

Senator Curtis S. Bramble proposes the following substitute bill:

REDEVELOPMENT AGENCY AMENDMENTS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies provisions of the Redevelopment Agencies Act.

Highlighted Provisions:

This bill:

- ▶ prohibits a redevelopment agency from adopting a project area plan for a redevelopment project from July 1, 2005 through June 30, 2006 unless a blight study has been commissioned and completed by certain dates;
- ▶ eliminates a requirement for approval from affected taxing entities and the taxing entity committee for project area plan amendments that provide for tax increment to be paid for a longer period of time than allowed under the adopted project area plan;
- ▶ requires an agency's finding of blight to be approved by the taxing entity committee;
- ▶ shifts the authority to appoint taxing entity committee representatives in counties of the first class from the county executive to the county legislative body;
- ▶ modifies a date by which construction of a recreational or cultural facility must begin in order for an agency to be paid additional tax increment for the facility;
- ▶ eliminates provisions authorizing additional tax increment to be paid to an agency to pay for cable television and public telecommunications service, an I-15 interchange, and the relocation of an agriculture related business;
- ▶ prohibits tax increment under a post-June 30, 1993 project area plan from being



26 paid to an agency for more than 25 years, eliminating taxing entity committee consent as a
27 basis for allowing an agency to be paid tax increment for more than 25 years;

28 ▶ eliminates a provision that allows a city of the first or second class to use tax
29 increment from one project area in another project area to pay for a convention
30 center or sports complex; and

31 ▶ prohibits an agency from using tax increment to pay for a stadium or arena.

32 **Monies Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **17B-4-102**, as last amended by Chapter 256, Laws of Utah 2003

39 **17B-4-402**, as last amended by Chapter 205, Laws of Utah 2002

40 **17B-4-403**, as last amended by Chapter 256, Laws of Utah 2003

41 **17B-4-411**, as last amended by Chapter 205, Laws of Utah 2002

42 **17B-4-601**, as enacted by Chapter 133, Laws of Utah 2001

43 **17B-4-602**, as last amended by Chapter 256, Laws of Utah 2003

44 **17B-4-603**, as last amended by Chapter 205, Laws of Utah 2002

45 **17B-4-604**, as last amended by Chapter 256, Laws of Utah 2003

46 **17B-4-605**, as enacted by Chapter 133, Laws of Utah 2001

47 **17B-4-1002**, as last amended by Chapter 205, Laws of Utah 2002

48 **17B-4-1003**, as last amended by Chapter 191, Laws of Utah 2003

49 **17B-4-1004**, as last amended by Chapter 205, Laws of Utah 2002

50 **17B-4-1007**, as last amended by Chapter 205, Laws of Utah 2002



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

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

54 **17B-4-102. Definitions.**

55 (1) "Agency" means a separate body corporate and politic, created under Section
56 17B-4-201 or previous law, that is a political subdivision of the state, that is created to

57 undertake or promote redevelopment, economic development, or education housing
58 development, or any combination of them, as provided in this chapter, and whose geographic
59 boundaries are coterminous with:

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

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

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

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

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

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

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

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

73 (ii) if no taxing entity committee approval is required for the project area budget, the
74 later of:

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

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

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

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

82 (7) "Blight study" means a study to determine the existence or nonexistence of blight
83 within a survey area as provided in Section 17B-4-602.

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

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

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

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

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

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

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

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

98 (14) "Plan hearing" means the public hearing on a draft project area plan required
99 under Subsection 17B-4-402(1)(e).

100 (15) "Post-June 30, 1993 project area plan" means a redevelopment, economic
101 development, or education housing development project area plan adopted on or after July 1,
102 1993, whether or not amended subsequent to its adoption.

103 (16) "Pre-July 1, 1993 project area plan" means a redevelopment project area plan
104 adopted before July 1, 1993, whether or not amended subsequent to its adoption.

105 (17) "Private," with respect to real property, means:

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

108 (b) not dedicated to public use.

109 (18) "Project area" means the geographic area described in a project area plan or draft
110 project area plan where the redevelopment, economic development, or education housing
111 development set forth in the project area plan or draft project area plan takes place or is
112 proposed to take place.

113 (19) "Project area budget" means a multiyear projection of annual or cumulative
114 revenues and expenses and other fiscal matters pertaining to a redevelopment, economic
115 development, or education housing development project area that includes:

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

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

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

119 (d) the amount of tax increment expected to be used to implement the project area plan,
120 including the estimated amount of tax increment to be used for land acquisition, public
121 improvements, infrastructure improvements, and loans, grants, or other incentives to private
122 and public entities;

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

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

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

130 (20) "Project area plan" means a written plan under Part 4, Project Area Plan, that, after
131 its effective date, guides and controls the redevelopment, economic development, or education
132 housing development activities within the project area.

