

1 **REDEVELOPMENT AGENCIES - TAX**

2 **INCREMENT AMENDMENTS**

3 2003 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Greg J. Curtis**

6 **This act modifies the Redevelopment Agencies Act to repeal a provision authorizing the**
7 **use of specified tax increment funds for the construction of an underpass. The act**
8 **provides for the use of specified tax increment funds for telecommunications facilities and**
9 **equipment. The act extends the date before which construction on certain projects must**
10 **begin in order to receive specified tax increment funds. The act also makes technical**
11 **changes.**

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

13 AMENDS:

14 **17B-4-1003**, as enacted by Chapter 133, Laws of Utah 2001

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

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

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

18 (1) This section applies to tax increment under a pre-July 1, 1993 project area plan
19 only.

20 (2) (a) Beginning with the first tax year after April 1, 1983 for which an agency accepts
21 tax increment, an agency may be paid:

22 (i) (A) for the first through the fifth tax years, 100% of tax increment;

23 (B) for the sixth through the tenth tax years, 80% of tax increment;

24 (C) for the eleventh through the fifteenth tax years, 75% of tax increment;

25 (D) for the sixteenth through the twentieth tax years, 70% of tax increment; and

26 (E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or

27 (ii) for an agency that has caused a taxing entity committee to be created under



28 Subsection 17B-4-1002(1), any percentage of tax increment up to 100% and for any length of
29 time that the taxing entity committee approves.

30 (b) Notwithstanding any other provision of this section:

31 (i) an agency may be paid 100% of tax increment from a project area for 32 years after
32 April 1, 1983 to pay principal and interest on agency indebtedness incurred before April 1,
33 1983, even though the size of the project area from which tax increment is paid to the agency
34 exceeds 100 acres of privately owned property under a project area plan adopted on or before
35 April 1, 1983; and

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

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

43 (b) Notwithstanding the tax increment percentages and time periods in Subsection
44 (2)(a) and Subsection 17B-4-403(1)(m)(i), an agency established by the legislative body of a
45 city of the first or second class or by a city that is located in a county of the first class may be
46 paid additional tax increment for a period ending 32 years after the first tax year after April 1,
47 1983 for which the agency receives tax increment from the project area if:

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

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

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

58 (D) the agency board and the community legislative body have determined by

59 resolution that the convention center or sports complex is:

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

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

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

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

68 (B) construction of the recreational or cultural facility is commenced on or before June
69 30, [2002] 2006; and

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

74 (iii) [(A)] the additional tax increment is used [solely] to pay all or part of the cost of
75 [the installation and construction of an underpass that has not received funding from the
76 Centennial Highway Fund under Section 72-2-118 as part of the construction of Interstate 15,
77 whether or not the underpass is located within a project area] acquiring, constructing,
78 extending, maintaining, or repairing lines, facilities, and equipment for providing public
79 telecommunications service, as defined in Section 10-18-102, subject to limitations contained
80 in Title 10, Chapter 18, Municipal Cable Television and Public Telecommunications Services
81 Act;

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

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

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

89 (B) construction on the [~~underpass or~~] interchange is commenced on or before June 30,

90 [2002] 2006; and

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

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

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

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

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

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

Legislative Review Note
as of 2-5-03 4:35 PM

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

Office of Legislative Research and General Counsel

Fiscal Note

Redevelopment Agencies - Tax Increment Amendments

17-Feb-03

Bill Number HB027211:05 AM

State Impact

Passage of this bill could change the use of existing RDA incremental financing. There should be no net fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst