

Representative John Dougall proposes the following substitute bill:

REDEVELOPMENT AGENCY CHANGES

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: John Dougall

LONG TITLE

General Description:

This bill modifies provisions of the Redevelopment Agencies Act.

Highlighted Provisions:

This bill:

- ▶ enacts a definition of participating taxing entity;
- ▶ modifies the definition of tax increment to include property tax only from taxing entities who elect to have their taxes paid to and used by an agency; and
- ▶ modifies the composition of the taxing entity committee to include only representatives from taxing entities who elect to have their tax increment paid to and used by an agency.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17B-4-102, as last amended by Chapter 256, Laws of Utah 2003

17B-4-1002, as last amended by Chapter 205, Laws of Utah 2002



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

27 Section 1. Section **17B-4-102** is amended to read:

28 **17B-4-102. Definitions.**

29 (1) "Agency" means a separate body corporate and politic, created under Section
30 17B-4-201 or previous law, that is a political subdivision of the state, that is created to
31 undertake or promote redevelopment, economic development, or education housing
32 development, or any combination of them, as provided in this chapter, and whose geographic
33 boundaries are coterminous with:

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

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

36 (2) "Assessment property owner" or "assessment owner of property" means the owner
37 of real property as shown on the assessment roll of the county in which the property is located,
38 equalized as of the previous November 1.

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

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

43 (a) for a pre-July 1, 1993 project area plan, the effective date of the project area plan;

44 or

45 (b) for a post-June 30, 1993 project area plan:

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

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

48 later of:

49 (A) the date the project area plan is adopted by the community legislative body; and

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

51 (5) "Blight" or "blighted" means the condition of an area that meets the requirements of
52 Subsection 17B-4-604(1).

53 (6) "Blight hearing" means a public hearing under Subsection 17B-4-601~~(3)~~(1)(c) and
54 Section 17B-4-603 regarding the existence or nonexistence of blight within the proposed
55 redevelopment project area.

56 (7) "Blight study" means a study to determine the existence or nonexistence of blight

57 within a survey area as provided in Section 17B-4-602.

58 (8) "Board" means the governing body of an agency, as provided in Section 17B-4-203.

59 (9) "Budget hearing" means the public hearing on a draft project area budget required
60 under Subsection 17B-4-501(2)(e).

61 (10) "Community" means a county, city, or town.

62 (11) "Economic development" means to promote the creation or retention of public or
63 private jobs within the state through:

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

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

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

70 (13) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
71 established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

72 (14) "Participating taxing entity" means a taxing entity:

73 (a) some or all of whose area is included within a project area or proposed project area;
74 and

75 (b) that elects in writing to have tax increment it generates paid to and used by an
76 agency.

77 [~~(14)~~] (15) "Plan hearing" means the public hearing on a draft project area plan
78 required under Subsection 17B-4-402(1)(e).

79 [~~(15)~~] (16) "Post-June 30, 1993 project area plan" means a redevelopment, economic
80 development, or education housing development project area plan adopted on or after July 1,
81 1993, whether or not amended subsequent to its adoption.

82 [~~(16)~~] (17) "Pre-July 1, 1993 project area plan" means a redevelopment project area
83 plan adopted before July 1, 1993, whether or not amended subsequent to its adoption.

84 [~~(17)~~] (18) "Private," with respect to real property, means:

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

87 (b) not dedicated to public use.

88 [~~(18)~~] (19) "Project area" means the geographic area described in a project area plan or
89 draft project area plan where the redevelopment, economic development, or education housing
90 development set forth in the project area plan or draft project area plan takes place or is
91 proposed to take place.

92 [~~(19)~~] (20) "Project area budget" means a multiyear projection of annual or cumulative
93 revenues and expenses and other fiscal matters pertaining to a redevelopment, economic
94 development, or education housing development project area that includes:

- 95 (a) the base taxable value of property in the project area;
- 96 (b) the projected tax increment expected to be generated within the project area;
- 97 (c) the amount of tax increment expected to be shared with other taxing entities;
- 98 (d) the amount of tax increment expected to be used to implement the project area plan,
99 including the estimated amount of tax increment to be used for land acquisition, public
100 improvements, infrastructure improvements, and loans, grants, or other incentives to private
101 and public entities;

102 (e) the tax increment expected to be used to cover the cost of administering the project
103 area plan;

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

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

109 [~~(20)~~] (21) "Project area plan" means a written plan under Part 4, Project Area Plan,
110 that, after its effective date, guides and controls the redevelopment, economic development, or
111 education housing development activities within the project area.