133 (21) "Property tax" includes privilege tax and each levy on an ad valorem basis on
134 tangible or intangible personal or real property.

135 (22) "Public entity" means:

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

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

139 (23) "Public input hearing" means the public hearing required under Subsection
140 17B-4-402(1)(h)(ii) regarding a proposed redevelopment project.

141 (24) "Record property owner" or "record owner of property" means the owner of real
142 property as shown on the records of the recorder of the county in which the property is located
143 and includes a purchaser under a real estate contract if the contract is recorded in the office of
144 the recorder of the county in which the property is located or the purchaser gives written notice
145 of the real estate contract to the agency.

146 (25) "Redevelopment" means the development activities under a project area plan
147 within a redevelopment project area, including:

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

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

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

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

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

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

160 (26) "Superfund site":

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

163 (b) includes an area formerly included in the National Priorities List, as described in
164 Subsection (26)(a), but removed from the list following remediation that leaves on site the
165 waste that caused the area to be included in the National Priorities List.

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

168 (28) "Survey area resolution" means a resolution adopted by the agency board under
169 Subsection 17B-4-401(1)(a) designating a survey area.

170 (29) (a) "Tax increment" means, except as provided in Subsection (29)(b), the
171 difference between:

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

175 (ii) the amount of property tax revenues that would be generated from that same area
176 using the base taxable value of the property.

177 (b) "Tax increment" does not include taxes levied and collected under Section
178 59-2-906.1 on or after January 1, 1994 upon the taxable property in the project area unless:

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

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

183 (30) "Taxing entity" means a public entity that levies a tax on property within a project
184 area or proposed project area.

185 (31) "Taxing entity committee" means a committee representing the interests of taxing
186 entities, created as provided in Section 17B-4-1002.

187 Section 2. Section **17B-4-402** is amended to read:

188 **17B-4-402. Process for adopting project area plan -- Prerequisites -- Restrictions.**

189 (1) In order to adopt a project area plan, after adopting a resolution under Subsection
190 17B-4-401(1) the agency shall:

191 (a) prepare a draft of a project area plan and conduct any examination, investigation,
192 and negotiation regarding the project area plan that the agency considers appropriate;

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

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

197 (d) provide notice of the plan hearing as provided in Sections 17B-4-702 and
198 17B-4-704;

199 (e) hold a public hearing on the draft project area plan and, at that public hearing:

200 (i) allow public comment on:

201 (A) the draft project area plan; and

202 (B) whether the draft project area plan should be revised, approved, or rejected; and

203 (ii) receive all written and hear all oral objections to the draft project area plan;

204 (f) before holding the plan hearing, provide an opportunity for the State Board of
205 Education and each taxing entity that levies a tax on property within the proposed project area
206 to consult with the agency regarding the draft project area plan;

207 (g) if applicable, hold the election required under Subsection 17B-4-406(3);

208 (h) for a redevelopment project area plan:

209 (i) comply with the requirements of Part 6, Blight Determination in Redevelopment
210 Project Areas;

211 (ii) before providing notice of the plan hearing, hold at least one public hearing to:

- 212 (A) inform the public about each area being considered for a redevelopment project
213 area; and
- 214 (B) allow public input into agency deliberations on proposing each redevelopment
215 project area;
- 216 (iii) select one or more project areas comprising part or all of the survey area; and
217 (iv) before sending the first notice to assessment owners of property for a public input
218 hearing, blight hearing, or combined public input and blight hearing, prepare and adopt
219 guidelines setting forth and governing the reasonable opportunities of record property owners
220 and tenants to participate in the redevelopment;
- 221 (i) after holding the plan hearing, at the same meeting or at a subsequent meeting
222 consider:
- 223 (i) the oral and written objections to the draft project area plan and evidence and
224 testimony for or against adoption of the draft project area plan; and
225 (ii) whether to revise, approve, or reject the draft project area plan;
- 226 (j) subject to Subsection (5), approve the draft project area plan, with or without
227 revisions, as the project area plan by a resolution that complies with Section 17B-4-407; and
228 (k) submit the project area plan to the community legislative body for adoption.
- 229 (2) An agency may not propose a project area plan under Subsection (1) unless the
230 community in which the proposed project area is located:
- 231 (a) has a planning commission; and
232 (b) has adopted a general plan under:
- 233 (i) if the community is a city or town, Title 10, Chapter 9, Part 3, General Plan; or
234 (ii) if the community is a county, Title 17, Chapter 27, Part 3, General Plan.
- 235 (3) (a) Subject to Subsection (3)(b), an agency board may not approve a project area
236 plan more than one year after:
- 237 (i) for a redevelopment project area plan involving the use of eminent domain,
238 adoption of a resolution making a finding of blight under Subsection
239 17B-4-601[~~(4)(b)~~](1)(d)(ii); or
240 (ii) for an economic development or education housing development project area plan,
241 the date of the plan hearing.
- 242 (b) If a project area plan is submitted to an election under Subsection 17B-4-406(3),

