

**Senator Gene Davis** proposes the following substitute bill:

**COMMUNITY DEVELOPMENT AND RENEWAL AMENDMENTS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gene Davis**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends Community Development and Renewal Agencies provisions relating to tax increment for housing.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires that tax increment funds allocated for housing be paid:
  - in the first tax year in which the agency receives tax increment under a project area budget; and
  - each succeeding tax year that the tax increment is collected;
- ▶ requires that an economic development agency review a draft housing project area plan with a draft project area plan; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



26 AMENDS:

27 17C-1-102, as last amended by Laws of Utah 2009, Chapter 387

28 17C-1-204, as last amended by Laws of Utah 2009, Chapter 387

29 17C-1-401, as last amended by Laws of Utah 2009, Chapter 387

30 17C-3-101, as enacted by Laws of Utah 2006, Chapter 359

31 17C-3-102, as enacted by Laws of Utah 2006, Chapter 359

32 17C-3-103, as enacted by Laws of Utah 2006, Chapter 359

33 17C-3-105, as enacted by Laws of Utah 2006, Chapter 359

34 17C-3-403, as enacted by Laws of Utah 2006, Chapter 359

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

37 Section 1. Section 17C-1-102 is amended to read:

38 **17C-1-102. Definitions.**

39 As used in this title:

40 (1) "Adjusted tax increment" means:

41 (a) for tax increment under a pre-July 1, 1993 project area plan, tax increment under  
42 Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and

43 (b) for tax increment under a post-June 30, 1993 project area plan, tax increment under  
44 Section 17C-1-404, excluding tax increment under Section 17C-1-406.

45 (2) "Affordable housing" means housing to be owned or occupied by persons and  
46 families of low or moderate income, as determined by resolution of the agency.

47 (3) "Agency" or "community development and renewal agency" means a separate body  
48 corporate and politic, created under Section 17C-1-201 or as a redevelopment agency under  
49 previous law, that is a political subdivision of the state, that is created to undertake or promote  
50 urban renewal, economic development, or community development, or any combination of  
51 them, as provided in this title, and whose geographic boundaries are coterminous with:

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

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

54 (4) "Annual income" has the meaning as defined under regulations of the U.S.  
55 Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as  
56 superseded by replacement regulations.

- 57 (5) "Assessment roll" has the meaning as defined in Section 59-2-102.
- 58 (6) "Base taxable value" means:
- 59 (a) for an urban renewal or economic development project area, the taxable value of
- 60 the property within a project area from which tax increment will be collected, as shown upon
- 61 the assessment roll last equalized before:
- 62 (i) for a pre-July 1, 1993 project area plan, the effective date of the project area plan;
- 63 (ii) for a post-June 30, 1993 project area plan:
- 64 (A) the date of the taxing entity committee's approval of the first project area budget;
- 65 or
- 66 (B) if no taxing entity committee approval is required for the project area budget, the
- 67 later of:
- 68 (I) the date the project area plan is adopted by the community legislative body; and
- 69 (II) the date the agency adopts the first project area budget;
- 70 (iii) for a project on an inactive industrial site, a year after the date on which the
- 71 inactive industrial site is sold for remediation and development; or
- 72 (iv) for a project on an inactive airport site, a year after the later of:
- 73 (A) the date on which the inactive airport site is sold for remediation and development;
- 74 and
- 75 (B) the date on which the airport that had been operated on the inactive airport site
- 76 ceased operations; and
- 77 (b) for a community development project area, the agreed value specified in a
- 78 resolution or interlocal agreement under Subsection 17C-4-201(2).
- 79 (7) "Basic levy" means the portion of a school district's tax levy constituting the
- 80 minimum basic levy under Section 59-2-902.
- 81 (8) "Blight" or "blighted" means the condition of an area that meets the requirements of
- 82 Subsection 17C-2-303(1).
- 83 (9) "Blight hearing" means a public hearing under Subsection 17C-2-102(1)(a)(i)(C)
- 84 and Section 17C-2-302 regarding the existence or nonexistence of blight within the proposed
- 85 urban renewal project area.
- 86 (10) "Blight study" means a study to determine the existence or nonexistence of blight
- 87 within a survey area as provided in Section 17C-2-301.

88 (11) "Board" means the governing body of an agency, as provided in Section  
89 17C-1-203.