112 [~~(21)~~] (22) "Property tax" includes privilege tax and each levy on an ad valorem basis
113 on tangible or intangible personal or real property.

114 [~~(22)~~] (23) "Public entity" means:

- 115 (a) the state, including any of its departments or agencies; or
- 116 (b) a political subdivision of the state, including a county, city, town, school district,
117 special district, local district, or interlocal cooperation entity.

118 [~~(23)~~] (24) "Public input hearing" means the public hearing required under Subsection

119 17B-4-402(1)(h)(ii) regarding a proposed redevelopment project.

120 ~~[(24)]~~ (25) "Record property owner" or "record owner of property" means the owner of
121 real property as shown on the records of the recorder of the county in which the property is
122 located and includes a purchaser under a real estate contract if the contract is recorded in the
123 office of the recorder of the county in which the property is located or the purchaser gives
124 written notice of the real estate contract to the agency.

125 ~~[(25)]~~ (26) "Redevelopment" means the development activities under a project area
126 plan within a redevelopment project area, including:

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

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

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

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

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

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

139 ~~[(26)]~~ (27) "Superfund site":

140 (a) means an area included in the National Priorities List under the Comprehensive
141 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

142 (b) includes an area formerly included in the National Priorities List, as described in
143 Subsection ~~[(26)]~~ (27)(a), but removed from the list following remediation that leaves on site
144 the waste that caused the area to be included in the National Priorities List.

145 ~~[(27)]~~ (28) "Survey area" means an area designated by a survey area resolution for
146 study to determine whether one or more redevelopment projects within the area are feasible.

147 ~~[(28)]~~ (29) "Survey area resolution" means a resolution adopted by the agency board
148 under Subsection 17B-4-401(1)(a) designating a survey area.

149 ~~[(29)]~~ (30) (a) "Tax increment" means, except as provided in Subsection ~~[(29)]~~ (30)(b),

150 the difference between:

151 (i) the amount of property tax revenues generated each tax year by all participating
152 taxing entities from the area within a project area designated in the project area plan as the area
153 from which tax increment is to be collected, using the current assessed value of the property;
154 and

155 (ii) the amount of property tax revenues that would be generated from that same area
156 by participating taxing entities using the base taxable value of the property.

157 (b) "Tax increment" does not include taxes levied and collected under Section
158 59-2-906.1 on or after January 1, 1994 upon the taxable property in the project area unless:

159 (i) the project area plan was adopted before May 4, 1993, whether or not the project
160 area plan was subsequently amended; and

161 (ii) the taxes were pledged to support bond indebtedness or other contractual
162 obligations of the agency.

163 [~~30~~] (31) "Taxing entity" means a public entity that levies a tax on property within a
164 project area or proposed project area.

165 [~~31~~] (32) "Taxing entity committee" means a committee representing the interests of
166 taxing entities, created as provided in Section 17B-4-1002.

167 Section 2. Section **17B-4-1002** is amended to read:

168 **17B-4-1002. Taxing entity committee.**

169 (1) Each agency that adopts or proposes to adopt a post-June 30, 1993 project area plan
170 shall, and any other agency may, cause a taxing entity committee to be created.

171 (2) (a) (i) Each taxing entity committee shall be composed of:

172 (A) if the boundaries of the project area or proposed project area include one or more
173 school districts that are participating taxing entities, two school district representatives
174 appointed as provided in Subsection (2)(a)(ii);

175 (B) (I) in [~~counties~~] a county of the second, third, fourth, fifth, or sixth class that is a
176 participating taxing entity, two representatives appointed by resolution of the legislative body
177 of the county in which the agency is located; or

178 (II) in [~~counties~~] a county of the first class that is a participating taxing entity, two
179 representatives appointed by the county executive of the county in which the agency is located;

180 (C) if the agency was created by a city or town that is a participating taxing entity, two

181 representatives appointed by resolution of the legislative body of that city or town;

182 (D) if the boundaries of the project area or proposed project area include one or more
183 school districts that are participating taxing entities, one representative appointed by the State
184 Board of Education; and

185 (E) one representative selected by majority vote of the legislative bodies or governing
186 boards of all other participating taxing entities that levy a tax on property within the agency's
187 boundaries, to represent the interests of those participating taxing entities on the taxing entity
188 committee.

189 (ii) (A) If the agency boundaries include only one school district that is a participating
190 taxing entity, that school district shall appoint the two school district representatives under
191 Subsection (2)(a)(i)(A).