243 the time between the plan hearing and the date of the election does not count for purposes of
244 calculating the year period under Subsection (3)(a).

245 (4) (a) Except as provided in Subsection (4)(b), a draft project area plan may not be
246 modified to add real property to the proposed project area unless the board holds a plan hearing
247 to consider the addition and gives notice of the plan hearing as required under Sections
248 17B-4-702 and 17B-4-704.

249 (b) The notice and hearing requirements under Subsection (4)(a) do not apply to a draft
250 project area plan being modified to add real property to the proposed project area if:

251 (i) the property is contiguous to the property already included in the proposed project
252 area under the draft project area plan;

253 (ii) the record owner of the property consents to adding the real property to the
254 proposed project area; and

255 (iii) for a redevelopment project area, the property is located within the survey area.

256 (5) From July 1, 2005, through June 30, 2006, an agency may not adopt a project area
257 plan for a redevelopment project unless:

258 (a) before February 15, 2005, the agency has commissioned a blight study; and

259 (b) the blight study commissioned before February 15, 2005, is completed before July
260 1, 2005.

261 Section 3. Section **17B-4-403** is amended to read:

262 **17B-4-403. Project area plan requirements.**

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

264 (a) describe the boundaries of the project area;

265 (b) contain a general statement of the land uses, layout of principal streets, population
266 densities, and building intensities of the project area and how they will be affected by the
267 redevelopment, economic development, or education housing development;

268 (c) state the standards that will guide the redevelopment, economic development, or
269 education housing development;

270 (d) show how the purposes of this chapter will be attained by the redevelopment,
271 economic development, or education housing development;

272 (e) be consistent with the general plan of the community in which the project area is
273 located and show that the redevelopment, economic development, or education housing

274 development will conform to the community's general plan;
275 (f) if the agency board made a finding of blight under Subsection
276 17B-4-601[(4)(b)](1)(d)(ii):
277 (i) describe how the redevelopment will reduce or eliminate blight in the project area;
278 and
279 (ii) if the agency is to have the power of eminent domain under the project area plan:
280 (A) provide record owners of property located within the redevelopment project area
281 and their tenants reasonable opportunities to participate in the redevelopment if the record
282 property owner or tenant enters into a participation agreement with the agency;
283 (B) state that the agency has adopted or will adopt guidelines setting forth and
284 governing the opportunities of record property owners and tenants to participate in the
285 redevelopment, as required by Subsection 17B-4-402(1)(h)(iv); and
286 (C) include a plan for the relocation of any families and persons who will be
287 temporarily or permanently displaced from housing facilities in the redevelopment project area;
288 (g) if the project area plan is for economic development, describe how the economic
289 development will create additional jobs;
290 (h) if the project area plan is for education housing development, describe how the
291 education housing development will meet the needs of the community in which the project area
292 is located;
293 (i) describe any specific project or projects that are the object of the proposed
294 redevelopment, economic development, or education housing development;
295 (j) identify how private developers, if any, will be selected to undertake the
296 redevelopment, economic development, or education housing development and identify each
297 private developer currently involved in the redevelopment, economic development, or
298 education housing development process;
299 (k) contain a time limit of no more than three years after adoption of the project area
300 plan for the agency to commence implementation of the project area plan, unless the project
301 area plan is adopted again as if it were an amended project area plan under Section 17B-4-411;
302 (l) if the project area plan authorizes the use of eminent domain, contain a time limit of
303 no more than five years after the effective date of the project area plan for the agency to
304 commence acquisition of property through the use of eminent domain;