90 (12) "Budget hearing" means the public hearing on a draft project area budget required  
91 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget or Subsection  
92 17C-3-201(2)(d) for an economic development project area budget.

93 (13) "Combined incremental value" means the combined total of all incremental values  
94 from all urban renewal project areas, except project areas that contain some or all of a military  
95 installation or inactive industrial site, within the agency's boundaries under adopted project area  
96 plans and adopted project area budgets at the time that a project area budget for a new urban  
97 renewal project area is being considered.

98 (14) "Community" means a county, city, or town.

99 (15) "Community development" means development activities within a community,  
100 including the encouragement, promotion, or provision of development.

101 (16) "Draft housing project area plan" means a draft economic development project  
102 area plan that includes tax increment for housing.

103 [~~(16)~~] (17) "Economic development" means to promote the creation or retention of  
104 public or private jobs within the state through:

105 (a) planning, design, development, construction, rehabilitation, business relocation, or  
106 any combination of these, within a community; and

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

109 [~~(17)~~] (18) "Fair share ratio" means the ratio derived by:

110 (a) for a city or town, comparing the percentage of all housing units within the city or  
111 town that are publicly subsidized income targeted housing units to the percentage of all  
112 housing units within the whole county that are publicly subsidized income targeted housing  
113 units; or

114 (b) for the unincorporated part of a county, comparing the percentage of all housing  
115 units within the unincorporated county that are publicly subsidized income targeted housing  
116 units to the percentage of all housing units within the whole county that are publicly subsidized  
117 income targeted housing units.

118 [~~(18)~~] (19) "Family" has the meaning as defined under regulations of the U.S.

119 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as  
120 superseded by replacement regulations.

121 ~~[(19)]~~ (20) "Greenfield" means land not developed beyond agricultural or forestry use.

122 ~~[(20)]~~ (21) "Hazardous waste" means any substance defined, regulated, or listed as a  
123 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,  
124 or toxic substance, or identified as hazardous to human health or the environment, under state  
125 or federal law or regulation.

126 ~~[(21)]~~ (22) "Housing funds" means the funds allocated under Section 17C-1-412 in:

127 (a) an urban renewal project area budget [~~under Section 17C-2-203 for the purposes~~  
128 provided in Subsection 17C-1-412(1)]; or

129 (b) an economic development renewal project area budget.

130 ~~[(22)]~~ (23) (a) "Inactive airport site" means land that:

131 (i) consists of at least 100 acres;

132 (ii) is occupied by an airport:

133 (A) (I) that is no longer in operation as an airport; or

134 (II) (Aa) that is scheduled to be decommissioned; and

135 (Bb) for which a replacement commercial service airport is under construction; and

136 (B) that is owned or was formerly owned and operated by a public entity; and

137 (iii) requires remediation because:

138 (A) of the presence of hazardous waste or solid waste; or

139 (B) the site lacks sufficient public infrastructure and facilities, including public roads,  
140 electric service, water system, and sewer system, needed to support development of the site.

141 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land  
142 described in Subsection ~~[(22)]~~ (23)(a).

143 ~~[(23)]~~ (24) (a) "Inactive industrial site" means land that:

144 (i) consists of at least 1,000 acres;

145 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial  
146 facility; and

147 (iii) requires remediation because of the presence of hazardous waste or solid waste.

148 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land  
149 described in Subsection ~~[(23)]~~ (24)(a).

150            [~~(24)~~] (25) "Income targeted housing" means housing to be owned or occupied by a  
151 family whose annual income is at or below 80% of the median annual income for the county in  
152 which the housing is located.

153            [~~(25)~~] (26) "Incremental value" means a figure derived by multiplying the marginal  
154 value of the property located within an urban renewal project area on which tax increment is  
155 collected by a number that represents the percentage of adjusted tax increment from that project  
156 area that is paid to the agency.

157            [~~(26)~~] (27) "Loan fund board" means the Olene Walker Housing Loan Fund Board,  
158 established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

159            [~~(27)~~] (28) "Marginal value" means the difference between actual taxable value and  
160 base taxable value.

161            [~~(28)~~] (29) "Military installation project area" means a project area or a portion of a  
162 project area located within a federal military installation ordered closed by the federal Defense  
163 Base Realignment and Closure Commission.