192 (B) If the agency boundaries include two or more [~~than one~~] school [~~district~~] districts
193 that are participating taxing entities, those school districts shall jointly appoint the two school
194 district representatives under Subsection (2)(a)(i)(A).

195 (b) (i) Each taxing entity committee representative under this Subsection (2) shall be
196 appointed within 30 days after the agency provides notice of the creation of the taxing entity
197 committee.

198 (ii) If a representative is not appointed within the time required under Subsection
199 (2)(b)(i), the agency board may appoint a person to serve on the taxing entity committee in the
200 place of the missing representative until that representative is appointed.

201 (c) (i) A taxing entity committee representative may be appointed for a set term or
202 period of time, as determined by the appointing authority under Subsection (2)(a)(i).

203 (ii) Each taxing entity committee representative shall serve until a successor is
204 appointed and qualified.

205 (d) (i) Upon the appointment of each representative under Subsection (2)(a)(i), whether
206 an initial appointment or an appointment to replace an already serving representative, the
207 appointing authority shall:

208 (A) notify the agency in writing of the name and address of the newly appointed
209 representative; and

210 (B) provide the agency a copy of the resolution making the appointment or, if the
211 appointment is not made by resolution, other evidence of the appointment.

212 (ii) Each appointing authority of a taxing entity committee representative under
213 Subsection (2)(a)(i) shall notify the agency in writing of any change of address of a
214 representative appointed by that appointing authority.

215 (3) A taxing entity committee represents all taxing entities regarding a project area and
216 may:

217 (a) cast votes that will be binding on all taxing entities;

218 (b) negotiate with the agency concerning a draft project area plan;

219 (c) approve or disapprove a project area budget as provided in Section 17B-4-505;

220 (d) approve or disapprove amendments to a project area budget as provided in Section
221 17B-4-507;

222 (e) approve exceptions to the limits on the value and size of a project area imposed
223 under this chapter;

224 (f) approve exceptions to the percentage of tax increment and the period of time that
225 tax increment is paid to the agency as provided in this part;

226 (g) approve the use of tax increment for access and utilities outside of a project area
227 that the agency and community legislative body determine to be of benefit to the project area,
228 as provided in Subsection 17B-4-1007(1)(a)(ii)(D);

229 (h) waive the restrictions imposed by Subsection 17B-4-503(2)(a); and

230 (i) give other taxing entity committee approval or consent required or allowed under
231 this chapter.

232 (4) A quorum of a taxing entity committee consists of[:] a majority of all members.

233 [~~(a) except as provided in Subsection (4)(b):~~]

234 [~~(i) if the project area is located within a city or town, five members; or~~]

235 [~~(ii) if the project area is not located within a city or town, four members; or~~]

236 [~~(b) for an education housing development project area as to which the school district
237 has elected under Subsection 17B-4-1004(5) not to allow the agency to be paid tax increment
238 from school district tax revenues:~~]

239 [~~(i) if the project area is located within a city or town, three members; or~~]

240 [~~(ii) if the project area is not located within a city or town, two members:~~]

241 (5) Taxing entity committee approval, consent, or other action requires the affirmative
242 vote of a majority of a quorum present at a taxing entity committee meeting.

243 (6) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and
244 Public Meetings.

245 (7) Each time a school district representative or a representative of the State Board of
246 Education votes as a member of a taxing entity committee to allow an agency to be paid tax
247 increment or to increase the amount or length of time that an agency may be paid tax
248 increment, that representative shall, within 45 days after the vote, provide to the
249 representative's respective school board an explanation in writing of the representative's vote
250 and the reasons for the vote.

251 (8) (a) The assessor of each county in which the agency is located shall provide a
252 written report to the taxing entity committee stating, with respect to property within each
253 project area:

254 (i) the base taxable value, as adjusted by any adjustments under Section 17B-4-1006;
255 and

256 (ii) the assessed value.

257 (b) With respect to the information required under Subsection (8)(a), the assessor shall
258 provide:

259 (i) actual amounts for each year from the adoption of the project area plan to the time
260 of the report; and

261 (ii) estimated amounts for each year beginning the year after the time of the report and
262 ending the time that the agency expects no longer to be paid tax increment from property
263 within the project area.

264 (c) The assessor of the county in which the agency is located shall provide a report
265 under this Subsection (8):

266 (i) at least annually; and

267 (ii) upon request of the taxing entity committee, before a taxing entity committee
268 meeting at which the committee will consider whether to allow the agency to be paid tax
269 increment or to increase the amount or length of time that the agency may be paid tax
270 increment.