- 305 (m) if the project area plan provides for tax increment to be paid to the agency:
- 306 (i) contain a time limit of no more than 25 years for tax increment to be paid to the
- 307 agency from the project area unless the taxing entity committee consents to a longer period;
- 308 and
- 309 (ii) contain a provision that the project area may not exceed 100 acres of private real
- 310 property unless:
- 311 (A) the agency obtains the consent of the taxing entity committee; or
- 312 (B) the project area is a superfund site;
- 313 (n) state the reasons for the selection of the project area;
- 314 (o) describe the physical, social, and economic conditions existing in the project area;
- 315 (p) provide a financial analysis describing the proposed method of financing the
- 316 proposed redevelopment, economic development, or education housing development;
- 317 (q) describe any tax incentives offered private entities for facilities located in the
- 318 project area;
- 319 (r) contain the report and state any recommendations of the community's planning
- 320 commission;
- 321 (s) include an analysis, as provided in Subsection (2), of whether adoption of the
- 322 project area plan is:
- 323 (i) for a redevelopment project area plan, necessary and appropriate to reduce or
- 324 eliminate blight; or
- 325 (ii) for an economic development or education housing development project area plan,
- 326 beneficial under a benefit analysis;
- 327 (t) if any of the existing buildings or uses in the project area are included in or eligible
- 328 for inclusion in the National Register of Historic Places or the State Register, state that the
- 329 agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and
- 330 (u) include other information that the agency determines to be necessary or advisable.
- 331 (2) Each analysis under Subsection (1)(s)(ii) shall consider:
- 332 (a) the benefit of any financial assistance or other public subsidy proposed to be
- 333 provided by the agency, including:
- 334 (i) an evaluation of the reasonableness of the costs of economic development or
- 335 education housing development;

336 (ii) efforts the agency has made or will make to maximize private investment;
337 (iii) the rationale for use of tax increment, including an analysis of whether the
338 proposed development might reasonably be expected to occur in the foreseeable future solely
339 through private investment; and

340 (iv) an estimate of the total amount of tax increment that will be expended in
341 undertaking economic development or education housing development and the length of time
342 for which it will be expended; and

343 (b) the anticipated public benefit to be derived from the economic development or
344 education housing development, including:

- 345 (i) the beneficial influences upon the tax base of the community;
- 346 (ii) the associated business and economic activity likely to be stimulated; and
- 347 (iii) in the case of economic development, the number of jobs or employment
348 anticipated to be generated or preserved.

349 Section 4. Section **17B-4-411** is amended to read:

350 **17B-4-411. Amending the project area plan.**

351 (1) An adopted project area plan may be amended as provided in this section.

352 (2) If an agency proposes to amend an adopted project area plan to enlarge a project
353 area:

354 (a) subject to Subsection (2)(e), the requirements under this part that apply to adopting
355 a project area plan apply equally to the proposed amendment as if it were a project area plan;

356 (b) for a pre-July 1, 1993 project area plan, the base year taxable value for the new area
357 added to the project area shall be determined under Subsection 17B-4-102(4)(a) using the
358 effective date of the amended project area plan;

359 (c) for a post-June 30, 1993 project area plan, the base year taxable value for the new
360 area added to the project area shall be determined under Subsection 17B-4-102(4)(b) using the
361 date of the taxing entity committee's consent referred to in Subsection (2)(f);

362 (d) if the amended plan is to authorize the use of eminent domain within a new area to
363 be added to the project area:

364 (i) before adopting the amended project area plan the agency must make a finding
365 regarding the existence of blight in the new area proposed to be added, following the
366 procedures set forth in Part 6, Blight Determination in Redevelopment Project Areas, of this

367 chapter; and

368 (ii) for the new area added, the time limit of Subsection 17B-4-403(1)(l) may be
369 measured from the effective date of the amendment to the project area plan;

370 (e) if the agency made a finding of the existence of blight regarding the project area as
371 originally adopted:

372 (i) it is not necessary to repeat the requirements of Part 6 of this chapter for the original
373 area; and

374 (ii) regarding the area described in the project area plan as originally adopted, the time
375 limit established by Subsection 17B-4-403(1)(l) for the agency to commence acquisition of
376 property through the use of eminent domain shall not be affected or changed by the
377 amendment; and

378 (f) for a post-June 30, 1993 project area plan, the agency shall obtain the consent of the
379 taxing entity committee before the agency may collect tax increment from the area added to the
380 project area.