164            [~~(29)~~] (30) "Plan hearing" means the public hearing on:

165            (a) a draft project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban  
166 renewal project area plan[;];

167            (b) a draft project area plan and draft housing project area plan required under  
168 Subsection 17C-3-102(1)(d) for an economic development project area plan[;]; and

169            (c) a draft project area plan required under Subsection 17C-4-102(1)(d) for a  
170 community development project area plan.

171            [~~(30)~~] (31) "Post-June 30, 1993 project area plan" means a project area plan adopted on  
172 or after July 1, 1993, whether or not amended subsequent to its adoption.

173            [~~(31)~~] (32) "Pre-July 1, 1993 project area plan" means a project area plan adopted  
174 before July 1, 1993, whether or not amended subsequent to its adoption.

175            [~~(32)~~] (33) "Private," with respect to real property, means:

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

178            (b) not dedicated to public use.

179            [~~(33)~~] (34) "Project area" means the geographic area described in a project area plan or  
180 draft project area plan where the urban renewal, economic development, or community

181 development, as the case may be, set forth in the project area plan or draft project area plan  
182 takes place or is proposed to take place.

183 ~~[(34)]~~ (35) "Project area budget" means a multiyear projection of annual or cumulative  
184 revenues and expenses and other fiscal matters pertaining to a urban renewal or economic  
185 development project area that includes:

- 186 (a) the base taxable value of property in the project area;
- 187 (b) the projected tax increment expected to be generated within the project area;
- 188 (c) the amount of tax increment expected to be shared with other taxing entities;
- 189 (d) the amount of tax increment expected to be used to implement the project area plan,  
190 including the estimated amount of tax increment to be used for land acquisition, public  
191 improvements, infrastructure improvements, and loans, grants, or other incentives to private  
192 and public entities;

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

195 (f) if the area from which tax increment is to be collected is less than the entire project  
196 area:

197 (i) the tax identification numbers of the parcels from which tax increment will be  
198 collected; or

199 (ii) a legal description of the portion of the project area from which tax increment will  
200 be collected;

201 (g) for property that the agency owns and expects to sell, the expected total cost of the  
202 property to the agency and the expected selling price; and

203 (h) (i) for an urban renewal project area, the information required under Subsection  
204 17C-2-201(1)(b); and

205 (ii) for an economic development project area, the information required under  
206 Subsection 17C-3-201(1)(b).

207 ~~[(35)]~~ (36) (a) "Project area plan" means a written plan under Chapter 2, Part 1, Urban  
208 Renewal Project Area Plan, Chapter 3, Part 1, Economic Development Project Area Plan, or  
209 Chapter 4, Part 1, Community Development Project Area Plan, as the case may be, that, after  
210 its effective date, guides and controls the urban renewal, economic development, or community  
211 development activities within a project area.

212 (b) "Project area plan" includes a draft housing project area plan if the draft housing  
213 project area plan is approved as the project area plan by an agency under Section 17C-3-102.

214 [~~36~~] (37) "Property tax" includes privilege tax and each levy on an ad valorem basis  
215 on tangible or intangible personal or real property.

216 [~~37~~] (38) "Public entity" means:

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

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

220 [~~38~~] (39) "Publicly owned infrastructure and improvements" means water, sewer,  
221 storm drainage, electrical, and other similar systems and lines, streets, roads, curb, gutter,  
222 sidewalk, walkways, parking facilities, public transportation facilities, and other facilities,  
223 infrastructure, and improvements benefitting the public and to be publicly owned or publicly  
224 maintained or operated.

225 [~~39~~] (40) "Record property owner" or "record owner of property" means the owner of  
226 real property as shown on the records of the recorder of the county in which the property is  
227 located and includes a purchaser under a real estate contract if the contract is recorded in the  
228 office of the recorder of the county in which the property is located or the purchaser gives  
229 written notice of the real estate contract to the agency.

230 [~~40~~] (41) "Superfund site":

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

233 (b) includes an area formerly included in the National Priorities List, as described in  
234 Subsection [~~40~~] (41)(a), but removed from the list following remediation that leaves on site  
235 the waste that caused the area to be included in the National Priorities List.

236 [~~41~~] (42) "Survey area" means an area designated by a survey area resolution for  
237 study to determine whether one or more urban renewal projects within the area are feasible.

238 [~~42~~] (43) "Survey area resolution" means a resolution adopted by the agency board  
239 under Subsection 17C-2-101(1)(a) designating a survey area.

240 [~~43~~] (44) "Taxable value" means the value of property as shown on the last equalized  
241 assessment roll as certified by the county assessor.

