws of Utah 1990
125 **17A-2-1238**, as last amended by Chapter 320, Laws of Utah 1995
126 **17A-2-1239**, as last amended by Chapter 50, Laws of Utah 1993
127 **17A-2-1240**, as last amended by Chapter 50, Laws of Utah 1993
128 **17A-2-1241**, as renumbered and amended by Chapter 186, Laws of Utah 1990
129 **17A-2-1242**, as last amended by Chapter 50, Laws of Utah 1993
130 **17A-2-1243**, as last amended by Chapter 50, Laws of Utah 1993
131 **17A-2-1244**, as renumbered and amended by Chapter 186, Laws of Utah 1990
132 **17A-2-1245**, as renumbered and amended by Chapter 186, Laws of Utah 1990
133 **17A-2-1246**, as renumbered and amended by Chapter 186, Laws of Utah 1990
134 **17A-2-1247**, as last amended by Chapter 178, Laws of Utah 2000
135 **17A-2-1247.5**, as last amended by Chapters 178, 348 and 349, Laws of Utah 2000
136 **17A-2-1248**, as last amended by Chapter 50, Laws of Utah 1993
137 **17A-2-1249**, as renumbered and amended by Chapter 186, Laws of Utah 1990
138 **17A-2-1250**, as last amended by Chapter 50, Laws of Utah 1993
139 **17A-2-1250.5**, as enacted by Chapter 320, Laws of Utah 1995
140 **17A-2-1251**, as last amended by Chapter 50, Laws of Utah 1993
141 **17A-2-1252**, as last amended by Chapter 50, Laws of Utah 1993
142 **17A-2-1253**, as last amended by Chapter 50, Laws of Utah 1993
143 **17A-2-1254**, as last amended by Chapter 50, Laws of Utah 1993
144 **17A-2-1255**, as renumbered and amended by Chapter 186, Laws of Utah 1990
145 **17A-2-1256**, as last amended by Chapter 80, Laws of Utah 1996
146 **17A-2-1257**, as renumbered and amended by Chapter 186, Laws of Utah 1990
147 **17A-2-1258**, as last amended by Chapter 50, Laws of Utah 1993
148 **17A-2-1259**, as last amended by Chapter 50, Laws of Utah 1993
149 **17A-2-1260**, as last amended by Chapter 194, Laws of Utah 1999
150 **17A-2-1261**, as enacted by Chapter 50, Laws of Utah 1993
151 **17A-2-1262**, as enacted by Chapter 50, Laws of Utah 1993

152 **17A-2-1263**, as last amended by Chapter 349, Laws of Utah 2000

153 **17A-2-1264**, as last amended by Chapters 348 and 349, Laws of Utah 2000

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

155 Section 1. Section **10-3-1303** is amended to read:

156 **10-3-1303. Definitions.**

157 As used in this part:

158 (1) "Appointed officer" means any person appointed to any statutory office or position or
159 any other person appointed to any position of employment with a city or with a redevelopment
160 agency under Title 17B, Chapter 3, Redevelopment Agencies Act. Appointed officers include, but
161 are not limited to, persons serving on special, regular, or full-time committees, agencies, or boards
162 whether or not such persons are compensated for their services. The use of the word "officer" in
163 this part is not intended to make appointed persons or employees "officers" of the municipality.

164 (2) "Assist" means to act, or offer or agree to act, in such a way as to help, represent, aid,
165 advise, furnish information to, or otherwise provide assistance to a person or business entity,
166 believing that such action is of help, aid, advice, or assistance to such person or business entity and
167 with the intent to assist such person or business entity.

168 (3) "Business entity" means a sole proprietorship, partnership, association, joint venture,
169 corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.

170 (4) "Compensation" means anything of economic value, however designated, which is
171 paid, loaned, granted, given, donated, or transferred to any person or business entity by anyone
172 other than the governmental employer for or in consideration of personal services, materials,
173 property, or any other thing whatsoever.

174 (5) "Elected officer" means any person elected or appointed to the office of mayor,
175 commissioner, or council member.

176 (6) "Improper disclosure" means disclosure of private, controlled, or protected information
177 to any person who does not have both the right and the need to receive the information.

178 (7) "Municipal employee" means a person who is not an elected or appointed officer who
179 is employed on a full or part-time basis by a municipality or by a redevelopment agency under Title
180 17B, Chapter 3, Redevelopment Agencies Act.

181 (8) "Private, controlled, or protected information" means information classified as private,
182 controlled, or protected under Title 63, Chapter 2, Government Records Access and Management

183 Act or other applicable provision of law.

184 (9) "Substantial interest" means the ownership, either legally or equitably, by an
185 individual, his spouse, or his minor children, of at least 10% of the outstanding shares of a
186 corporation or 10% interest in any other business entity.

187 Section 2. Section **17B-3-101** is enacted to read:

188 **CHAPTER 3. REDEVELOPMENT AGENCIES ACT**

189 **Part 1. General Provisions**

190 **17B-3-101. Title.**

191 This chapter is known as the "Redevelopment Agencies Act."

192 Section 3. Section **17B-3-102** is enacted to read:

193 **17B-3-102. Definitions.**

194 (1) "Agency" means a separate body corporate and politic, created under Section
195 17B-3-201, that is a political subdivision of the state, that is created to undertake or promote
196 redevelopment, economic development, or education housing development, or any combination
197 of them, as provided in this chapter, and whose geographic boundaries are coterminous with:

198 (a) for an agency created by a county, the unincorporated area of the county; and

199 (b) for an agency created by a city or town, the boundaries of the city or town.

200 (2) "Assessment roll" has the meaning as defined in Section 59-2-102.

201 (3) "Base taxable value" means the taxable value of the property within a project area from
202 which tax increment will be collected, as shown upon the assessment roll last equalized before:

203 (a) for a project area plan adopted before July 1, 1993, the effective date of the ordinance
204 adopting the project area plan; or

205 (b) for a project area plan adopted on or after July 1, 1993:

206 (i) the date of the taxing entity committee's approval of the first project area budget; or

207 (ii) if no taxing entity committee approval is required for the project area budget, the later

208 of:

209 (A) the date the project area plan is adopted; and

210 (B) the date the agency adopts the first project area budget.

211 (4) "Blight" or "blighted" means the condition of an area that meets the requirements of
212 Section 17B-3-604.

213 (5) "Blight study" means a study to determine the existence or nonexistence of blight

214 within a project area as provided in Section 17B-3-302.

215 (6) "Board" means the governing body of an agency, as provided in Section 17B-3-203.

216 (7) "Community" means a county, city, or town.

217 (8) "Economic development" means to promote the creation or retention of public or
218 private jobs within the state through:

219 (a) planning, design, development, construction, rehabilitation, business relocation, or any
220 combination of these, within part or all of a project area; and

221 (b) the provision of office, industrial, manufacturing, warehousing, distribution, parking,
222 public, or other facilities, or other improvements that benefit the state or a community.

223 (9) "Education housing development" means the provision of high density housing within
224 a project area that is adjacent to a public or private institution of higher education.

225 (10) "Private," with respect to real property, means:

226 (a) not owned by the United States or any agency of the federal government, a public
227 entity, or any other governmental entity; and

228 (b) not dedicated to public use.

229 (11) "Project area" means the geographic area described in a project area plan or draft

230 project area plan where the redevelopment, economic development, or education housing

231 development set forth in the project area plan or draft area plan takes place or is proposed to take
232 place.

233 (12) "Project area budget" means a multi-year projection of annual or cumulative revenues
234 and expenses and other fiscal matters pertaining to a redevelopment, economic development, or
235 education housing development project that includes:

236 (a) the base taxable value of property in the project area;

237 (b) the projected tax increment expected to be generated within the project area;

238 (c) the amount of tax increment expected to be shared with other taxing entities;

239 (d) the amount of tax increment expected to be used to implement the project plan,

240 including the estimated amount of tax increment to be used for land acquisition, public

241 improvements, infrastructure improvements, and loans, grants, or other incentives to private and
242 public entities;

243 (e) the tax increment expected to be used to cover the cost of administering the project
244 plan;

245 (f) if the area from which tax increment is to be collected is less than the entire project
246 area, a legal description of the portion of the project area from which tax increment will be
247 collected; and

248 (g) for property that the agency owns and expects to sell, the expected total cost of the
249 property to the agency and the expected selling price.

250 (13) "Project area plan" means a written plan that, after its effective date, guides and
251 controls the redevelopment, economic development, or education housing development activities
252 within the project area.

253 (14) "Property owner" or "owner of property" means the owner of real property as shown
254 on the assessment roll of the county in which the property is located, equalized as of the previous
255 November 1;

256 (15) "Public entity" means:

257 (a) the state, including any of its departments or agencies; or

258 (b) a political subdivision of the state, including a county, city, town, special district, local
259 district, or interlocal cooperation entity.

260 (16) "Redevelopment" means the development activities under a project area plan within
261 a redevelopment project area, including:

262 (a) planning, design, development, demolition, clearance, construction, rehabilitation, or
263 any combination of these, of part or all of a project area;

264 (b) the provision of residential, commercial, industrial, public, or other structures or
265 spaces, including recreational and other facilities incidental or appurtenant to them;

266 (c) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or any
267 combination of these, existing structures in a project area;

268 (d) providing open space, including streets and other public grounds and space around
269 buildings;

270 (e) providing public or private buildings, infrastructure, structures, and improvements; and

271 (f) providing improvements of public or private recreation areas and other public grounds.

272 (17) "Survey area" means an area designated by a survey area resolution for study to
273 determine whether one or more redevelopment projects within the area are feasible.

274 (18) "Survey area resolution" means a resolution adopted by the agency board under
275 Section 17B-3-301 designating a survey area.

276 (19) "Tax increment" means the difference between:

277 (a) the amount of property tax revenues generated each tax year from the area within a
278 project area designated in the project area plan as the area from which tax increment is to be
279 collected, using the current assessed value of the property; and

280 (b) the amount of property tax revenues that would be generated from that same area using
281 the base taxable value of the property.

282 (20) "Taxing entity" means a public entity that levies a tax on property within the project
283 area.

284 (21) "Taxing entity committee" means a committee representing the interests of taxing
285 entities, created as provided in Section 17B-3-604.

286 Section 4. Section **17B-3-103** is enacted to read:

287 **17B-3-103. Public entities may assist with redevelopment, economic development, or**
288 **education housing development project.**

289 (1) In order to assist and cooperate in the planning, undertaking, construction, or operation
290 of a redevelopment, economic development, or education housing development project located
291 within the area in which it is authorized to act, a public entity may:

292 (a) (i) cause parks, playgrounds, or other recreational facilities; community, educational,
293 water, sewer, or drainage facilities; or any other works which it is otherwise empowered to
294 undertake, to be furnished adjacent to or in connection with a redevelopment, economic
295 development, or education housing development project;

296 (ii) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets,
297 roads, roadways, alleys, sidewalks, or other places over which it has authority;

298 (iii) plan or replan, zone or rezone any part of a project area and make any legal exceptions
299 from building regulations and ordinances;

300 (iv) purchase or legally invest in any of the bonds of an agency and exercise all of the
301 rights of any holder of the bonds; and

302 (v) do any and all things necessary to aid or cooperate in the planning or carrying out of
303 a redevelopment, economic development, or education housing development project; and

304 (b) after 15 days public notice:

305 (i) purchase, lease, or otherwise acquire property from an agency or sell, lease, grant,
306 dedicate, convey, or otherwise dispose of the public entity's property to an agency, in accordance

307 with the project area plan and, in connection with the plan, become obligated to the extent that it
308 is authorized and funds have been made available to make the improvements or construct the
309 structures required;

310 (ii) enter into agreements with any other public entity concerning action to be taken under
311 any of the powers granted in this chapter; and

312 (iii) lend, grant, or contribute funds to an agency for a redevelopment, economic
313 development, or education housing development project.

314 (2) Notwithstanding any law to the contrary, an agreement under Subsection (2)(b)(ii) may
315 extend over any period.

316 Section 5. Section **17B-3-104** is enacted to read:

317 **17B-3-104. Agency funds to be accounted for separately from community funds.**

318 Agency funds shall be accounted for separately from the funds of the community that
319 created the agency.

320 Section 6. Section **17B-3-105** is enacted to read:

321 **17B-3-105. Limitations on applicability of chapter -- Amendment of previously**
322 **adopted project area plan.**

323 (1) Nothing in this chapter may be construed to:

324 (a) impose a requirement or obligation on an agency with respect to a project area plan
325 adopted or an agency action taken before April 30, 2001 that was not imposed by the law in effect
326 at the time the project area plan was adopted or the action taken;

327 (b) prohibit an agency from taking an action that was allowed by the law in effect at the
328 applicable time before April 30, 2001; or

329 (c) require a project area plan adopted before April 30, 2001 to contain a provision that
330 was not required by the law in effect at the time the project area plan was adopted.

331 (2) (a) A project area plan adopted before April 30, 2001 may be amended as provided in
332 this chapter.

333 (b) Unless explicitly prohibited by this chapter, an amendment under Subsection (2)(a)
334 may include a provision that is allowed under this chapter but that was not required or allowed by
335 the law in effect before April 30, 2001.

336 Section 7. Section **17B-3-201** is enacted to read:

337 **Part 2. Agency Creation, Powers, and Board**

338 **17B-3-201. Creation by ordinance of community's legislative body.**

339 A community may, by ordinance adopted by its legislative body, create an agency.

340 Section 8. Section **17B-3-202** is enacted to read:

341 **17B-3-202. Agency powers.**

342 (1) An agency may:

343 (a) sue and be sued;

344 (b) enter into contracts generally;

345 (c) buy, lease, obtain an option upon, or otherwise acquire real and personal property,

346 including acquiring property by eminent domain as provided in this chapter;

347 (d) sell, convey, lease, grant, or otherwise dispose of real and personal property;

348 (e) provide for redevelopment, economic development, an education housing development

349 as provided in this chapter;

350 (f) receive tax increment as provided in this chapter;

351 (g) encourage the continued use of existing buildings in the project area;

352 (h) if selling or leasing land, retain controls or establish restrictions and covenants running

353 with the land consistent with the project area plan;

354 (i) accept financial or other assistance from any public or private source for the agency's

355 activities, powers, and duties, and expend any funds so received for any of the purposes of this

356 chapter;

357 (j) borrow money or accept financial or other assistance from the federal government or

358 a public entity for any of the purposes of this chapter and comply with any conditions of such loan

359 or assistance; and

360 (k) issue bonds to finance the undertaking of any redevelopment, economic development,

361 or education housing development or for any of the agency's other purposes, including:

362 (i) reimbursing an advance made by the agency or by a public entity or the federal

363 government to the agency;

364 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and

365 (iii) refunding bonds previously issued by the community that created the agency for

366 expenses associated with a redevelopment, economic development, or education housing

367 development project; and

368 (l) transact other business and exercise all other powers provided for in this chapter.

369 (2) The establishment of controls or restrictions and covenants under Subsection (1)(h) is
370 a public purpose.

371 Section 9. Section **17B-3-203** is enacted to read:

372 **17B-3-203. Agency board -- Quorum.**

373 (1) The governing body of an agency is a board consisting of the members of the
374 legislative body of the community that created the agency.

375 (2) A majority of board members constitutes a quorum for the transaction of agency
376 business.

377 (3) An agency board may not adopt a resolution or take any other action without the
378 concurrence of at least a majority of the board members.

379 Section 10. Section **17B-3-204** is enacted to read:

380 **17B-3-204. Redevelopment, economic development, or education housing**
381 **development by an adjoining agency -- Agency approval of plan required.**

382 (1) An agency may, by resolution of its board, authorize another agency to conduct
383 redevelopment, economic development, or education housing development activities in a project
384 area within the authorizing agency's boundaries if the project area is contiguous to the boundaries
385 of the other agency.

386 (2) If an agency board adopts a resolution under Subsection (1) authorizing another agency
387 to undertake redevelopment, economic development, or education housing development activities
388 in the authorizing agency's project area:

389 (a) the other agency may act in all respects as if the project area were within its own
390 boundaries;

391 (b) the board of the other agency has all the rights, powers, and privileges with respect to
392 the project area as if it were within its own boundaries; and

393 (c) the other agency may be paid tax increment funds to the same extent as if the project
394 area were within its own boundaries.

395 (3) Each project area plan adopted by the other agency for the project area that is the
396 subject of a resolution under Subsection (1) shall be:

397 (a) reviewed by the planning commission of the community in which the project area is
398 located; and

399 (b) approved by an ordinance adopted by the legislative body of the community in which

400 the project area is located.

401 Section 11. Section **17B-3-205** is enacted to read:

402 **17B-3-205. Change of project area from one community to another.**

403 (1) For purposes of this section:

404 (a) "New agency" means the agency created by the new community.

405 (b) "New community" means the community in which the relocated project area is located
406 after the change in community boundaries takes place.

407 (c) "Original agency" means the agency created by the original community.

408 (d) "Original community" means the community that adopted the project area plan that
409 created the project area that has been relocated.

410 (e) "Relocated" means that a project area under a project area plan adopted by the original
411 community has ceased to be located within that community and has become part of a new
412 community because of a change in community boundaries through:

413 (i) a county or municipal annexation;

414 (ii) the creation of a new county;

415 (iii) a municipal incorporation, consolidation, dissolution, or boundary adjustment; or

416 (iv) any other action resulting in a change in community boundaries.

417 (2) If a project area under a project area plan adopted by a community becomes relocated,
418 the project area shall, for purposes of this chapter, be considered to remain in the original
419 community until:

420 (a) the new community creates an agency;

421 (b) the original agency transfers its real property, rights, indebtedness, obligations, tax
422 increment, and other assets and liabilities to the new agency; and

423 (c) the new community by ordinance adopts the project area plan.

424 Section 12. Section **17B-3-301** is enacted to read:

425 **Part 3. Agency Property**

426 **17B-3-301. Agency property exempt from taxation.**

427 (1) Agency property acquired or held for purposes of this chapter is declared to be public
428 property used for essential public and governmental purposes and, subject to Subsection (2), is
429 exempt from all taxes of a public entity.

430 (2) The exemption in Subsection (1) does not apply to property that the agency sells,

431 leases, or otherwise disposes of to a purchaser or lessee that is not a governmental entity entitled
432 to a tax exemption with respect to the property.

433 Section 13. Section **17B-3-302** is enacted to read:

434 **17B-3-302. Agency property exempt from levy and execution sale -- Judgment against**
435 **community or agency.**

436 (1) All agency property, including funds the agency owns or holds for purposes of this
437 chapter, are exempt from levy and execution sale, and no execution or judicial process may issue
438 against agency property.

439 (2) A judgment against the community that created the agency may not be a charge or lien
440 upon agency property.

441 (3) A judgment against an agency may not be a charge or lien upon property of the
442 community that created the agency.

443 Section 14. Section **17B-3-303** is enacted to read:

444 **17B-3-303. Summary of sale or other disposal of agency property -- Publication of**
445 **summary.**

446 (1) Upon the sale, transfer of title, or other disposition of agency real property, each
447 agency shall prepare a summary of the material provisions of the sale or other disposal.

448 (2) Each summary under Subsection (1) shall be a matter of public record.

449 (3) Each agency shall publish each summary under Subsection (1) at least once in a
450 newspaper of general circulation in the agency's boundaries no later than one month after the sale,
451 transfer of title, or other disposition is concluded.

452 Section 15. Section **17B-3-401** is enacted to read:

453 **Part 4. Project Area Plan**

454 **17B-3-401. Resolution designating survey area or authorizing the preparation of a**
455 **draft project area plan -- Request to adopt resolution.**

456 (1) An agency board may begin the process of adopting a project area plan by adopting a
457 resolution that:

458 (a) for a proposed redevelopment project area plan:

459 (i) designates an area located within the agency's boundaries as a survey area;

460 (ii) contains a statement that the survey area requires study to determine whether:

461 (A) one or more redevelopment projects within the survey area are feasible; and

462 (B) blight exists within the survey area; and
463 (iii) contains a description or map of the boundaries of the survey area; or
464 (b) for a proposed economic development or education housing development project area
465 plan, authorizes the preparation of a draft project area plan.

466 (2) (a) Any person or any group, association, corporation, or other entity may submit a
467 written request to the board to adopt a resolution under Subsection (1).

468 (b) A request under Subsection (2)(a) may include plans showing the redevelopment,
469 economic development, or education housing development proposed for an area within the
470 agency's boundaries.

471 (c) The board may, in its sole discretion, grant or deny a request under Subsection (2)(a).
472 Section 16. Section **17B-3-402** is enacted to read:

473 **17B-3-402. Process for adopting project area plan -- Prerequisites -- Restrictions.**

474 (1) In order to adopt a project area plan, each agency that adopts a resolution under
475 Subsection 17B-3-401(1) shall:

476 (a) prepare a draft of a project area plan;

477 (b) request input on the draft project area plan from the planning commission of the
478 community in which the proposed project area is located;

479 (c) make the draft project area plan available to the public at the agency's offices during
480 normal business hours;

481 (d) provide notice of the hearing required under Subsection (1)(e) as provided in Section
482 17B-3-701;

483 (e) hold a public hearing before the board as provided in Subsection (2);

484 (f) before holding the public hearing required under Subsection (1)(e), provide an
485 opportunity for the State Board of Education and each taxing entity that levies a tax on property
486 within the proposed project area to consult with the agency regarding the draft project area plan;

487 (g) comply with Section 17B-3-406 regarding objections to the project area plan;

488 (h) if applicable, hold the election required under Subsection 17B-3-406(3);

489 (i) for a redevelopment project area plan:

490 (i) before providing notice of the public hearing required under Subsection (1)(e), hold at
491 least one public hearing, separately or together with a blight hearing under Section 17B-3-603, to:

492 (A) inform the public about the area being considered for a redevelopment project area;

493 and

494 (B) allow public input into agency deliberations on proposing a redevelopment project
495 area.

496 (ii) before the community's adoption of the project area plan under Section 17B-3-409,
497 prepare and adopt guidelines setting forth and governing the reasonable opportunities of property
498 owners and tenants to participate in the redevelopment; and

499 (iii) comply with the requirements of Part 6, Blight Determination;

500 (j) after holding the public hearing required under Subsection (1)(e), at the same meeting
501 or at a subsequent meeting, consider and discuss:

502 (i) all oral and written objections to the draft project area plan and evidence and testimony
503 for or against adoption of the draft project area plan; and

504 (ii) whether to revise, adopt, or reject the draft project area plan; and

505 (k) adopt the draft project area plan, with or without revisions, as the project area plan by
506 a resolution that complies with Section 17B-3-408.

507 (2) An agency may not propose a project area plan under Subsection (1) unless the
508 community in which the proposed project area is located:

509 (a) has a planning commission; and

510 (b) has adopted a general plan under:

511 (i) if the community is a city or town, Title 10, Chapter 9, Part 3, General Plan; or

512 (ii) if the community is a county, Title 17, Chapter 27, Part 3, General Plan.

513 (3) An agency board may not adopt a project area plan more than one year after:

514 (a) for a redevelopment project area plan involving the use of eminent domain, adoption
515 of a resolution making a finding of blight under Section 17B-3-604; or

516 (b) for an economic development or education housing development project area plan, the
517 date of the hearing required by Subsection (1)(e).

518 (4) A draft project area plan may not be modified to add real property to the project area
519 unless the board holds a new public hearing to consider the addition and gives notice of the public
520 hearing as required under Section 17B-3-701.

521 Section 17. Section **17B-3-403** is enacted to read:

522 **17B-3-403. Project area plan requirements.**

523 (1) Each project area plan and draft project area plan shall:

- 524 (a) describe the boundaries of the project area;
- 525 (b) contain a general statement of the land uses, layout of principal streets, population
526 densities, and building intensities of the project area and how they will be affected by the
527 redevelopment, economic development, or education housing development;
- 528 (c) state the standards that will guide the redevelopment, economic development, or
529 education housing development;
- 530 (d) show how the purposes of this chapter will be attained by the redevelopment, economic
531 development, or education housing development;
- 532 (e) be consistent with the general plan of the community in which the project area is
533 located and show that the redevelopment, economic development, or education housing
534 development will conform to the community's general plan;
- 535 (f) if the agency board made a finding of blight under Subsection 17B-3-604:
- 536 (i) describe how the redevelopment will reduce or eliminate blight in the project area;
- 537 (ii) provide owners of property located within the redevelopment project area and their
538 tenants reasonable opportunities to participate in the redevelopment through a participation
539 agreement between the owner or tenant and the agency; and
- 540 (iii) state that the agency has adopted or will adopt guidelines setting forth and governing
541 the opportunities of property owners and tenants to participate in the redevelopment, as required
542 by Subsection 17B-3-402(1);
- 543 (g) if the project area plan is for economic development, describe how the economic
544 development will create additional jobs;
- 545 (h) if the project area plan is for education housing development, describe how the
546 education housing development will meet the needs of the community in which the project area
547 is located;
- 548 (i) describe the specific project or projects that are the object of the proposed
549 redevelopment, economic development, or education housing development;
- 550 (j) identify how private developers, if any, will be selected to undertake the redevelopment,
551 economic development, or education housing development and identify each private developer
552 currently involved in the redevelopment, economic development, or education housing
553 development process;
- 554 (k) contain a time limit of no more than three years after adoption of the project area plan

555 for the agency to commence implementation of the project area plan, unless the project area plan
556 is adopted again as if it were an amended project area plan under Section 17B-3-412;

557 (l) if the project area plan authorizes the use of eminent domain, contain a time limit of
558 no more than five years after adoption of the project area plan for the agency to commence
559 acquisition of property through the use of eminent domain;

560 (m) if the project area plan provides for tax increment to be paid to the agency:

561 (i) contain a time limit of no more than 25 years after adoption of the project area plan for
562 tax increment to be paid to the agency unless the taxing entity committee consents to a longer
563 period; and

564 (ii) contain a provision that the project area may not exceed 100 acres of private real
565 property unless the agency obtains the consent of the taxing entity committee;

566 (n) state the reasons for the selection of the project area;

567 (o) describe the physical, social, and economic conditions existing in the project area;

568 (p) provide a financial analysis describing the proposed method of financing the proposed
569 redevelopment, economic development, or education housing development;

570 (q) describe any tax incentives offered private entities for facilities located in the project
571 area;

572 (r) include a plan for the relocation of any families and persons who will be temporarily
573 or permanently displaced from housing facilities in the project area;

574 (s) contain the report and state any recommendations of the community's planning
575 commission;

576 (t) include an analysis, as provided in Subsection (2), of whether adoption of the project
577 area plan is:

578 (a) for a redevelopment project area plan, necessary and appropriate to reduce or eliminate
579 blight; or

580 (b) for an economic development or education housing development project area plan,
581 beneficial under a benefit analysis;

582 (u) if any of the existing buildings or uses in the project area are included in or eligible for
583 inclusion in the National Register of Historic Places or the State Register, state that the agency
584 shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and

585 (v) include other information that the agency determines to be necessary or advisable.