381 (3) If a proposed amendment does not propose to enlarge a project area, an agency
382 board may adopt a resolution approving an amendment to an adopted project area plan after:

383 (a) the agency gives notice, as provided in Section 17B-4-702, of the proposed
384 amendment and of the public hearing required by Subsection (3)(b);

385 (b) the agency board holds a public hearing on the proposed amendment that meets the
386 requirements of a plan hearing;

387 (c) the agency obtains the taxing entity committee's consent to the amendment, if the
388 amendment proposes:

389 (i) to enlarge the area within the project area from which tax increment is collected; or

390 (ii) to permit the agency to receive a greater percentage of tax increment [~~or to receive~~
391 ~~tax increment for a longer period of time~~] than allowed under the adopted project area plan;

392 and

393 (iii) for an amendment to a project area plan that was adopted before April 1, 1983, to
394 expand the area from which tax increment is collected to exceed 100 acres of private real
395 property; and

396 (d) the agency obtains the consent of the legislative body or governing board of each
397 taxing entity affected, if the amendment proposes to permit the agency to receive, from less

398 than all taxing entities, a greater percentage of tax increment [~~or to receive tax increment for a~~
399 ~~longer period of time, or both,~~] than allowed under the adopted project area plan.

400 (4) (a) Notwithstanding Subsections (2)(a) and (3) an adopted project area plan may be
401 amended without complying with the notice and public hearing requirements of Subsections
402 (2)(a) and (3)(a) and (b) and without obtaining taxing entity committee approval under
403 Subsection (3)(c)(i) if the amendment:

404 (i) makes a minor adjustment in the legal description of a project area boundary
405 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
406 or

407 (ii) subject to Subsection (4)(b), removes a parcel of real property from a project area
408 because the agency determines that:

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

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

411 (b) An amendment removing a parcel of real property from a project area under
412 Subsection (4)(a)(ii) may not be made without the consent of the record property owner of the
413 parcel being removed.

414 (5) (a) An amendment approved by board resolution under this section may not take
415 effect until adopted by ordinance of the legislative body of the community in which the project
416 area that is the subject of the project area plan being amended is located.

417 (b) Upon a community legislative body passing an ordinance adopting an amendment
418 to a project area plan, the agency whose project area plan was amended shall comply with the
419 requirements of Section 17B-4-410 to the same extent as if the amendment were a project area
420 plan.

421 Section 5. Section **17B-4-601** is amended to read:

422 **17B-4-601. Additional procedure for adopting a redevelopment project area**
423 **plan.**

424 (1) In addition to other applicable requirements for adopting a project area plan, to
425 adopt a redevelopment project area plan the agency shall:

426 [~~(1)~~] (a) cause a blight study to be conducted within the survey area as provided in
427 Section 17B-4-602;

428 [~~(2)~~] (b) provide notice of a blight hearing as required under Part 7, Notice

429 Requirements;

430 [~~(3)~~] (c) hold a blight hearing as provided in Section 17B-4-603; and

431 [~~(4)~~] (d) after the blight hearing has been held, hold a board meeting, either at the same
432 time as the blight hearing or at a subsequent board meeting, at which the board shall:

433 [~~(a)~~] (i) consider:

434 [~~(i)~~] (A) the issue of blight and the evidence and information relating to the existence
435 or nonexistence of blight; and

436 [~~(i)~~] (B) whether adoption of one or more redevelopment project area plans should be
437 pursued; and

438 [~~(b) by resolution~~] (ii) make a finding regarding the existence of blight in the proposed
439 redevelopment project area.

440 (2) The agency's finding of blight under Subsection (1) has no effect until approved by
441 the taxing entity committee.

442 Section 6. Section **17B-4-602** is amended to read:

443 **17B-4-602. Blight study -- Requirements -- Deadline.**

444 (1) Each blight study required under Subsection 17B-4-601(1)(a) shall:

445 (a) provide data so the board and taxing entity committee may determine:

446 (i) whether the conditions described in Subsections 17B-4-604(1)(a)(i) and (ii) exist in
447 part or all of the survey area;

448 (ii) whether the factors listed in Subsection 17B-4-604(1)(a)(iii) are present in the
449 survey area; and

450 (iii) whether the survey area contains a superfund site;

451 (b) include a written report setting forth:

452 (i) the conclusions reached; and

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

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

456 (2) (a) If a blight study is not completed within one year after the adoption of the
457 resolution under Subsection 17B-4-401(1)(a) designating a survey area, the agency may not
458 approve a redevelopment project area plan based on that blight study unless it first adopts a
459 new resolution under Subsection 17B-4-401(1)(a).

