

**REDEVELOPMENT AGENCIES - TAX
INCREMENT AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Greg J. Curtis

This act modifies the Redevelopment Agencies Act to repeal a provision authorizing the use of specified tax increment funds for the construction of an underpass. The act provides for the use of specified tax increment funds for cable television and telecommunications facilities and equipment and clarifies a limitation on the agency's authority with respect to cable television service and public telecommunications service. The act extends the date before which construction on certain projects must begin in order to receive specified tax increment funds. The act extends the authority to use specified tax increment to agencies established by other than first or second class cities and cities located in other than a first class county. The act also makes technical changes.

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

AMENDS:

17B-4-1003, as enacted by Chapter 133, Laws of Utah 2001

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

Section 1. Section **17B-4-1003** is amended to read:

17B-4-1003. Tax increment under a pre-July 1, 1993 project area plan.

- (1) This section applies to tax increment under a pre-July 1, 1993 project area plan only.
- (2) (a) Beginning with the first tax year after April 1, 1983 for which an agency accepts tax increment, an agency may be paid:
 - (i) (A) for the first through the fifth tax years, 100% of tax increment;
 - (B) for the sixth through the tenth tax years, 80% of tax increment;
 - (C) for the eleventh through the fifteenth tax years, 75% of tax increment;
 - (D) for the sixteenth through the twentieth tax years, 70% of tax increment; and
 - (E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or

(ii) for an agency that has caused a taxing entity committee to be created under Subsection 17B-4-1002(1), any percentage of tax increment up to 100% and for any length of time that the taxing entity committee approves.

(b) Notwithstanding any other provision of this section:

(i) an agency may be paid 100% of tax increment from a project area for 32 years after April 1, 1983 to pay principal and interest on agency indebtedness incurred before April 1, 1983, even though the size of the project area from which tax increment is paid to the agency exceeds 100 acres of privately owned property under a project area plan adopted on or before April 1, 1983; and

(ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983 may be refinanced and paid from 100% of tax increment if the principal amount of the debt is not increased in the refinancing.

(3) (a) For purposes of this Subsection (3), "additional tax increment" means the difference between 100% of tax increment for a tax year and the amount of tax increment an agency is paid for that tax year under the percentages and time periods specified in Subsection (2)(a).

(b) Notwithstanding the tax increment percentages and time periods in Subsection (2)(a) and Subsection 17B-4-403(1)(m)(i), an agency [~~established by the legislative body of a city of the first or second class or by a city that is located in a county of the first class~~] may be paid additional tax increment for a period ending 32 years after the first tax year after April 1, 1983 for which the agency receives tax increment from the project area if:

(i) (A) the additional tax increment is used solely to pay all or part of the value of the land for and the cost of the installation and construction of a publicly or privately owned convention center or sports complex or any building, facility, structure, or other improvement related to the convention center or sports complex, including parking and infrastructure improvements;

(B) construction of the convention center or sports complex or related building, facility, structure, or other improvement is commenced on or before June 30, 2002;

(C) the additional tax increment is pledged to pay all or part of the value of the land for and the cost of the installation and construction of the convention center or sports complex or related building, facility, structure, or other improvement; and

(D) the agency board and the community legislative body have determined by resolution that the convention center or sports complex is:

(I) within and a benefit to a project area;

(II) not within but still a benefit to a project area; or

(III) within a project area in which substantially all of the land is publicly owned and a benefit to the community[-];

(ii) (A) the additional tax increment is used to pay some or all of the cost of the land for and installation and construction of a recreational facility, as defined in Section 59-12-702, or a cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility, whether or not the facility is located within a project area;

(B) construction of the recreational or cultural facility is commenced on or before June 30, [2002] 2006; and

(C) the additional tax increment is pledged on or before June 30, [2002] 2006 to pay all or part of the cost of the land for and the installation and construction of the recreational or cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility;

(iii) [~~(A)~~] the additional tax increment is used [~~solely~~] to pay all or part of the cost of [~~the installation and construction of an underpass that has not received funding from the Centennial Highway Fund under Section 72-2-118 as part of the construction of Interstate 15, whether or not the underpass is located within a project area~~] acquiring, constructing, extending, maintaining, or repairing lines, facilities, and equipment for providing cable television service and public telecommunications service, as defined in Section 10-18-102, whether or not the lines, facilities, and equipment are located within a project area and subject to Subsection (3)(d);

[~~(B) construction of the underpass is commenced on or before June 30, 2002; and~~]

[~~(C) the additional tax increment is pledged on or before June 30, 2002 to pay all or part~~

of the cost of the installation and construction of the underpass;]

(iv) (A) the additional tax increment is used solely to pay all or part of the cost of the installation, construction, or reconstruction of the [~~10000 South underpass or the~~] 11400 South or 12300 South interchange on I-15 in Salt Lake County, whether or not the [~~underpass~~] interchange is located within a project area;

(B) construction on the [~~underpass or~~] interchange is commenced on or before June 30, [~~2002~~] 2006; and

(C) the additional tax increment is pledged on or before June 30, [~~2002~~] 2006 to pay all or part of the cost of the installation, construction, or reconstruction of the [~~underpass or~~] interchange; or

(v) (A) the additional tax increment is used solely to pay part of the cost of relocating an agriculture related business, except a relocation resulting from the agency's exercise of eminent domain, from a city of the first class to another location within a county of the third, fourth, fifth, or sixth class, whether or not the agriculture related business is located within or is being relocated to a project area;

(B) the process of relocating the agriculture related business is commenced on or before December 31, 2002; and

(C) the additional tax increment is pledged on or before December 31, 2002 to pay part of the cost of relocating the agriculture related business.

(c) Notwithstanding Subsection (3)(b), a school district may not, without its consent, be paid less tax increment because of application of Subsection (3)(b) than it would have been paid without that subsection.

(d) (i) Notwithstanding Title 10, Chapter 18, Municipal Cable Television and Public Telecommunications Services, an agency whose tax increment is used under Subsection (3)(b)(iii) may not provide cable television service or public telecommunications service, as defined in Section 10-18-102.

(ii) Each agency that uses tax increment under Subsection (3)(b)(iii) shall provide the services it provides using that tax increment in a nonpreferential and nondiscriminatory manner.

(4) Notwithstanding any other provision of this section, an agency may use tax increment received under Subsection (2) for any of the uses indicated in Subsection (3).