586 (2) Each analysis under Subsection (1)(t) shall consider:

587 (a) the benefit of any financial assistance or other public subsidy proposed to be provided
588 by the agency, including:

589 (i) an evaluation of the reasonableness of the costs of redevelopment, economic
590 development, or education housing development;

591 (ii) efforts the agency has made or will make to maximize private investment;

592 (iii) the rationale for use of tax increment, including an analysis of whether the proposed
593 development might reasonably be expected to occur in the foreseeable future solely through private
594 investment; and

595 (iv) an estimate of the total amount of tax increment that will be expended in undertaking
596 redevelopment, economic development, or education housing development and the length of time
597 for which it will be expended; and

598 (b) the anticipated public benefit to be derived from the redevelopment, economic
599 development, or education housing development, including:

600 (i) the beneficial influences upon the tax base of the community;

601 (ii) in the case of economic development or education housing development, the associated
602 business and economic activity likely to be stimulated; and

603 (iii) in the case of economic development, the number of jobs or employment anticipated
604 to be generated or preserved.

605 Section 18. Section **17B-3-404** is enacted to read:

606 **17B-3-404. Limit on size of project area in certain project area plans.**

607 A project area under a project area plan that provides for tax increment funds to be paid to
608 the agency may not exceed 100 acres of private real property unless the agency obtains the consent
609 of the taxing entity committee.

610 Section 19. Section **17B-3-405** is enacted to read:

611 **17B-3-405. Existing and historic buildings and uses.**

612 If any of the existing buildings or uses in a project area are included in or eligible for
613 inclusion in the National Register of Historic Places or the State Register, the agency board shall
614 comply with Subsection 9-8-404(1) as though the agency were a state agency.

615 Section 20. Section **17B-3-406** is enacted to read:

616 **17B-3-406. Objections to project area plan -- Election if 40% of property owners**

617 **object.**

618 (1) At any time before the public hearing required under Subsection 17B-3-402(1)(e), any
619 person may file with the agency a written statement of objections to the draft project area plan.

620 (2) If the owners of a majority of the private real property included within the proposed
621 project area file a written petition before or at the public hearing required under Subsection
622 17B-3-402(1)(e) proposing an alternative project area plan, the agency shall consider that proposed
623 plan in conjunction with the project area plan proposed by the agency.

624 (3) (a) An owner of property located within a proposed project area may file with the
625 agency a written objection to the draft project area plan.

626 (b) If the owners of at least 40% of the private real property within the proposed project
627 area object in writing to the draft project area plan before or at the public hearing required under
628 Subsection 17B-3-402(1)(e) and do not withdraw their objections, the project area plan may not
629 be adopted until approved by voters of the community in which the proposed project area is located
630 at an election as provided in Subsection (3)(c).

631 (c) (i) Except as provided in this section, each election required under Subsection (3)(b)
632 shall comply with Title 20A, Election Code.

633 (ii) An election under Subsection (3)(b) may be held on the same day and with the same
634 election officials as an election held by the community in which the proposed project area is
635 located.

636 (iii) If a majority of those voting on the proposed project area plan vote in favor of it, the
637 project area plan shall be considered adopted and the agency shall confirm the adoption by
638 resolution.

639 (4) If the owners of 2/3 of all private real property within the proposed project area object
640 in writing to the draft project area plan before or at the public hearing required under Subsection
641 17B-3-402(1)(e) and do not withdraw their objections, the project area plan may not be adopted
642 and the agency may not reconsider the project area plan for three years.

643 Section 21. Section **17B-3-407** is enacted to read:

644 **17B-3-407. Public hearing requirements.**

645 At each public hearing required under Subsection 17B-3-402(1)(e), the agency board shall:

646 (1) allow public comment on:

647 (a) the draft project area plan; and

648 (b) whether the draft project area plan should be revised, adopted, or rejected; and
649 (2) receive all written and hear all oral objections to the draft project area plan.

650 Section 22. Section **17B-3-408** is enacted to read:

651 **17B-3-408. Board resolution adopting project area plan -- Requirements --**

652 **Additional requirements for redevelopment project area plan.**

653 (1) Each board resolution adopting a draft redevelopment, economic development, or
654 education housing development project area plan as the project area plan under Subsection
655 17B-3-402(1)(k) shall contain:

656 (a) a legal description of the boundaries of the project area that is the subject of the project
657 area plan;

658 (b) the agency's purposes and intent with respect to the project area;

659 (c) the project area plan incorporated by reference;

660 (d) the board findings and determinations that:

661 (i) there is a need to effectuate a public purpose;

662 (ii) there is a public benefit under the analysis described in Section 17B-3-402;

663 (iii) it is economically sound and feasible to adopt and carry out the project area plan;

664 (iv) the project area plan conforms to the community's general plan; and

665 (v) carrying out the project area plan will promote the public peace, health, safety, and
666 welfare of the community in which the project area is located.

667 (2) (a) As used in this Subsection (2), "comparable dwellings" means residential housing
668 facilities that are:

669 (i) within the project area or in other areas not generally less desirable in regard to public
670 utilities and public and commercial facilities;

671 (ii) at rents or prices within the financial means of the families and persons displaced from
672 the project area; and

673 (iii) decent, safe, and sanitary and equal in number and available to displaced families and
674 persons and reasonably accessible to their places of employment.

675 (b) In addition to the requirements under Subsection (1), each board resolution adopting
676 a redevelopment project area plan shall:

677 (i) contain the board findings and determinations that:

678 (A) blight exists within the project area;

679 (B) the project area will be redeveloped under the redevelopment project area plan and this
680 chapter;

681 (C) if the use of eminent domain is provided for in the redevelopment project area plan:

682 (I) the use of eminent domain is or may be necessary to the execution of the redevelopment
683 project area plan; and

684 (II) adequate provisions have been made for just compensation for property acquired by
685 eminent domain; and

686 (D) if the project area plan may result in the temporary or permanent displacement of any
687 residential occupants in the project area:

688 (I) the agency has a feasible method or plan for the relocation of families and persons
689 displaced from the project area;

690 (II) comparable dwellings exist or will be provided to the families and persons displaced
691 by the project area plan; and

692 (III) the board is satisfied that permanent housing facilities will be available within three
693 years from the time occupants of the project area are displaced and, pending the development of
694 these housing facilities, there will be available to the displaced occupants adequate temporary
695 housing facilities at rents comparable to those in the community at the time of their displacement;
696 and

697 (ii) state the date of the board's finding of blight.

698 Section 23. Section **17B-3-409** is enacted to read:

699 **17B-3-409. Plan to be adopted by community legislative body.**

700 (1) A project area plan adopted by board resolution under Section 17B-3-408 may not take
701 effect until it has been adopted by ordinance of the legislative body of the community that created
702 the agency.

703 (2) Each ordinance under Subsection (1) shall:

704 (a) be adopted at a meeting of the community legislative body after the board's adoption
705 of a resolution under Section 17B-3-408; and

706 (b) designate the approved project area plan as the official redevelopment, economic
707 development, or education housing development plan of the project area.

708 Section 24. Section **17B-3-410** is enacted to read:

709 **17B-3-410. Notice of project area plan adoption -- Effective date of plan -- Contesting**

710 **the formation of the plan.**

711 (1) (a) Upon the community legislative body's adoption of a project area plan, the
712 legislative body shall provide notice as provided in Subsection (1)(b) by:

713 (i) publishing or causing to be published a notice in a newspaper of general circulation
714 within the agency's boundaries; or

715 (ii) if there is no newspaper of general circulation within the agency's boundaries, posting
716 notice in at least three public places within the agency's boundaries.

717 (b) Each notice under Subsection (1)(a) shall:

718 (i) set forth the community legislative body's ordinance adopting the project area plan or
719 a summary of the ordinance; and

720 (ii) include a statement that the project area plan is available for general public inspection
721 and the hours for inspection.

722 (2) The project area plan shall become effective on the date of:

723 (a) if notice was published under Subsection (1)(a), publication of the notice; or

724 (b) if notice was posted under Subsection (1)(b), posting of the notice.

725 (3) (a) (i) For a period of 60 days after the effective date of the project area plan under
726 Subsection (2), any person in interest may , except as provided in Subsection (3)(a)(ii), contest the
727 project area plan or the procedure used to adopt the project area plan if the plan or procedure fails
728 to comply with applicable statutory requirements.

729 (ii) Notwithstanding Subsection (3)(a)(i), a challenge to a finding of blight may be made
730 only under Section 17B-3-605.

731 (b) After the 60 day period under Subsection (3)(a)(i) expires, no person may contest the
732 project area plan or procedure used to adopt the project area plan for any cause.

733 (4) (a) Except as provided in Subsection (4)(b), upon adoption of the project area plan by
734 the community's legislative body, the agency shall carry out the project area plan.

735 (b) An agency may not commence implementation of a project area plan more than three
736 years after the agency board adopts the plan, unless the plan is readopted as if it were an amended
737 project area plan under Section 17B-3-412.

738 (5) Each agency shall make the adopted project area plan available to the general public
739 at its offices during normal business hours.

740 Section 25. Section **17B-3-411** is enacted to read:

741 **17B-3-411. Agency required to transmit and record documents after adoption of**
742 **project area plan.**

743 Within 30 days after the community legislative body adopts, under Section 17B-3-409, a
744 project area plan that provides for the payment of tax increment to the agency, the agency shall:

745 (1) transmit a copy of the description of the land within the project area, a copy of the
746 community legislative body ordinance adopting the project area plan, and a map or plat indicating
747 the boundaries of the project area to:

748 (a) the auditor and assessor of the county in which the project area is located;

749 (b) the officer or officers performing the function of auditor or assessor for each taxing
750 entity that does not use the county assessment roll or collect its taxes through the county;

751 (c) the governing body of each taxing entity that levies a tax upon property in the project
752 area;

753 (d) the State Tax Commission; and

754 (e) the State Board of Education; and

755 (2) record with the recorder of the county in which the project area is located a document
756 containing:

757 (a) a description of the land within the project area;

758 (b) a statement that the project area plan for the project area has been adopted; and

759 (c) the date of adoption.

760 Section 26. Section **17B-3-412** is enacted to read:

761 **17B-3-412. Amending the project area plan.**

762 (1) (a) Except as provided in Subsection (2) and subject to Subsection (1)(b), an adopted
763 project area plan may be amended by resolution of the agency board after:

764 (i) the agency gives notice, as provided in Section 17B-3-701, of the proposed amendment
765 and of the public hearing required by Subsection (1)(a)(ii);

766 (ii) the agency board holds a public hearing on the proposed amendment as provided in
767 Section 17B-3-;

768 (iii) the agency obtains the taxing entity committee's consent to the amendment, if the
769 amendment proposes:

770 (A) to enlarge the area from which tax increment is collected; or

771 (B) to permit the agency to receive a greater percentage of tax increment or to receive tax

772 increment for a longer period of time than allowed under:

773 (I) the adopted project area plan; or

774 (II) Section 17B-3-901; and

775 (C) for an amendment to a project area plan that was adopted before April 1, 1983, to

776 expand the area from which tax increment is collected to exceed 100 acres of private real property;

777 and

778 (iv) the agency obtains the consent of the governing body of each taxing entity affected,

779 if the amendment proposes to permit the agency to receive, from less than all taxing entities

780 levying a tax on property within the area from which tax increment is collected, a greater

781 percentage of tax increment or to receive tax increment for a longer period of time than allowed

782 under:

783 (I) the adopted project area plan; or

784 (II) Section 17B-3-901.

785 (b) An amendment adopted by board resolution under Subsection (1)(a) may not take

786 effect until adopted by ordinance of the legislative body of the community in which the project

787 area that is the subject of the project area plan being amended is located.

788 (2) Notwithstanding Subsection (1):

789 (a) an adopted project area plan may be amended without complying with the notice and

790 public hearing requirements of Subsections (1)(a)(i) and (ii) if the amendment:

791 (i) makes a minor adjustment in the legal description of a project area boundary requested

792 by a county assessor or county auditor to avoid inconsistent property boundary lines; or

793 (ii) removes a parcel of real property from a project area because the agency determines

794 that:

795 (A) the parcel is no longer blighted; or

796 (B) inclusion of the parcel is no longer necessary or desirable to the project area; and

797 (b) an amendment that proposes to enlarge the project area shall be subject to the same

798 requirements that apply to a project area plan being originally proposed under this chapter.

799 (3) Upon a community legislative body passing an ordinance adopting an amendment to

800 a project area plan, the agency whose project area plan was amended shall comply with the

801 requirements of Section 17B-3-411 to the same extent as if the amendment were a project area

802 plan.

803 Section 27. Section **17B-3-501** is enacted to read:

804 **Part 5. Project Area Budget**

805 **17B-3-501. Project area budget -- Notice -- Public hearing -- Agency may combine**
806 **hearing -- Agency may continue hearing.**

807 (1) If the agency anticipates funding all or a portion of the project area plan with tax
808 increment, the agency shall, subject to Section 17B-3-503, adopt a project area budget as provided
809 in this part.