460 (b) A new resolution under Subsection (2)(a) shall in all respects be considered to be a
461 resolution under Subsection 17B-4-401(1)(a) adopted for the first time, except that any actions
462 taken toward completing a blight study under the resolution that the new resolution replaces
463 shall be considered to have been taken under the new resolution.

464 Section 7. Section **17B-4-603** is amended to read:

465 **17B-4-603. Blight hearing -- Owners may review evidence of blight.**

466 (1) In each hearing required under Subsection 17B-4-601~~[(3)]~~(1)(c), the agency shall:

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

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

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

473 (ii) present evidence and testimony, including expert testimony, concerning the
474 existence or nonexistence of blight.

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

479 Section 8. Section **17B-4-604** is amended to read:

480 **17B-4-604. Conditions on board determination of blight -- Conditions of blight**
481 **caused by the developer.**

482 (1) An agency board may not make a finding of blight [~~in a resolution~~] under
483 [~~Subsection~~] Section 17B-4-601~~[(4)(b)]~~ unless the board finds that the redevelopment project
484 area:

485 (a) (i) contains buildings or improvements used or intended to be used for residential,
486 commercial, industrial, or other urban purposes, or any combination of those uses;

487 (ii) contains buildings or improvements on at least 50% of the number of parcels of
488 private real property whose acreage is at least 50% of the acreage of the private real property
489 within the proposed redevelopment project area; and

490 (iii) is unfit or unsafe to occupy or may be conducive to ill health, transmission of

491 disease, infant mortality, juvenile delinquency, or crime because of any three or more of the
 492 following factors:

493 (A) defective character of physical construction;

494 (B) high density of population or overcrowding;

495 (C) inadequate ventilation, light, or spacing between buildings;

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

498 (E) economic deterioration or continued disuse;

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

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

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

505 (I) existence of any hazardous or solid waste, defined as any substance defined,
 506 regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste,
 507 pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the
 508 environment under state or federal law or regulation; or

509 (b) is a superfund site.

510 (2) (a) For purposes of Subsection (1), if a developer involved in the redevelopment
 511 project causes a condition listed in Subsection (1)(a)(iii) within the project area, the condition
 512 caused by the developer may not be used in the determination of blight.

513 (b) Subsection (2)(a) does not apply to a condition that was caused by an owner or
 514 tenant who becomes a developer under Section 17B-4-901.

515 Section 9. Section **17B-4-605** is amended to read:

516 **17B-4-605. Challenging a finding of blight -- Time limit -- De novo review.**

517 (1) If the board makes a finding of blight under [~~Subsection~~] Section
 518 17B-4-601[(4)(b)] and that finding is approved by the taxing entity committee, a record owner
 519 of property located within the proposed redevelopment project area may challenge the finding
 520 by filing an action with the district court for the county in which the property is located.

521 (2) Each challenge under Subsection (1) shall be filed within 30 days after the [board's

522 ~~adoption of the resolution containing the] taxing entity committee approves the board's finding~~
523 of blight.

524 (3) In each action under this section:

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

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

527 Section 10. Section **17B-4-1002** is amended to read:

528 **17B-4-1002. Taxing entity committee.**

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

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

532 (A) two school district representatives appointed as provided in Subsection (2)(a)(ii);

533 (B) [~~(F) in counties of the second, third, fourth, fifth, or sixth class,]~~ two representatives
534 appointed by resolution of the legislative body of the county in which the agency is located;

535 [~~or]~~

536 [~~(H) in counties of the first class, two representatives appointed by the county executive~~
537 ~~of the county in which the agency is located,]~~

538 (C) if the agency was created by a city or town, two representatives appointed by
539 resolution of the legislative body of that city or town;

540 (D) one representative appointed by the State Board of Education; and

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

544 (ii) (A) If the agency boundaries include only one school district, that school district
545 shall appoint the two school district representatives under Subsection (2)(a)(i)(A).

546 (B) If the agency boundaries include more than one school district, those school
547 districts shall jointly appoint the two school district representatives under Subsection
548 (2)(a)(i)(A).

549 (b) (i) Each taxing entity committee representative under Subsection (2) shall be
550 appointed within 30 days after the agency provides notice of the creation of the taxing entity
551 committee.

552 (ii) If a representative is not appointed within the time required under Subsection

553 (2)(b)(i), the agency board may appoint a person to serve on the taxing entity committee in the
554 place of the missing representative until that representative is appointed.

