

**Representative Darin G. Peterson** proposes the following substitute bill:

**LIMITED PURPOSE LOCAL GOVERNMENT**

**AGENCIES AMENDMENTS**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Darin G. Peterson**

**This act modifies provisions related to redevelopment agencies by having the 20% housing allowance requirement apply only to redevelopment project area budgets that provide for more than \$100,000 of annual tax increment to be paid to the agency.**

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

AMENDS:

**17B-4-504**, as enacted by Chapter 133, Laws of Utah 2001

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

Section 1. Section **17B-4-504** is amended to read:

**17B-4-504. Part of tax increment funds to be used for housing -- Waiver of requirement.**

(1) (a) Except as provided in Subsection (1)(b)[~~;~~]:

(i) each project area budget adopted [~~on or after~~] between May 1, 2000, and April 30, 2002, that provides for more than \$100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax increment for housing as provided in Section 17B-4-1010[~~;~~]; and

(ii) for redevelopment project areas, each redevelopment project area budget adopted on or after May 1, 2002, that provides for more than \$100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax increment for housing as provided in Section 17B-4-1010.

(b) The 20% requirement of Subsection (1)(a) may be waived in part or whole by the



26 mutual consent of the trust fund board and the taxing entity committee if they determine that 20%  
27 of tax increment is more than is needed to address the community's need for income targeted  
28 housing, as defined in Section 17B-4-1010.

29 (2) A project area budget not required under Subsection (1)(a) to allocate tax increment  
30 for housing may allocate 20% of tax increment payable to the agency over the life of the project  
31 area for housing as provided in Section 17B-4-1010 if the project area budget is under a project  
32 area plan that is adopted on or after July 1, 1998.

33 Section 2. Section **17B-4-505** is amended to read:

34 **17B-4-505. Consent of taxing entity committee.**

35 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), each agency  
36 shall obtain the consent of the taxing entity committee for each project area budget under a  
37 post-June 30, 1993 project area plan before the agency may collect any tax increment from the  
38 project area.

39 (b) For a project area budget adopted from July 1, 1998 through May 1, 2000 that allocates  
40 20% or more of the tax increment for housing as provided in Section 17B-4-1010, an agency:

41 (i) need not obtain the consent of the taxing entity committee for the project area budget;

42 and

43 (ii) may not collect any tax increment from all or part of the project area until after:

44 (A) the trust fund board has certified the project area budget as complying with the  
45 requirements of Section 17B-4-1010; and

46 (B) the agency board has approved and adopted the project area budget by a two-thirds  
47 vote.

48 (2) (a) Before a taxing entity committee may consent to a project area budget adopted [~~on~~  
49 ~~or after~~] between May 1, 2000, and April 30, 2002, or to a redevelopment project area budget  
50 adopted on or after May 1, 2002, that is required under Subsection 17B-4-504(1)(a) to allocate  
51 20% of tax increment for housing, the agency shall:

52 (i) adopt a housing plan showing the uses for the housing funds; and

53 (ii) provide a copy of the housing plan to the taxing entity committee and the trust fund  
54 board.

55 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency shall  
56 provide a copy of the amendment to the taxing entity committee and the trust fund board.