810 (2) To adopt a project area budget, the agency shall:

811 (a) prepare a draft of a project area budget;

812 (b) make a copy of the draft project area budget available to the public at the agency's
813 offices during normal business hours;

814 (c) provide notice of the public hearing required under Subsection (2)(e) as required by
815 Section 17B-3-701;

816 (d) at least seven days before the public hearing required under Subsection (2)(e):

817 (i) publish a display advertisement that complies with Section 17B-3-502 in a newspaper
818 that is:

819 (A) of general circulation within the county in which the proposed project area is located;
820 and

821 (B) to the extent practicable, of general interest and readership and not of limited subject
822 matter; or

823 (ii) if there is no newspaper of general circulation within the county in which the proposed
824 project area is located, post a notice that complies with Section 17B-3-502 in at least three
825 conspicuous places within the agency's boundaries;

826 (e) hold a public hearing on the draft project area budget and, at that public hearing, allow
827 public comment on:

828 (i) the draft project area budget; and

829 (ii) whether the draft project area budget should be revised, adopted, or rejected;

830 (f) if required under Section 17B-3-904, obtain the approval of the taxing entity committee
831 on the draft project area budget or a revised version of the draft project area budget; and

832 (g) after the hearing required under Subsection (2)(e) or combined hearing under

833 Subsection 17B-3-701, hold a board meeting in the same meeting as the public hearing or in a

834 subsequent meeting to:

835 (i) consider comments made and information presented at the public hearing relating to
836 the draft project area budget; and

837 (ii) adopt by resolution the draft project area budget, with any revisions, as the project area
838 budget.

839 Section 28. Section **17B-3-502** is enacted to read:

840 **17B-3-502. Display advertisement requirements.**

841 (1) (a) Each display advertisement published under Subsection 17B-3-501(2) shall appear
842 in a portion of the newspaper other than where legal notices and classified advertisements appear.

843 (2) Each display advertisement published and notice posted under Subsection
844 17B-3-501(2) shall contain:

845 (a) the following statement:

846 "NOTICE OF BUDGET HEARING FOR (NAME OF PROJECT AREA)

847 The (name of agency) has requested \$ _____ in property tax revenues that will be
848 generated by development within the (name of project area) to fund a portion of project costs
849 within the (name of project area). These property tax revenues will be used for the following: (list
850 major budget categories and amounts). These property taxes will be taxes levied by the following
851 governmental entities, and, assuming current tax rates, the taxes paid to the agency for this project
852 area from each taxing entity will be as follows: (list each taxing entity levying taxes and the
853 amount of total taxes that would be paid from each taxing entity). All of the property taxes to be
854 paid to the agency for the development in the project area are taxes that will be generated only if
855 the project area is developed.

856 All concerned citizens are invited to attend the project area budget hearing scheduled for
857 (date, time, and place of hearing). A copy of the (name of project area) project area budget is
858 available at the offices of (name of agency and office address)."; and

859 (b) other information that the agency considers appropriate.

860 Section 29. Section **17B-3-503** is enacted to read:

861 **17B-3-503. Incremental value -- Restriction against adopting project area budget --**

862 **Taxing entity committee may waive restriction.**

863 (1) For purposes of this section:

864 (a) "Combined incremental value" means the combined total of all incremental values from

865 all project areas within the agency's boundaries under adopted project area plans at the time that
866 a project area budget for a new project area is being considered.

867 (b) "Incremental value" means a figure derived by multiplying the marginal value of the
868 property located within a project area on which tax increment is collected by a number that
869 represents the percentage of total tax increment from that project area that is paid to the agency.

870 (c) "Marginal value" means the difference between actual taxable value and base taxable
871 value.

872 (d) "Taxable value" means the value of property as shown on the last equalized assessment
873 roll as certified by the county assessor.

874 (2) (a) Except as provided in Subsection (2)(b), an agency may not adopt a project area
875 budget if, at the time the project area budget is being considered:

876 (i) the combined incremental value for the agency exceeds 10% of the total taxable value
877 of property within the agency's boundaries; or

878 (ii) the combined incremental value plus the incremental value resulting from the project
879 area that is the subject of the project area budget under consideration is projected to exceed 12%
880 of the total taxable value of property within the agency's boundaries for any year in which tax
881 increment will be collected for the new project area.

882 (b) A taxing agency committee may waive the restrictions imposed by Subsection (2)(a).

883 Section 30. Section **17B-3-504** is enacted to read:

884 **17B-3-504. Filing a copy of the project area budget.**

885 Each agency adopting a project area budget shall:

886 (1) within 30 days after adopting the budget, file a copy of the project area budget with the
887 auditor of the county in which the project area is located, the State Tax Commission, the state
888 auditor, the State Board of Education, and each taxing entity affected by the agency's collection
889 of tax increment under the project area budget; and

890 (2) if the project area budget allocates tax increment for housing under Section 17B-3-,
891 file a copy of the project area budget with the Olene Walker Housing Trust Fund established under
892 Title 9, Chapter 4, Part 7, Olene Walker Housing Trust Fund.

893 Section 31. Section **17B-3-505** is enacted to read:

894 **17B-3-505. Restriction on collection of tax increment.**

895 If taxing entity committee approval of a project area budget is required under Section

896 17B-3-904, an agency may not collect tax increment under an adopted project area budget until
897 the taxing entity committee approval is obtained.

898 Section 32. Section **17B-3-506** is enacted to read:

899 **17B-3-506. Amending the project area budget.**

900 (1) Each agency intending to amend an adopted project area budget shall:

901 (a) advertise and hold one public hearing on the proposed amendment as provided in
902 Subsection (2); and

903 (b) obtain the approval of the taxing entity committee if:

904 (i) the adopted project area budget was required to be approved by the taxing entity
905 committee under Section 17B-3-904; or

906 (ii) the amendment is to be adopted on or after May 1, 2000.

907 (2) The public hearing required under Subsection (1)(a) shall be conducted according to
908 the procedures and requirements of Section 17B-3-701, except that if the amended budget proposes
909 to allocate a greater proportion of tax increment to a project area than was allocated to the project
910 area under the previous budget, the advertisement shall state the percentage allocated under the
911 previous budget and the percentage proposed to be allocated under the amended budget.

912 Section 33. Section **17B-3-601** is enacted to read:

913 **Part 6. Blight Determination**

914 **17B-3-601. Procedure for determining blight.**

915 Each agency that intends to adopt a redevelopment project area plan shall:

916 (1) cause a blight study to be conducted of the survey area as provided in Section
917 17B-3-602;

918 (2) provide notice of a blight hearing as required under Section 17B-3-701;

919 (3) hold a blight hearing as provided in Section 17B-3-603; and

920 (4) make a determination of whether blight exists in the survey area as provided in Section
921 17B-3-604.

922 Section 34. Section **17B-3-602** is enacted to read:

923 **17B-3-602. Blight study -- Requirements -- Deadline.**

924 (1) Each blight study required under Subsection 17B-3-601(1) shall:

925 (a) provide data so the board may determine:

926 (i) whether the conditions described in Subsections 17B-3-604(2)(a)(i) and (ii) exist in the

927 survey area; and

928 (ii) whether the factors listed in Subsection 17B-3-305(2)(a)(iii) are present in the survey
929 area;

930 (b) include a written report setting forth:

931 (i) the conclusions reached; and

932 (ii) any other information requested by the agency to determine whether a redevelopment
933 project area is feasible; and

934 (c) be completed within one year after the adoption of the survey area resolution.

935 (2) If a blight study is not completed within one year of the adoption of the resolution
936 under Subsection 17B-3-401(1)(a) designating a survey area, the agency may not adopt a
937 redevelopment project area plan based on that blight study unless it first adopts a new resolution
938 under Subsection 17B-3-401(1).

939 Section 35. Section **17B-3-603** is enacted to read:

940 **17B-3-603. Blight hearing.**

941 (1) In each public hearing required under Subsection 17B-3-601(3), the agency shall:

942 (a) permit all evidence of the existence or nonexistence of blight within the proposed
943 redevelopment project area to be presented;

944 (b) permit each owner of property located within the proposed redevelopment project area
945 or the property owner's representative the opportunity to:

946 (i) examine and cross-examine witnesses providing evidence of the existence or
947 nonexistence of blight; and

948 (ii) present evidence and testimony, including expert testimony, concerning the existence
949 or nonexistence of blight; and

950 (iii) inform the public about the proposed redevelopment project area and permit public
951 input on the board's deliberations concerning the proposed redevelopment project area.

952 (2) The board shall allow owners of property located within a proposed redevelopment
953 project area the opportunity, for at least 30 days before the hearing, to review the evidence of blight
954 compiled by the agency or by the person or firm conducting the blight study, including any expert
955 report.

956 (3) The board may continue a hearing under this section from time to time by:

957 (a) announcing at the hearing the time and place the hearing will be resumed; or

958 (b) publishing a notice of the continuance once in a newspaper of general circulation
959 within the agency boundaries at least seven days before the hearing is scheduled to be resumed.

960 Section 36. Section **17B-3-604** is enacted to read:

961 **17B-3-604. Board determination of blight.**

962 (1) After the public hearing required under Subsection 17B-3-601(3) has been held, the
963 agency board, at the same or a subsequent board meeting, shall:

964 (a) consider and discuss:

965 (i) the issue of blight and the evidence and information relating to the existence or
966 nonexistence of blight; and

967 (ii) whether adoption of one or more redevelopment project area plans should be pursued;
968 and

969 (b) by resolution make a finding regarding the existence of blight in a proposed
970 redevelopment project area.

971 (2) (a) An agency board may not make a finding of blight in a resolution under Subsection
972 (1)(b) unless the board finds that the redevelopment project area:

973 (i) contains buildings or improvements used or intended to be used for residential,
974 commercial, industrial, or other urban purposes, or any combination of those uses on at least 50%
975 of the number of parcels and the acreage of those parcels is at least 50% of the acreage of the
976 private real property within the proposed redevelopment project area; and

977 (ii) is unfit or unsafe to occupy or may be conducive to ill health, transmission of disease,
978 infant mortality, juvenile delinquency, or crime because of any three or more of the following
979 factors:

980 (A) defective character of physical construction;

981 (B) high density of population or overcrowding;

982 (C) inadequate ventilation, light, and spacing between buildings;

983 (D) mixed character and shifting of uses, resulting in obsolescence, deterioration, or
984 dilapidation;

985 (E) economic deterioration or continued disuse;

986 (F) lots of irregular shape or inadequate size for proper usefulness and development, or
987 laying out of lots in disregard of the contours and other physical characteristics of the ground and
988 surrounding conditions;

989 (G) inadequate sanitation or public facilities which may include streets, open spaces, and
990 utilities;

991 (H) areas that are subject to being submerged by water; and

992 (I) existence of any hazardous or solid waste, defined as any substance defined, regulated,
993 or listed as a "hazardous substance," "hazardous material," "hazardous waste," "toxic waste,"
994 "pollutant," "contaminant," or "toxic substance," or identified as hazardous to human health or the
995 environment under state or federal law or regulation.

996 (b) (i) For purposes of Subsection (2)(a), if a developer involved in the redevelopment
997 project causes a factor listed in Subsection (2)(a)(iii) within the project area, that factor caused by
998 the developer may not be used as one of the three required factors of blight under Subsection
999 (2)(a)(iii).

1000 (ii) Subsection (2)(b)(i) does not apply to a factor listed in Subsection (2)(a)(ii) that was
1001 caused by an owner or tenant who becomes a developer under Section 17B-3-801.

1002 Section 37. Section **17B-3-605** is enacted to read:

1003 **17B-3-605. Challenge of finding of blight.**

1004 (1) If the board makes a finding under Section 17B-3-604 that some or all of the proposed
1005 redevelopment project area is blighted, an owner of property located within the proposed
1006 redevelopment project area may challenge the finding by filing an action with the district court in
1007 which the property is located.

1008 (2) Each challenge under Subsection (1) shall be filed within 30 days after the board's
1009 adoption of the resolution containing the finding of blight.

1010 (3) In each action under this section:

1011 (a) the district court shall review de novo the finding of blight; and

1012 (b) the agency maintains the burden of proof regarding the existence of blight.

1013 Section 38. Section **17B-3-701** is enacted to read:

1014 **Part 7. Notice Requirements**

1015 **17B-3-701. Notice required for public hearings.**

1016 (1) The agency shall provide notice, as provided in this section, of each:

1017 (a) blight hearing under Section 17B-3-603;

1018 (b) public hearing on a draft project area plan required by Subsection 17B-3-402(1)(e);

1019 (c) public input hearing required by Section 17B-3-603;

- 1020 (d) public hearing on a draft project area budget required by Subsection 17B-3-501; and
1021 (e) combined public hearing on a draft project area plan and draft project area budget under
1022 Subsection 17B-3-701.
- 1023 (2) The notice required by Subsection (1) shall be given by:
- 1024 (a) (i) publishing notice in a newspaper of general circulation within the county in which
1025 the project area or proposed project area is located, at least once a week for the four successive
1026 weeks immediately preceding the public hearing; or
- 1027 (ii) if there is no newspaper of general circulation, posting notice in at least three
1028 conspicuous places within the county in which the project area or proposed project area is located;
- 1029 (b) at least 30 days before the public hearing:
- 1030 (i) sending notice by certified mail to:
- 1031 (A) each owner of property located within the project area or proposed project area; and
1032 (B) each owner of property located outside but within 300 feet of the project area or
1033 proposed project area;
- 1034 (ii) mailing notice to:
- 1035 (A) the State Tax Commission;
1036 (B) the assessor and auditor of the county in which the project area or proposed project
1037 area is located; and
- 1038 (C) (I) each member of the taxing entity committee; or
1039 (II) if a taxing entity committee has not yet been formed, the State Board of Education and
1040 the legislative body of each taxing entity.
- 1041 (3) The agency board shall include in each notice under Subsection (1):
- 1042 (a) a specific description of the boundaries of the project area or proposed project area;
1043 (b) a map showing the boundaries of the project area or proposed project area;
1044 (c) an explanation of the purpose of the hearing;
1045 (d) a statement of the date, time, and location of the hearing.
- 1046 (4) Each notice to a property owner under Subsection (2)(b)(i)(A) shall include the
1047 statement required by Section 17B-3-802.
- 1048 (5) The agency shall include in each notice under Subsection (2)(b)(ii):
- 1049 (a) a statement that property tax revenues resulting from an increase in valuation of
1050 property within the project area or proposed project area will be paid to the agency for

1051 redevelopment, economic development, or education housing development purposes rather than
1052 to the taxing entity to which the tax revenues would otherwise have been paid if:

1053 (i) a majority of the taxing entity committee consents to the project area budget; and

1054 (ii) the project area plan provides for the agency to receive tax increment; and

1055 (b) an invitation to the recipient of the notice to submit to the agency comments
1056 concerning the subject matter of the hearing before the date of the hearing.