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

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

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

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

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

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

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

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

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

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

574 (d) approve or disapprove amendments to a project area budget as provided in Section
575 17B-4-507;

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

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

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

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

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

586 (4) A quorum of a taxing entity committee consists of:

587 (a) except as provided in Subsection (4)(b):

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

589 (ii) if the project area is not located within a city or town, four members; or

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

593 (i) if the project area is located within a city or town, three members; or

594 (ii) if the project area is not located within a city or town, two members.

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

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

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

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

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

610 (ii) the assessed value.

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

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

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

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

620 (i) at least annually; and

621 (ii) upon request of the taxing entity committee, before a taxing entity committee
622 meeting at which the committee will consider whether to allow the agency to be paid tax
623 increment or to increase the amount [~~or length of time~~] that the agency may be paid tax
624 increment.

625 Section 11. Section **17B-4-1003** is amended to read:

626 **17B-4-1003. Tax increment under a pre-July 1, 1993 project area plan.**

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

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

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

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

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

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

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

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

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

640 (i) an agency may be paid 100% of tax increment from a project area for 32 years after
641 April 1, 1983 to pay principal and interest on agency indebtedness incurred before April 1,
642 1983, even though the size of the project area from which tax increment is paid to the agency
643 exceeds 100 acres of privately owned property under a project area plan adopted on or before
644 April 1, 1983; and

645 (ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983

646 may be refinanced and paid from 100% of tax increment if the principal amount of the debt is
647 not increased in the refinancing.

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

652 (b) Notwithstanding the tax increment percentages and time periods in Subsection
653 (2)(a) and Subsection 17B-4-403(1)(m)(i), an agency may be paid additional tax increment for
654 a period ending 32 years after the first tax year after April 1, 1983 for which the agency
655 receives tax increment from the project area if:

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

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

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

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

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

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

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

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

676 (B) construction of the recreational or cultural facility is commenced on or before

677 [~~June 30, 2006~~] December 31, 2005; and

678 (C) the additional tax increment is pledged on or before [~~June 30, 2006~~] July 1, 2005,
679 to pay all or part of the cost of the land for and the installation and construction of the
680 recreational or cultural facility, including parking and infrastructure improvements related to
681 the recreational or cultural facility[;].

682 [~~(iii) the additional tax increment is used to pay all or part of the cost of acquiring,
683 constructing, extending, maintaining, or repairing lines, facilities, and equipment for providing
684 cable television service and public telecommunications service, as defined in Section
685 10-18-102, whether or not the lines, facilities, and equipment are located within a project area
686 and subject to Subsection (3)(d);]~~

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

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

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

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

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

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

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

705 [~~(d) (i) Notwithstanding Title 10, Chapter 18, Municipal Cable Television and Public
706 Telecommunications Services, an agency whose tax increment is used under Subsection
707 (3)(b)(iii) may not provide cable television service or public telecommunications service, as~~

708 ~~defined in Section 10-18-102.]~~

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

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

714 Section 12. Section **17B-4-1004** is amended to read:

715 **17B-4-1004. Tax increment under a post-June 30, 1993 project area plan.**

716 (1) This section applies to tax increment under a post-June 30, 1993 project area plan
717 only.

718 (2) An agency board may provide in the project area budget for the agency to be paid:

719 (a) if 20% of the project area budget is allocated for housing under Section 17B-4-504:

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

721 (ii) 75% of annual tax increment for 24 years; or

722 (iii) if approved by the taxing entity committee, any percentage of tax increment up to
723 100%, or any specified dollar amount, for any period of time; or

724 (b) if 20% of the project area budget is not allocated for housing under Section
725 17B-4-504:

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

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

728 (iii) if approved by the taxing entity committee, any percentage of tax increment up to
729 100%, or any specified dollar amount, for any period of time.

730 (3) (a) An agency may, without the approval of the taxing entity committee, elect to be
731 paid 100% of annual tax increment for each year beyond the periods specified in Subsection (2)
732 to a maximum of 25 years, including the years the agency is paid tax increment under
733 Subsection (2), if:

734 (i) for an agency in a city in which is located all or a portion of an interchange on I-15
735 or that would directly benefit from an interchange on I-15:

736 (A) the tax increment paid to the agency during the additional years is used to pay
737 some or all of the cost of the installation, construction, or reconstruction of:

738 (I) an interchange on I-15, whether or not the interchange is located within a project

739 area; or

740 (II) frontage and other roads connecting to the interchange, as determined by the
741 Department of Transportation created under Section 72-1-201 and the Transportation
742 Commission created under Section 72-1-301, whether or not the frontage or other road is
743 located within a project area; and

744 (B) the installation, construction, or reconstruction of the interchange or frontage and
745 other roads has begun on or before June 30, 2002;

746 (ii) for an agency in a city of the first or second class:

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

752 (B) the installation or construction of the recreational or cultural facility has begun on
753 or before June 30, 2002.