1057 (6) An agency may include in a notice under Subsection (2) any other information the
1058 agency considers necessary or advisable, including the public purpose served by the project and
1059 any future tax benefits expected to result from the project.

1060 (7) Each notice under Subsection (2) for a blight hearing under Subsection 17B-3-503 shall
1061 include a statement:

1062 (a) that a redevelopment project is being proposed within the proposed project area;

1063 (b) that the proposed redevelopment project area may be declared to have blight;

1064 (c) informing the owner of property within the proposed project area of the right to present
1065 evidence at the blight hearing contesting the existence of blight;

1066 (d) that the agency will notify the property owner of each additional public hearing held
1067 by the agency concerning the redevelopment project prior to the adoption of the redevelopment
1068 project plan; and

1069 (e) that persons contesting the existence of blight in the proposed redevelopment project
1070 area may appear before the agency board and show cause why the proposed redevelopment project
1071 area should not be designated as a redevelopment project area.

1072 (8) Each notice under Subsection (2) of a public hearing on a draft project area plan
1073 required under Subsection 17B-3-402(1)(e) or a combined hearing under Subsection 17B-3-701
1074 shall include a statement that any person objecting to the draft project area plan or contesting the
1075 regularity of any of the proceedings to adopt it may appear before the agency board at the hearing
1076 to show cause why the draft project area plan should not be adopted.

1077 Section 39. Section **17B-3-801** is enacted to read:

1078 **Part 8. Property Owner Rights**

1079 **17B-3-801. Property owner and tenant opportunities to participate in project.**

1080 (1) Each agency shall permit property owners and tenants within the project area
1081 reasonable opportunities to participate in the redevelopment or economic development project by

1082 permitting:

1083 (a) owners to retain, maintain, and if necessary rehabilitate, all or portions of their

1084 properties;

1085 (b) owners to acquire adjacent or other properties in the project area;

1086 (c) owners to sell all or portions of their improvements to the agency, retain the land, and
1087 develop their properties;

1088 (d) owners to sell all or portions of their properties to the agency and purchase other
1089 properties in the project area;

1090 (e) owners to sell all or portions of their properties to the agency and obtain preferences
1091 to reenter the project area;

1092 (f) tenants to have opportunities to become owners of property in the project area, subject
1093 to the opportunities of owners of property in the project area; and

1094 (g) owners or tenants to participate by other methods approved by the agency.

1095 (2) In addition to the opportunities under Subsection (1), an agency may extend other
1096 reasonable preferential opportunities to property owners and tenants in the project area ahead of
1097 persons and entities from outside the project area, to be owners and tenants in the project area
1098 during and after the completion of the project.

1099 Section 40. Section **17B-3-802** is enacted to read:

1100 **17B-3-802. Statement of property owner rights.**

1101 (1) Each agency shall prepare a written statement regarding the rights of property owners
1102 within the project area.

1103 (2) Each written statement under Subsection (1) shall include:

1104 (a) a statement explaining the right of each owner to:

1105 (i) object to the inclusion of the owner's property within the project area;

1106 (ii) object to any required proceeding of the agency in the creation of the project area; and

1107 (iii) obtain any document from the agency including:

1108 (A) the blight study, if applicable;

1109 (B) the draft plan;

1110 (C) the planning commission report to the plan;

1111 (D) the owner participation guidelines developed in accordance with Section 17B-3-801;

1112 (E) the relocation guidelines developed by the agency; and

1113 (F) other documents used by the agency in preparing the project plan or draft project plan;
1114 and

1115 (b) a statement explaining:

1116 (i) the process for the property owner to file an objection to the inclusion of the owner's
1117 property in the project area;

1118 (ii) the procedure to be followed to propose amendments or modifications to the draft
1119 project plan; and

1120 (iii) the process for the property owner to file an objection with the agency regarding the
1121 creation of the project area.

1122 (3) Each agency shall, at no charge, provide a property owner one copy of the documents
1123 listed in Subsection (2)(a)(iii) if the property owner requests the documents.

1124 Section 41. Section **17B-3-803** is enacted to read:

1125 **17B-3-803. Statement regarding use of eminent domain.**

1126 For each project plan that authorizes the use of eminent domain, each agency shall, before
1127 exercising eminent domain, provide a written statement to each affected property owner that
1128 includes:

1129 (1) an explanation of the eminent domain process including:

1130 (a) the need for the agency to obtain an independent appraisal that indicates the fair market
1131 value of the property, and how the price was determined;

1132 (b) a statement explaining agency compliance with the owner participation requirements;

1133 (c) a statement that the agency may adopt a resolution authorizing the agency to make an
1134 offer to the owner to purchase the property for the amount of just compensation as determined by
1135 the appraiser, and if the offer is rejected, the agency has the right to acquire the property through
1136 condemnation proceedings; and

1137 (d) if an offer is made, a statement that the agency shall prepare an offer and summary of
1138 the just compensation, which offer will include the price to be offered, the legal description of the
1139 property, conditions of the offer, the time at which the offer will expire, and how the agency
1140 determined the amount being offered;

1141 (2) an explanation of the property owner's relocation rights and how to receive relocation
1142 assistance and compensation; and

1143 (3) a statement of the times during which the agency will be available to meet with the

1144 property owner to discuss the process of formulating and implementing a redevelopment or
1145 economic development project and the draft project plan.

1146 Section 42. Section **17B-3-804** is enacted to read:

1147 **17B-3-804. Notice to owner before taking action to acquire property.**

1148 Before the agency takes any action to acquire property, the agency shall give to the property
1149 owner or the designated representative a notice that is printed in a type size of at least ten-point
1150 type that contains:

1151 (1) a description of the property to be acquired;

1152 (2) the name of the agency acquiring the property and the agency's contact person and
1153 telephone number;

1154 (3) a list of the property owner's rights under Sections 57-12-7, 57-12-8, 57-12-9,
1155 57-12-12, and 57-12-13; and

1156 (4) a copy of Title 57, Chapter 12, Utah Relocation Assistance Act.

1157 Section 43. Section **17B-3-805** is enacted to read:

1158 **17B-3-805. Civil action authorized.**

1159 A person may bring a civil suit against an agency for a violation of Section 17B-3-502,
1160 17B-3-503, or the hearing requirements of Section 17B-3-407 that result in damage to that person.

1161 Section 44. Section **17B-3-901** is enacted to read:

1162 **Part 9. Tax Increment**

1163 **17B-3-901. Tax increment paid to agency.**

1164 (1) Subject to the approval of the taxing entity committee, an agency board may provide
1165 in a project plan and project area budget for the agency to be paid:

1166 (a) if 20% of the project area budget is not allocated for housing as provided in Subsection
1167 17B-3-612(2)(a):

1168 (i) 100% of annual tax increment for 12 years; or

1169 (ii) 75% of annual tax increment for 20 years; or

1170 (b) if 20% of the project area budget is allocated for housing as provided in Subsection
1171 17B-3-914(2):

1172 (i) 100% of annual tax increment for 15 years; or

1173 (ii) 75% of annual tax increment for 24 years.

1174 (2) Tax increment paid to an agency under Subsection (1) shall be paid for the applicable

1175 length of time beginning the first tax year the agency accepts tax increment from a project area.

1176 (3) An agency may receive a greater percentage of tax increment or receive tax increment
1177 for a longer period of time than that specified in Subsection (1) if the agency obtains the consent
1178 of the taxing entity committee.

1179 (4) Tax increment to be paid to an agency is not allocable or payable for the first time until
1180 January 1 of the year following the effective date of the project plan.

1181 (5) If authorized in a project plan, an agency may collect tax increment from all or a part
1182 of a project area.

1183 Section 45. Section **17B-3-902** is enacted to read:

1184 **17B-3-902. Allowable uses of tax increment funds -- Limitation -- Pledge of tax**
1185 **increment funds.**

1186 (1) An agency may use tax increment funds:

1187 (a) to pay principal and interest on loans, advances, or indebtedness, whether funded,
1188 refunded, assumed, or otherwise, to finance or refinance all or part of:

1189 (i) the redevelopment or economic development project; and

1190 (ii) housing projects and programs under Sections 17B-3-905 and 17B-3-914;

1191 (b) to pay administrative, overhead, and other expenses associated with the agency's
1192 implementation of the project plan; and

1193 (c) to grant funds to one or more taxing entities that levy a tax on property within the
1194 project area to offset some or all of the money that the taxing entity did not receive because of tax
1195 increment funds paid to the agency.

1196 (2) Tax increment funds may not be used to construct municipal buildings, courts or other
1197 judicial buildings, or fire stations.

1198 (3) An agency may irrevocably pledge tax increment funds for the payment of principal
1199 and interest on loans, advances, or indebtedness, whether funded, refunded, assumed, or otherwise,
1200 to finance or refinance all or part of the redevelopment or economic development project.

1201 Section 46. Section **17B-3-903** is enacted to read:

1202 **17B-3-903. Limitation on tax increment if project includes development of retail sales**
1203 **-- Finding of blight required.**

1204 (1) If the development of retail sales is an objective of the project, tax increment may not
1205 be paid to or used by an agency unless a finding of blight is made under Section 17B-3-604.

1206 (2) (a) Incidental or subordinate development of retail sales may not disqualify an
1207 economic development project from receiving tax increment funds.

1208 (b) Incidental or subordinate development of retail sales includes the development of retail
1209 sales resulting from the installation and construction of any building, facility, structure, or other
1210 improvement of a publicly or privately owned convention center or sports complex, including
1211 parking and infrastructure improvements related to such convention center or sports complex.

1212 Section 47. Section **17B-3-904** is enacted to read:

1213 **17B-3-904. Taxing entity committee -- Composition -- Quorum -- Consent or**
1214 **approval.**

1215 (1) A taxing entity committee shall be created for each redevelopment or economic
1216 development project.

1217 (2) (a) Each committee shall be composed of:

1218 (i) two representatives appointed by the school district in which the project area is located;

1219 (ii) two representatives appointed by resolution of the legislative body of the county in
1220 which the project area is located;

1221 (iii) if the project area is located within a city or town, two representatives appointed by
1222 resolution of the legislative body of the city or town in which the project area is located;

1223 (iv) a representative appointed by the State School Board; and

1224 (v) one representative selected by majority vote of the governing bodies of all other taxing
1225 entities that levy a tax upon property within the project area, to represent the interests of those
1226 taxing entities on the taxing entity committee.

1227 (b) The representative under Subsection (2)(a)(v) shall be selected within 30 days after the
1228 notice provided in Subsection 17B-3-402(1).

1229 (3) A quorum of a taxing entity committee consists of:

1230 (a) if the project area is located within a city or town, five members; or

1231 (b) if the project is not located within a city or town, four members.

1232 (4) A taxing entity committee represents all taxing entities in a project area and may:

1233 (a) cast votes that will be binding on the governing bodies of all taxing entities that levy
1234 a tax on property located in a project area;

1235 (b) negotiate with the agency concerning the project plan;

1236 (c) approve or disapprove project area budgets as provided in Sections 17B-3-501 and

1237 17B-3-311;

1238 (d) approve or disapprove amendments to project area budgets under Section 17B-3-506;

1239 and

1240 (e) approve an exception to the limits on the value and size of project areas imposed by

1241 this chapter or the time and amount of tax increment under Section 17B-3-503.

1242 (5) Taxing entity committee approval, consent, or other action requires the affirmative vote

1243 of a majority of the taxing entity committee.

1244 Section 48. Section **17B-3-905** is enacted to read:

1245 **17B-3-905. Allocating tax increment for housing -- Collecting tax increment and**
1246 **amending budget.**

1247 (1) If the project area budget does not allocate at least 20% of the tax increment for
1248 housing as provided in Subsection 17B-3-914(2):

1249 (a) an agency may not collect any tax increment for a project area until after the agency
1250 obtains the consent of a quorum of the taxing entity committee for the project area budget; and

1251 (b) a project area budget adopted under Section 17B-3-501 may be amended if the agency
1252 obtains the majority consent of a quorum of the taxing entity committee.

1253 (2) If the project area budget allocates at least 20% of the tax increment for housing as
1254 provided in Subsection 17B-3-914(2):

1255 (a) an agency may not collect tax increment from all or part of a project area until after:

1256 (i) the Olene Walker Housing Trust Fund Board, established under Title 9, Chapter 4, Part
1257 7, Olene Walker Housing Trust Fund, has certified the project area budget as complying with the
1258 requirements of Section 17B-3-914; and

1259 (ii) the agency's board has approved and adopted the project area budget by a two-thirds
1260 vote; and

1261 (b) a project area budget adopted under Section 17B-3-501 may be amended if:

1262 (i) the Olene Walker Housing Trust Fund Board, established under Title 9, Chapter 4, Part
1263 7, Olene Walker Housing Trust Fund, certifies the amendment as complying with the requirements
1264 of Section 17B-3-914; and

1265 (ii) the agency's board approves and adopts the amendment by a two-thirds vote.

1266 Section 49. Section **17B-3-906** is enacted to read:

1267 **17B-3-906. Increase in taxing entity tax rate.**

1268 (1) Each project plan shall provide that the portion of the taxes due to an increase in the tax
1269 rate by a taxing entity after the date the project area budget is approved by the taxing entity
1270 committee may not be paid to an agency unless the taxing entity committee approves the inclusion
1271 of the increase in the tax rate at the time the project area budget is approved.

1272 (2) If approval of the inclusion of the increase in the tax rate is not obtained, the portion
1273 of the taxes attributable to the increase in the rate shall be distributed by the county to the taxing
1274 entity imposing the tax rate increase in the same manner as other property taxes.

1275 Section 50. Section **17B-3-907** is enacted to read:

1276 **17B-3-907. Tax increment tax rate to be adjusted to reflect other changes.**

1277 (1) The amount of the tax rate to be used in determining tax increment shall be increased
1278 or decreased by the amount of an increase or decrease as a result of:

1279 (a) a statute enacted by the Legislature, a judicial decision, or an order from the State Tax
1280 Commission to a county to adjust or factor its assessment rate under Subsection 59-2-704(2);

1281 (b) a change in exemption provided in Utah Constitution Article XIII, Section 2, or Section
1282 59-2-103;

1283 (c) an increase or decrease in the percentage of fair market value, as defined under Section
1284 59-2-102; or

1285 (d) a decrease in the certified tax rate under Subsection 59-2-924(2)(c) or (2)(d)(i).

1286 (2) (a) Notwithstanding the increase or decrease resulting from Subsection (1), the amount
1287 of tax increment paid to an agency each year for payment of bonds or other indebtedness may not
1288 be less than would have been paid to the agency each year if there had been no increase or decrease
1289 under Subsection (1).

1290 (b) For a decrease resulting from Subsection (1)(d), the base value shall be reduced for any
1291 year to the extent necessary, including below zero, to provide an agency with approximately the
1292 same amount of money the agency would have received without a reduction in the county's
1293 certified tax rate if:

1294 (i) in that year there is a decrease in the certified tax rate under Subsection 59-2-924(2)(c)
1295 or (2)(d)(i);

1296 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
1297 previous year; and

1298 (iii) the decrease results in a reduction of the amount of tax increment to be paid to the

1299 agency.

1300 Section 51. Section **17B-3-908** is enacted to read:

1301 **17B-3-908. Certain taxes exempt from tax increment.**

1302 (1) (a) For a plan first adopted before May 4, 1993, beginning January 1, 1994, all of the
1303 taxes levied and collected upon the taxable property in the project area under Section 59-2-906.1
1304 that are not pledged to support bonded indebtedness and other contractual obligations are exempt
1305 from the provisions of Section 17B-3-601.

1306 (2) For redevelopment plans first adopted after May 3, 1993, beginning January 1, 1994,
1307 all of the taxes levied and collected upon the taxable property in the project are under Section
1308 59-2-906.1 are exempt from the provisions of Section 17B-3-601.

1309 Section 52. Section **17B-3-909** is enacted to read:

1310 **17B-3-909. Additional amounts of tax increment for additional periods.**

1311 (1) In addition to the amounts and periods that an agency may elect to be paid tax
1312 increment under Section 17B-3-901, an agency may elect to be paid 100% of annual tax increment
1313 for an additional period, as provided in Subsection (2), beyond those periods provided under
1314 Section 17B-3-901, without the approval of the taxing entity committee, if the tax increment
1315 funding for the additional period is used:

1316 (a) for an agency in a city in which is located all or a portion of an interchange on I-15 or
1317 that would directly benefit from an interchange on I-15, to pay some or all of the cost of the
1318 installation, construction, or reconstruction of:

1319 (i) an interchange on I-15; or

1320 (ii) frontage and other roads connecting to the interchange, as determined by the
1321 Department of Transportation created under Section 72-1-201 and the Transportation Commission
1322 created under Section 72-1-301; or

1323 (b) for an agency in a city of the first class, to pay some or all of the cost of the land for
1324 and installation and construction of a recreational facility, as defined in Subsection 59-12-702(3),
1325 or a cultural facility, including parking and infrastructure improvements related to the recreational
1326 or cultural facility.

1327 (2) The additional period for which an agency may be paid 100% of annual tax increment
1328 under Subsection (1) is an additional:

1329 (i) 13 years, for an agency that initially elected to be paid under Subsection

1330 17B-3-901(1)(a)(i);

1331 (ii) five years, for an agency that initially elected to be paid under Subsection

1332 17B-3-901(1)(a)(i);

1333 (iii) ten years, for an agency that initially elected to be paid under Subsection

1334 17B-3-901(1)(b)(i); and

1335 (iv) one year, for an agency that initially elected to be paid under Subsection

1336 17B-3-901(1)(b)(ii).

1337 (3) This section applies only to an agency established by a city in which:

1338 (a) for an agency in a city in which is located all or a portion of an interchange on I-15 or
1339 that would directly benefit from an interchange on I-15, the installation, construction, or
1340 reconstruction of an interchange on I-15 or frontage or other roads connecting to the interchange
1341 has begun on or before June 30, 2000; and

1342 (b) for an agency in a city of the first class, the installation or construction of a recreational
1343 facility, as defined in Subsection 59-12-702(3), or a cultural facility has begun on or before June
1344 30, 2000.

1345 (4) Notwithstanding any other provision of this section, a school district may not receive
1346 less tax increment because of application of the other provisions of this section than it would have
1347 received without those provisions.

1348 Section 53. Section **17B-3-910** is enacted to read:

1349 **17B-3-910. Distribution of tax increment.**

1350 (1) Each county shall pay and distribute to each agency, in the manner provided for in
1351 Section 59-2-1365, the property taxes allocated to the agency as tax increment under Section
1352 17B-3-901.

1353 (2) Property taxes not distributed under Section 17B-3-601 to an agency shall be
1354 distributed by the county to other taxing entities in the same manner as other property taxes.

1355 Section 54. Section **17B-3-911** is enacted to read:

1356 **17B-3-911. Decrease in minimum basic school levy -- Base value to be reduced --**
1357 **Agency to be paid same amount.**

1358 (1) (a) As used in this section, "qualifying decrease" means:

1359 (i) a decrease of more than 20% of the previous year's levy; or

1360 (ii) a cumulative decrease over a consecutive five-year period of more than 100% of the

1361 levy in effect at the beginning of the five-year period.

1362 (b) The year in which a qualifying decrease under Subsection (1)(a)(ii) occurs is the fifth
1363 year of the five-year period.

1364 (2) If there is a qualifying decrease in the minimum basic school levy under Section
1365 59-2-902 that results in a reduction of the amount of tax increment to be paid to an agency:

1366 (a) the base value of taxable property within the project area shall be reduced in the year
1367 of the qualifying decrease to the extent necessary to provide the agency with approximately the
1368 same amount of tax increment that would have been paid to the agency had the qualifying decrease
1369 not occurred; and

1370 (b) the amount of tax increment paid to the agency each year for the payment of bonds and
1371 indebtedness may not be less than what would have been paid to the agency if there had been no
1372 qualifying decrease.

1373 Section 55. Section **17B-3-912** is enacted to read:

1374 **17B-3-912. Use of tax increment in another project area -- Limitations.**

1375 (1) If the agency was created by a city of the first class, tax increment from one project
1376 area may be used in another project area to pay all or part of the value of the land for and the cost
1377 of installation and construction of any building, facility, structure, or other improvement of a
1378 publicly or privately owned convention center or sports complex, including parking and
1379 infrastructure improvements related to such convention center or sports complex.

1380 (2) This section applies only to an agency in whose project area construction has begun
1381 on or before June 30, 1997 on a building, facility, structure, or other improvement of a publicly
1382 or privately owned convention center or sports complex, including parking and infrastructure
1383 improvements related to such convention center or sports complex.

1384 (3) If tax increment allocated for use in another project area as described in Subsection (1)
1385 is not pledged to pay all or part of the value of the land for and the cost of the installation and
1386 construction of any building, facility, structure, or other improvement described in Subsection (1)
1387 on or before June 30, 1997, the tax increment may no longer be allocated to or used by the agency
1388 for use in another project area, notwithstanding any other provision of this chapter to the contrary.

1389 Section 56. Section **17B-3-913** is enacted to read:

1390 **17B-3-913. Agency may use tax increment for housing costs in other project areas --**
1391 **Funds to be held in separate accounts.**

1392 (1) An agency may use tax increment paid from one project area to pay all or part of the
1393 value of the land for and the cost of installation, construction, and rehabilitation of any building,
1394 facility, structure, or other housing improvement, including infrastructure improvements related
1395 to housing, located in one or more other project areas.

1396 (2) Notwithstanding any other provision of this chapter, up to 20% of tax increment may
1397 be used by an agency outside of project areas for the purpose of replacing housing units lost by
1398 redevelopment and economic development, or increasing, improving, and preserving the
1399 community's supply of affordable housing generally.

1400 (3) (a) Each agency shall hold funds allocated under this section in a separate account
1401 designated as the housing fund until used.

1402 (b) Interest earned by the housing fund and any payments or repayments made to the
1403 agency for loans, advances, or grants of any kind from the fund, shall accrue to and be deposited
1404 in the housing fund.

1405 (c) Each agency designating a housing fund under this section shall use the fund to:

1406 (i) increase, improve, and preserve the supply of:

1407 (A) housing within agency project areas; and

1408 (B) affordable housing within the boundaries of the community; or

1409 (ii) effectuate any purposes of redevelopment or economic development in the project area
1410 from which the funds originated.

1411 (4) An agency may lend, grant, or contribute funds from the housing fund to a person,
1412 public entity, housing authority, private entity or business, or nonprofit corporation for housing
1413 purposes as defined in this section.

1414 (5) For purposes of this section, "affordable housing" means housing to be owned or
1415 occupied by persons and families of low or moderate income, as determined by resolution of the
1416 agency.

1417 Section 57. Section **17B-3-914** is enacted to read:

1418 **17B-3-914. Affordable housing -- Agency may use tax increment for affordable**
1419 **housing.**

1420 (1) As used in this section:

1421 (a) "Affordable housing" has the meaning as defined under Subsection 17B-3-913(5).

1422 (b) "Annual income" has the meaning as defined under regulations of the U.S. Department

1423 of Housing and Urban Development, 24 CFR, Part 813, as amended or as superseded by
1424 replacement regulations.

1425 (c) "Board" means the Olene Walker Housing Trust Fund Board, established under Title
1426 9, Chapter 4, Part 7, Olene Walker Housing Trust Fund.

1427 (d) "Fair share ratio" means the ratio derived by:

1428 (i) for a city or town, comparing the percentage of all housing units within the city or town
1429 that are publicly subsidized income targeted housing units to the percentage of all housing units
1430 within the whole county that are publicly subsidized income targeted housing units; or

1431 (ii) for the unincorporated part of a county, comparing the percentage of all housing units
1432 within the unincorporated county that are publicly subsidized income targeted housing units to the
1433 percentage of all housing units within the whole county that are publicly subsidized income
1434 targeted housing units.

1435 (e) "Family" has the meaning as defined under regulations of the U.S. Department of
1436 Housing and Urban Development, 24 CFR, Part 813, as amended or as superseded by replacement
1437 regulations.

1438 (f) "Housing funds" means the funds allocated in the project area budget under Subsection
1439 (2)(a) for the purposes provided in Subsection (3).

1440 (g) "Income targeted housing" means housing to be owned or occupied by a family whose
1441 annual income is at or below 80% of the median annual income for the county in which the
1442 housing is located.

1443 (h) "Unincorporated" means not within a city or town.

1444 (2) (a) A project area budget for a redevelopment plan that is adopted on or after July 1,
1445 1998, may allocate 20% of the tax increment funds payable to the agency over the life of the
1446 redevelopment plan for use as provided in Subsection (3).

1447 (b) Before an agency may adopt a project area budget that allocates 20% of tax increment
1448 funds under Subsection (2)(a), the board shall certify the project area budget to be in compliance
1449 with the requirements of this section.

1450 (c) (i) If an agency fails to provide housing funds in accordance with the certified project
1451 area budget, the board may bring legal action to compel the agency to provide the housing funds.

1452 (ii) In an action under Subsection (2)(c)(i), the court:

1453 (A) shall award the board a reasonable attorney's fee, unless the court finds that the action

1454 was frivolous; and

1455 (B) may not award the agency its attorney's fees, unless the court finds that the action was
1456 frivolous.

1457 (3) (a) Each agency shall use all housing funds allocated under Subsection (2)(a) to:

1458 (i) pay part or all of the cost of land or construction of income targeted housing within the
1459 community that created the agency, if practicable in a mixed income development or area;

1460 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
1461 community that created the agency;

1462 (iii) pay part or all of the cost of land or installation, construction, or rehabilitation of any
1463 building, facility, structure, or other housing improvement, including infrastructure improvements,
1464 related to housing located in a redevelopment project area where blight has been found to exist;

1465 (iv) replace housing units lost as a result of the redevelopment or economic development;

1466 (v) make payments on or establish a reserve fund for bonds:

1467 (A) issued by the agency, the community, or the housing authority that provides income
1468 targeted housing within the community; and

1469 (B) all or part of the proceeds of which are used within the community for the purposes
1470 stated in Subsections (3)(a)(i), (ii), (iii), or (iv); or

1471 (vi) if the community's fair share ratio at the time of the first adoption of the project area
1472 budget is at least 1.1 to 1.0, make payments on bonds:

1473 (A) that were previously issued by the agency, the community, or the housing authority
1474 that provides income targeted housing within the community; and

1475 (B) all or part of the proceeds of which were used within the community for the purposes
1476 stated in Subsections (3)(a)(i), (ii), (iii), or (iv).