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

756 (c) Notwithstanding Subsection (3)(a), a school district may not, without its consent,
757 receive less tax increment because of application of Subsection (3)(a) than it would have
758 received without that subsection.

759 (4) [~~Unless the taxing entity committee consents, an~~ An] agency may not be paid tax
760 increment from the project area for more than 25 years.

761 (5) (a) A school district that levies a tax on property located within a project area under
762 an education housing development project area plan may elect not to allow the agency to be
763 paid tax increment from the property tax revenues generated by the school district.

764 (b) An election under Subsection (5)(a) shall be made in writing to the agency before
765 the taxing entity committee's approval of the project area budget.

766 (c) If a school district makes an election under this Subsection (5):

767 (i) the agency may not be paid tax increment from property tax revenues generated by
768 the school district; and

769 (ii) the school district representatives and the State Board of Education representative

770 on the taxing entity committee may not vote on any matter concerning the education housing
771 development project area or project area budget.

772 Section 13. Section **17B-4-1007** is amended to read:

773 **17B-4-1007. Allowable uses of tax increment.**

774 (1) (a) An agency may use tax increment:

775 (i) for any of the purposes for which the use of tax increment is authorized under this
776 chapter;

777 (ii) to pay for, including financing or refinancing, all or part of:

778 (A) the redevelopment, economic development, or education housing development in
779 the project area from which the tax increment funds were collected;

780 (B) housing expenditures, projects, or programs as provided in Section 17B-4-1009 or
781 17B-4-1010;

782 (C) with the consent of the community legislative body and subject to Subsection (4),
783 the value of the land for and the cost of the installation and construction of any publicly owned
784 building, facility, structure, landscaping, or other improvement within the project area from
785 which the tax increment funds were collected; and

786 (D) with the consent of the community legislative body and the taxing entity
787 committee, the cost of the installation of publicly owned utilities and access outside the project
788 area from which the tax increment funds were collected if the agency board and the community
789 legislative body determine by resolution that the utilities and access are of benefit to the project
790 area; or

791 (iii) for administrative, overhead, legal, and other operating expenses of the agency.

792 (b) The determination of the agency board and the community legislative body under
793 Subsection (1)(a)(ii)(D) regarding benefit to the project area shall be final and conclusive.

794 (2) (a) An agency may contract with the community that created the agency or another
795 public entity to use tax increment to reimburse the cost of items authorized by this chapter to be
796 paid by the agency that have been or will be paid by the community or other public entity.

797 (b) If land has been or will be acquired or the cost of an improvement has been or will
798 be paid by another public entity and the land or improvement has been or will be leased to the
799 community, an agency may contract with and make reimbursement from tax increment funds to
800 the community.

801 ~~[(3) An agency created by a city of the first or second class may use tax increment from~~
802 ~~one project area in another project area to pay all or part of the value of the land for and the~~
803 ~~cost of installation and construction of a publicly or privately owned convention center or~~
804 ~~sports complex or any building, facility, structure, or other improvement related to the~~
805 ~~convention center or sports complex, including parking and infrastructure improvements, if:]~~

806 ~~[(a) construction on the convention center or sports complex or related building,~~
807 ~~facility, structure, or other improvement begins on or before June 30, 2002; and]~~

808 ~~[(b) the tax increment is pledged to pay all or part of the value of the land for and the~~
809 ~~cost of the installation and construction of the convention center or sports complex or related~~
810 ~~building, facility, structure, or other improvement.]~~

811 ~~[(4)]~~ (3) Notwithstanding any other provision of this chapter, an agency may not use
812 tax increment to construct municipal buildings, courts or other judicial buildings, or fire
813 stations.

814 (4) Notwithstanding any other provision of this chapter, an agency may not use tax
815 increment to pay any of the cost of the land, infrastructure, or construction of a stadium or
816 arena.

Fiscal Note
Bill Number SB0184s01

Redevelopment Agency Amendments

21-Feb-05

11:34 AM

State Impact

Passage of this bill could enhance local revenues over time. There is also the potential that the supply of redevelopment properties will decrease over time. Currently about \$74,000,000 is identified as tax increment for Redevelopment Agencies.

Individual and Business Impact

No significant fiscal impact.

Office of the Legislative Fiscal Analyst