1477 (b) As an alternative to the requirements of Subsection (3)(a), an agency may pay all
1478 housing funds to:

1479 (i) the community for use as provided under Subsection (3)(a);

1480 (ii) the housing authority that provides income targeted housing within the community for
1481 use in providing income targeted housing within the community; or

1482 (iii) the Olene Walker Housing Trust Fund, established under Title 9, Chapter 4, Part 7,
1483 Olene Walker Housing Trust Fund, for use in providing income targeted housing within the
1484 community.

1485 (4) The agency or community shall hold the housing funds, together with all interest
1486 earned by the housing funds and all payments or repayments for loans, advances, or grants from
1487 the housing funds, in a separately designated account until the funds are used pursuant to this
1488 section.

1489 (5) In using housing funds under Subsection (3)(a), an agency may lend, grant, or
1490 contribute housing funds to a person, public body, housing authority, private entity or business,
1491 or nonprofit organization for use as provided in Subsection (3)(a).

1492 (6) An agency may:

1493 (a) issue bonds from time to time to finance a housing undertaking under this section,
1494 including the payment of principal and interest upon advances for surveys and plans or preliminary
1495 loans; and

1496 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (6)(a)
1497 previously issued by the agency.

1498 Section 58. Section **17B-3-1001** is enacted to read:

1499 **Part 10. Eminent Domain**

1500 **17B-3-1001. Use of eminent domain -- Prerequisites.**

1501 (1) Subject to the requirements of this chapter that apply to an agency's use of eminent
1502 domain, an agency may use eminent domain to acquire property within a project area if:

1503 (a) the agency board makes a finding of blight under Section 17B-3-604; and

1504 (b) the project plan provides for the use of eminent domain.

1505 (2) Before an agency may exercise the power of eminent domain, the agency board shall:

1506 (a) negotiate in good faith with the affected property owner;

1507 (b) explain in writing to the affected property owner and occupant:

1508 (i) the eminent domain power and the procedures and reasons for exercising it;

1509 (ii) the right to just compensation and how to obtain it; and

1510 (iii) the right to receive aid to relocate as provided in Title 57, Chapter 12, Utah Relocation
1511 Assistance Act.

1512 (3) An agency may not acquire property or an interest in property from a member or officer
1513 of the agency unless the agency uses eminent domain.

1514 (4) An agency may not commence acquisition of property through eminent domain more
1515 than five years after the effective date of the project plan.

1516 (5) Each agency that acquires real or personal property by eminent domain shall comply
1517 with Sections 57-12-7, 57-12-8, 57-12-9, 57-12-12, and 57-12-13.

1518 Section 59. Section **17B-3-1002** is enacted to read:

1519 **17B-3-1002. Limitation on acquisition of certain property.**

1520 Without the consent of an owner, an agency may not acquire any real property on which
1521 an existing building is to be continued on its present site and in its present form and use unless:

1522 (1) the building requires structural alteration, improvement, modernization, or
1523 rehabilitation;

1524 (2) the site or lot on which the building is situated requires modification in size, shape, or
1525 use; or

1526 (3) it is necessary to impose upon the property any of the standards, restrictions, and
1527 controls of the plan, and the owner fails or refuses to agree to participate in the plan.

1528 Section 60. Section **17B-3-1003** is enacted to read:

1529 **17B-3-1003. Acquisition by eminent domain of property devoted to public use.**

1530 An agency may through eminent domain acquire property already devoted to a public use,
1531 but property of a public entity may not be acquired without its consent.

1532 Section 61. Section **17B-3-1004** is enacted to read:

1533 **17B-3-1004. Evidence of good faith negotiations required.**

1534 In each eminent domain action maintained by an agency, the agency shall provide evidence
1535 of the good faith negotiations with the affected property owner that are required under Section
1536 17B-3-803.

1537 Section 62. Section **17B-3-1101** is enacted to read:

1538 **Part 11. Bonds**

1539 **17B-3-1101. Resolution authorizing issuance of agency bonds -- Characteristics of**
1540 **bonds.**

1541 (1) An agency may not issue bonds under this part unless the agency board first adopts a
1542 resolution authorizing their issuance.

1543 (2) (a) As provided in the agency resolution authorizing the issuance of bonds under this
1544 part or the trust indenture under which the bonds are issued, bonds issued under this part may be
1545 issued in one or more series and may be sold at public or private sale and in the manner provided
1546 in the resolution or indenture.

1547 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest
1548 at the rate, be in the denomination and in the form, carry the conversion or registration privileges,
1549 have the rank or priority, be executed in the manner, be subject to the terms of redemption or
1550 tender, with or without premium, be payable in the medium of payment and at the place, and have
1551 other characteristics as provided in the agency resolution authorizing their issuance or the trust
1552 indenture under which they are issued.

1553 Section 63. Section **17B-3-1102** is enacted to read:

1554 **17B-3-1102. Sources from which bonds may be made payable -- Agency powers**
1555 **regarding bonds.**

1556 (1) The principal and interest on bonds issued by an agency may be made payable from:

1557 (a) the income and revenues of the projects financed with the proceeds of the bonds;

1558 (b) the income and revenues of certain designated projects whether or not they were

1559 financed in whole or in part with the proceeds of the bonds;

1560 (c) the income, proceeds, revenues, property, and funds of the agency derived from or held

1561 in connection with its undertaking and carrying out redevelopment, economic development, or

1562 education housing development;

1563 (d) tax increment funds;

1564 (e) agency revenues generally;

1565 (f) a contribution, loan, grant, or other financial assistance from the federal government

1566 or a public entity in aid of redevelopment, economic development, or education housing

1567 development; or

1568 (g) funds derived from any combination of these methods.

1569 (2) In connection with the issuance of agency bonds, an agency may:

1570 (a) pledge all or any part of its gross or net rents, fees, or revenues to which its right then

1571 exists or may thereafter come into existence;

1572 (b) encumber by mortgage, deed of trust, or otherwise all or any part of its real or personal

1573 property, then owned or thereafter acquired; and

1574 (c) make such covenants and take such action as may be necessary, convenient, or

1575 desirable to secure its bonds, or, except as otherwise provided in this chapter, as will tend to make

1576 the bonds more marketable, even though such covenants or actions are not specifically enumerated

1577 in this chapter.

1578 Section 64. Section **17B-3-1103** is enacted to read:

1579 **17B-3-1103. Bonds to be paid from agency funds.**

1580 Each bond issued by an agency shall be made payable, as to both principal and interest,
1581 solely from the income, proceeds, revenues, property, and funds of the agency derived from or held
1582 in connection with its undertaking and carrying out redevelopment or economic development
1583 projects as provided in this chapter.

1584 Section 65. Section **17B-3-1104** is enacted to read:

1585 **17B-3-1104. Signature of officer who leaves office.**

1586 If an agency officer whose signature appears on a bond issued under this part leaves office
1587 before delivery of the bond, the signature shall continue to be valid as if the official had remained
1588 in office until delivery of the bond.

1589 Section 66. Section **17B-3-1105** is enacted to read:

1590 **17B-3-1105. Contesting the legality of resolution authorizing bonds -- Time limit --**
1591 **Presumption.**

1592 (1) Any person may contest the legality of the resolution authorizing issuance of the bonds
1593 or any provisions for the security and payment of the bonds for a period of 30 days after:

1594 (a) publication of the resolution authorizing the bonds; or

1595 (b) publication of a notice of bonds to be issued under Subsection 11-14-21(3).

1596 (2) After the 30-day period under Subsection (1), no lawsuit or other proceeding may be
1597 brought contesting the regularity, formality, or legality of the bonds for any reason.

1598 (3) In a lawsuit or other proceeding involving the question of whether a bond issued under
1599 this part is valid or enforceable, if a bond recites that the agency issued the bond in connection with
1600 a redevelopment or economic development project:

1601 (a) the bond shall be conclusively presumed to have been issued for that purpose; and

1602 (b) the project shall be conclusively presumed to have been properly planned, located, and
1603 carried out in accordance with this part.

1604 Section 67. Section **17B-3-1106** is enacted to read:

1605 **17B-3-1106. Authority to purchase agency bonds.**

1606 (1) Any person, firm, corporation, association, political subdivision of the state, or other
1607 entity or public or private officer may purchase bonds issued by an agency under this part with
1608 funds owned or controlled by the purchaser.

1609 (2) Nothing in this section may be construed to relieve a purchaser of agency bonds of any
1610 duty to exercise reasonable care in selecting securities.

1611 Section 68. Section **17B-3-1107** is enacted to read:

1612 **17B-3-1107. Those executing bonds not personally liable -- Limitation of obligations**
1613 **under bonds -- Negotiability.**

1614 (1) Members of an agency board and other persons executing the bonds are not liable
1615 personally on the bonds.

1616 (2) (a) Bonds issued by an agency are not a general obligation or liability of the
1617 community, the state, or any of its political subdivisions and do not constitute a charge against
1618 their general credit or taxing powers.

1619 (b) Bonds issued by an agency are not payable out of any funds or properties other than
1620 those of the agency.

1621 (c) The community, the state, and its political subdivisions may not be liable on any bonds
1622 issued by the agency.

1623 (d) Bonds issued by an agency do not constitute indebtedness within the meaning of any
1624 constitutional or statutory debt limitation.

1625 (3) Bonds issued by an agency under this part are fully negotiable.

1626 Section 69. Section **17B-3-1108** is enacted to read:

1627 **17B-3-1108. Obligee rights -- Board may confer other rights.**

1628 (1) In addition to all other rights that are conferred on an obligee of a bond issued by an
1629 agency under this part and subject to contractual restrictions binding on the obligee, an obligee
1630 may:

1631 (a) by mandamus, suit, action, or other proceeding, compel an agency and its board,
1632 officers, agents, or employees to perform every term, provision, and covenant contained in any
1633 contract of the agency with or for the benefit of the obligee, and require the agency to carry out the
1634 covenants and agreements of the agency and to fulfill all duties imposed on the agency by this part;
1635 and

1636 (b) by suit, action, or proceeding in equity, enjoin any acts or things that may be unlawful
1637 or violate the rights of the obligee.

1638 (2) (a) In the board resolution authorizing the issuance of bonds or in a trust indenture,
1639 mortgage, lease, or other contract, an agency board may confer upon an obligee holding or

1640 representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon
1641 the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or
1642 other contract, and to be exercised by suit, action, or proceeding in any court of competent
1643 jurisdiction.

1644 (b) (i) The rights that the board may confer under Subsection (2)(a) are the rights to:

1645 (A) cause possession of all or part of a redevelopment or economic development project
1646 to be surrendered to an obligee;

1647 (B) obtain the appointment of a receiver of all or part of an agency's redevelopment or
1648 economic development project and of the rents and profits from it; and

1649 (C) require the agency and its board and employees to account as if the agency and the
1650 board and employees were the trustees of an express trust.

1651 (ii) If a receiver is appointed through the exercise of a right granted under Subsection
1652 (2)(b)(i)(B), the receiver:

1653 (A) may enter and take possession of the redevelopment or economic development project
1654 or any part of it, operate and maintain it, and collect and receive all fees, rents, revenues, or other
1655 charges arising from it after the receiver's appointment; and

1656 (B) shall keep money collected as receiver for the agency in separate accounts and apply
1657 it pursuant to the agency obligations as the court directs.

1658 Section 70. Section **17B-3-1109** is enacted to read:

1659 **17B-3-1109. Bonds exempt from taxes -- Agency may purchase its own bonds --**

1660 **Agency property exempt from levy, execution sale, and taxes.**

1661 (1) Bonds issued by an agency under this part are issued for an essential public and
1662 governmental purpose and are, together with interest on them and income from them, exempt from
1663 all taxes except the corporate franchise tax.

1664 (2) An agency may purchase its own bonds at a price that its board determines.

1665 (3) (a) All agency property, including funds owned or held by it for purposes of this
1666 chapter, shall be exempt from levy and execution sale, and no execution or other judicial process
1667 may issue against property of an agency.

1668 (b) A judgment against the community that created an agency may not be a charge or lien
1669 upon property of the agency.

1670 (4) Nothing in this section may be construed to limit the right of an obligee to pursue

1671 remedies for the enforcement of a pledge or lien given under this part by an agency on its rents,
1672 fees, grants, properties, or revenues.

1673 (5) (a) Agency property, acquired or held for purposes of this chapter, is public property
1674 used for essential public and governmental purposes and shall be exempt from all taxes imposed
1675 by municipalities, counties, the state, and political subdivisions of the state.

1676 (b) The tax exemption of Subsection (5)(a) terminates with respect to any item of agency
1677 property when the agency sells, leases, or otherwise disposes of that property to a purchaser, lessee,
1678 or grantee that is not a public entity entitled to a tax exemption with respect to that property.

1679 Section 71. Section **17B-3-1201** is enacted to read:

1680 **Part 12. Agency budget and reports**

1681 **17B-3-1201. Annual agency budget -- Fiscal year -- Public hearing required --**
1682 **Auditor forms -- Requirement to file form.**

1683 (1) Each agency board shall prepare and adopt an annual budget for the agency for each
1684 fiscal year.

1685 (2) Each annual agency budget shall be adopted:

1686 (a) for an agency created by a city or town, before June 22; or

1687 (b) for an agency created by a county, before December 15.

1688 (3) The agency's fiscal year shall be the same as the fiscal year of the community that
1689 created the agency.

1690 (4) (a) Before adopting an annual budget, each agency board shall hold a public hearing
1691 on the budget.

1692 (b) Each agency board shall provide notice of the public hearing on the annual budget by
1693 publishing at least one notice in a newspaper of general circulation within the agency, two weeks
1694 before the public hearing.

1695 (c) Each agency board shall make each prepared annual budget available for public
1696 inspection at least three days before the date of the public hearing.

1697 (5) The state auditor shall prescribe the budget forms and the categories to be contained
1698 in each agency budget, including:

1699 (a) revenues and expenditures for the budget year;

1700 (b) legal fees; and

1701 (c) administrative costs, including rent, supplies, and other materials, and salaries of

1702 agency personnel.

1703 (6) Within 30 days after adopting an annual budget, each agency board shall file a copy
1704 of the budget with the auditor of the county in which the agency is located, the State Tax
1705 Commission, the state auditor, and each taxing entity that levies a tax on property from which the
1706 agency collects tax increment.

1707 Section 72. Section **17B-3-1202** is enacted to read:

1708 **17B-3-1202. Amending the agency budget.**

1709 (1) An agency board may by resolution amend an annual agency budget.

1710 (2) An amendment of the annual agency budget that would increase the total expenditures
1711 may be made only after public hearing by notice published as required for initial adoption of the
1712 budget.

1713 (3) An agency may not make expenditures in excess of the total expenditures established
1714 in the budget as it is adopted or amended.

1715 Section 73. Section **17B-3-1203** is enacted to read:

1716 **17B-3-1203. Agency report.**

1717 (1) On or before November 1 of each year, each agency board shall prepare and file a
1718 report with the county auditor, the State Tax Commission, the State Board of Education, and each
1719 taxing entity that levies a tax on property from which the agency collects tax increment.

1720 (2) Each report under Subsection (1) shall contain:

1721 (a) an estimate of the tax increment to be paid to the agency for the calendar year ending
1722 December 31; and

1723 (b) an estimate of the tax increment to be paid to the agency for the calendar year
1724 beginning the next January 1.

1725 Section 74. Section **17B-3-1204** is enacted to read:

1726 **17B-3-1204. Audit report.**

1727 (1) If an agency is required to be audited under Section 17B-3-1205, the agency shall,
1728 within 120 days after the end of the agency's fiscal year, file a copy of the audit report with each
1729 taxing entity that levies a tax on property from which the agency collects tax increment.

1730 (2) Each audit report under Subsection (1) shall include:

1731 (a) the tax increment collected by the agency for each project area;

1732 (b) the amount of tax increment paid to each taxing entity under Subsection

1733 17B-3-902(1)(c);

1734 (c) the outstanding principal amount of bonds issued or other loans incurred to finance the
1735 costs associated with the project areas;

1736 (d) the actual amount expended for:

1737 (i) acquisition of property;

1738 (ii) site improvements or preparation costs;

1739 (iii) installation of public utilities or other public improvements; and

1740 (iv) administrative costs of the agency.

1741 Section 75. Section **17B-3-1205** is enacted to read:

1742 **17B-3-1205. County auditor report on project areas.**

1743 (1) (a) On or before March 31 of each year, the auditor of each county in which an agency
1744 is located shall prepare a report on the project areas within each agency.

1745 (b) The county auditor shall send a copy of each report under Subsection (1)(a) to the
1746 board of the agency that is the subject of the report, the State Tax Commission, the State Board
1747 of Education, and each taxing entity that levies a tax on property from which the agency collects
1748 tax increment.

1749 (2) Each report under Subsection (1)(a) shall report on:

1750 (a) the total assessed property value within each project area for the previous tax year;

1751 (b) the base value of property within each project area for the previous tax year;

1752 (c) the tax increment requested by the agency for the previous tax year; and

1753 (d) the tax increment paid to the agency for the previous tax year.

1754 (3) Within 30 days after a request by an agency, the State Tax Commission, the State
1755 Board of Education, or any taxing entity that levies a tax on property from which the agency
1756 collects tax increment, the county auditor or the county assessor shall provide access to:

1757 (a) the county auditor's method and calculations used to make adjustments under Sections
1758 17B-3-901, 17B-3-907, and 17B-3-911;

1759 (b) the unequalized assessed valuation of an existing or proposed project area, or any
1760 parcel or parcels within an existing or proposed project area, if the equalized assessed valuation
1761 has not yet been determined for that year; and

1762 (c) the most recent equalized assessed valuation of an existing or proposed project area
1763 or any parcel or parcels within an existing or proposed project area; and

1764 (d) the tax rate of each taxing agency adopted as of November 1 for the previous tax year.

1765 Section 76. Section **17B-3-1206** is enacted to read:

1766 **17B-3-1206. Audit requirements.**

1767 (1) Except as provided under Subsection (2), each agency shall comply with the audit
1768 requirements of Title 51, Chapter 2, Audits of Political Subdivisions, Interlocal Organizations and
1769 Other Local Entities.

1770 (2) Subsection (1) does not apply to an agency whose expenditures for the fiscal year do
1771 not exceed \$25,000.

1772 Section 77. Section **17B-3-1301** is enacted to read:

1773 **Part 13. Dissolution**

1774 **17B-3-1301. Dissolution.**

1775 (1) Subject to Subsection (1)(b), the legislative body of the community that created an
1776 agency may, by ordinance, deactivate and dissolve the agency.

1777 (b) An ordinance dissolving an agency may not be adopted unless the agency has no
1778 outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally
1779 binding contractual obligations with persons or entities other than the community.

1780 (2) The legislative body of each community that adopts an ordinance under Subsection (1)
1781 shall:

1782 (a) file a certified copy of the ordinance with the State Tax Commission, county assessor,
1783 county auditor, and the governing body of each taxing entity having taxable property included in
1784 a project area designated by the agency; and

1785 (b) cause a notice of dissolution to be published in a newspaper of general circulation in
1786 the county in which the dissolved agency is located.

1787 (3) The books, documents, records, papers, and seal of any dissolved agency shall be
1788 deposited with the recorder of the community of the agency for safekeeping and reference.

1789 (4) The agency shall pay all expenses of the deactivation and dissolution.

1790 Section 78. **Repealer.**

1791 This act repeals:

1792 Section **17A-2-1201, Short title.**

1793 Section **17A-2-1202, Definitions.**

1794 Section **17A-2-1203, Creation of redevelopment agencies -- Governing body -- Powers**

- 1795 -- **Contiguous communities.**
- 1796 Section 17A-2-1204, **Redevelopment survey areas.**
- 1797 Section 17A-2-1205, **Preconditions for designating a project area.**
- 1798 Section 17A-2-1206, **Selection of project areas -- Blight hearing.**
- 1799 Section 17A-2-1207, **Contents of preliminary plan.**
- 1800 Section 17A-2-1208, **Blight study -- Findings of blight.**
- 1801 Section 17A-2-1209, **Use of eminent domain.**
- 1802 Section 17A-2-1210, **Limits on value and size of project areas using tax increment**
- 1803 **financing without consent of local taxing agencies -- Time limits.**
- 1804 Section 17A-2-1210.5, **Limits on length of time for project areas adopted after July**
- 1805 **1, 1993.**
- 1806 Section 17A-2-1211, **Property owner's rights.**
- 1807 Section 17A-2-1212, **Project area and redevelopment restrictions.**
- 1808 Section 17A-2-1213, **Plan preparation -- Hearing -- Notice -- Consultation with**
- 1809 **community planning commission.**
- 1810 Section 17A-2-1214, **Opportunities to participate in project required -- Preferences**
- 1811 **-- Rules.**
- 1812 Section 17A-2-1215, **Approval and adoption of plan -- Funding -- Reuse of property.**
- 1813 Section 17A-2-1216, **Agency budget -- Hearing -- Public inspection -- Agency budget**
- 1814 **forms -- Copies of adopted budget filed -- Expenditures limited by budget.**
- 1815 Section 17A-2-1217, **Annual reports by agency.**
- 1816 Section 17A-2-1218, **Annual reports by county auditor.**
- 1817 Section 17A-2-1219, **Audit of agency accounts.**
- 1818 Section 17A-2-1220, **Report to accompany plan.**
- 1819 Section 17A-2-1221, **Hearing.**
- 1820 Section 17A-2-1222, **Notices of hearing required.**
- 1821 Section 17A-2-1223, **Objections to plan -- Filing.**
- 1822 Section 17A-2-1224, **Objections to plan -- Hearing.**
- 1823 Section 17A-2-1225, **Adoption, rejection, or modification of plan -- Plan submitted to**
- 1824 **voters -- When rejection required -- Petition for alternative plan.**
- 1825 Section 17A-2-1226, **Adoption of plan by ordinance -- Limitation on contest of legality.**

- 1826 Section 17A-2-1227, **Adoption by ordinance.**
- 1827 Section 17A-2-1228, **Acquisition and disposition of property -- Control of property**
- 1828 **sold or leased for private use -- Notice.**
- 1829 Section 17A-2-1229, **Amendment or modification of plan.**
- 1830 Section 17A-2-1230, **Powers of public body aiding and cooperating in redevelopment**
- 1831 **projects -- Notice requirement.**
- 1832 Section 17A-2-1231, **Bonds -- Payments.**
- 1833 Section 17A-2-1232, **Bonds as indebtedness -- Exemption from taxes.**
- 1834 Section 17A-2-1233, **Bonds -- Type -- Form -- Interest -- Redemption.**
- 1835 Section 17A-2-1234, **Sale of bonds.**
- 1836 Section 17A-2-1235, **Validity of official signatures on bonds -- Negotiability.**
- 1837 Section 17A-2-1236, **Actions on validity or enforceability of bonds -- Time for bringing**
- 1838 **action.**
- 1839 Section 17A-2-1237, **Investment in bonds.**
- 1840 Section 17A-2-1238, **Agency disposition of property within project area -- Eminent**
- 1841 **domain -- Just compensation, costs, damages.**
- 1842 Section 17A-2-1239, **Acquisition of property from members or officers prohibited.**
- 1843 Section 17A-2-1240, **Acquisition of real property without owner's consent prohibited**
- 1844 **-- Exceptions.**
- 1845 Section 17A-2-1241, **Acquisition of public property.**
- 1846 Section 17A-2-1242, **Rights and duties not affected.**
- 1847 Section 17A-2-1243, **Bond issues -- Agency members and persons executing bonds not**
- 1848 **personally liable -- Bonds and obligations not general obligation or debt -- Negotiability.**
- 1849 Section 17A-2-1244, **Agency powers in issuance of bonds.**
- 1850 Section 17A-2-1245, **Rights of obligee.**
- 1851 Section 17A-2-1246, **Bonds exempt from taxes except corporate franchise tax --**
- 1852 **Purchase of bonds by agency -- Property of agency exempt from execution and taxes.**
- 1853 Section 17A-2-1247, **Tax increment financing authorized -- Division of tax revenues**
- 1854 **-- Greater allocation allowed if authorized by taxing agency.**
- 1855 Section 17A-2-1247.5, **Tax increment financing -- Project area budget approval --**
- 1856 **Payment of additional tax increment.**

- 1857 Section 17A-2-1248, Time for payment of taxes to agency.
- 1858 Section 17A-2-1249, Determination of taxable value and names and addresses of
1859 assesseses.
- 1860 Section 17A-2-1250, Distribution of property taxes.
- 1861 Section 17A-2-1250.5, Adjustment of base year taxable value required for minimum
1862 basic levy for school district decreases -- Minimum payment to agency.
- 1863 Section 17A-2-1251, Adjustment of base year taxable value of area required for
1864 county rate adjustment.
- 1865 Section 17A-2-1252, Adjustment of base year taxable value of area required for
1866 changes in exemptions -- Minimum payment to agency.
- 1867 Section 17A-2-1253, Adjustment of base year taxable value of area required for
1868 changes in percentage of value assessed -- Minimum payment to agency.
- 1869 Section 17A-2-1254, Pledge of increment for payment of loans, advances or
1870 indebtedness.
- 1871 Section 17A-2-1255, Taxation of property leased by agency.
- 1872 Section 17A-2-1256, Transmittal of description of land within project area and other
1873 documents to taxing agencies -- Notice to taxing agencies.
- 1874 Section 17A-2-1257, Recording description of area and date of plan approval.
- 1875 Section 17A-2-1258, Payments by agency in lieu of taxes.
- 1876 Section 17A-2-1259, Transmittal of preliminary plan -- Consultation with taxing
1877 agencies.
- 1878 Section 17A-2-1260, Payment authorized for land or cost of improvements within
1879 orwithout project area if beneficial to the project area -- Reimbursement of costs
1880 --Limitation on use of tax increment.
- 1881 Section 17A-2-1261, Deactivation and dissolution of an agency -- Order of legislative
1882 body on own motion or agency recommendation -- Payment of obligations.
- 1883 Section 17A-2-1262, Notice of dissolution -- Publication -- Disposition of records.
- 1884 Section 17A-2-1263, Housing funds.
- 1885 Section 17A-2-1264, Affordable housing funds under redevelopment plans adopted
1886 on or after July 1, 1998.

Legislative Review Note
as of 11-16-00 10:06 AM

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

Office of Legislative Research and General Counsel

Committee Note

The Political Subdivisions Interim Committee recommended this bill.