242 [~~44~~] (45) (a) "Tax increment" means, except as provided in Subsection [~~44~~] (45)(b),



243 the difference between:

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

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

249 (b) "Tax increment" does not include taxes levied and collected under Section  
250 59-2-1602 on or after January 1, 1994 upon the taxable property in the project area unless:

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

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

255 [~~(45)~~ (46) "Taxing entity" means a public entity that levies a tax on property within a  
256 community.

257 [~~(46)~~ (47) "Taxing entity committee" means a committee representing the interests of  
258 taxing entities, created as provided in Section 17C-1-402.

259 [~~(47)~~ (48) "Unincorporated" means not within a city or town.

260 [~~(48)~~ (49) (a) "Urban renewal" means the development activities under a project area  
261 plan within an urban renewal project area, including:

262 (i) planning, design, development, demolition, clearance, construction, rehabilitation,  
263 environmental remediation, or any combination of these, of part or all of a project area;

264 (ii) the provision of residential, commercial, industrial, public, or other structures or  
265 spaces, including recreational and other facilities incidental or appurtenant to them;

266 (iii) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or  
267 any combination of these, existing structures in a project area;

268 (iv) providing open space, including streets and other public grounds and space around  
269 buildings;

270 (v) providing public or private buildings, infrastructure, structures, and improvements;

271 and

272 (vi) providing improvements of public or private recreation areas and other public  
273 grounds.

274 (b) "Urban renewal" means "redevelopment," as defined under the law in effect before  
275 May 1, 2006, if the context requires.

276 Section 2. Section **17C-1-204** is amended to read:

277 **17C-1-204. Urban renewal, economic development, and community development**  
278 **by an adjoining agency -- Requirements.**

279 (1) An agency or community may, by resolution of its board or legislative body,  
280 respectively, authorize an agency to conduct urban renewal, economic development, or  
281 community development activities in a project area that includes an area within the authorizing  
282 agency's boundaries or within the boundaries of the authorizing community if the project area  
283 or community is contiguous to the boundaries of the other agency.

284 (2) If an agency board or community legislative body adopts a resolution under  
285 Subsection (1) authorizing another agency to undertake urban renewal, economic development,  
286 or community development activities in the authorizing agency's project area or within the  
287 boundaries of the authorizing community:

288 (a) the other agency may act in all respects as if the project area were within its own  
289 boundaries;

290 (b) the board of the other agency has all the rights, powers, and privileges with respect  
291 to the project area as if it were within its own boundaries; and

292 (c) the other agency may be paid tax increment funds to the same extent as if the  
293 project area were within its own boundaries.

294 (3) Each project area plan approved by the other agency for the project area that is the  
295 subject of a resolution under Subsection (1) shall be adopted by ordinance of the legislative  
296 body of the community in which the project area is located.

297 (4) (a) As used in this Subsection (4):

298 (i) "County agency" means an agency that was created by a county.

299 (ii) "Industrial property" means private real property:

300 (A) over half of which is located within the boundary of a town, as defined in Section  
301 10-1-104; and

302 (B) comprises some or all of an inactive industrial site.

303 (iii) "Perimeter portion" means the portion of an inactive industrial site that is:

304 (A) part of the inactive industrial site because it lies within the perimeter described in

305 Subsection 17C-1-102[~~(23)~~](24)(b); and

306 (B) located within the boundary of a city, as defined in Section 10-1-104.

307 (b) (i) Subject to Subsection (4)(b)(ii), a county agency may undertake urban renewal,  
308 economic development, or community development on industrial property if the record  
309 property owner of the industrial property submits a written request to the county agency to do  
310 so.

311 (ii) A county agency may not include a perimeter portion within a project area without  
312 the approval of the city in which the perimeter portion is located.

313 (c) If a county agency undertakes urban renewal, economic development, or  
314 community development on industrial property:

315 (i) the county agency may act in all respects as if the project area that includes the  
316 industrial property were within the county agency's boundary;

317 (ii) the board of the county agency has each right, power, and privilege with respect to  
318 the project area as if the project area were within the county agency's boundary; and

319 (iii) the county agency may be paid tax increment to the same extent as if the project  
320 area were within the county agency's boundary.

321 (d) A project area plan for a project on industrial property that is approved by the  
322 county agency shall be adopted by ordinance of the legislative body of the county in which the  
323 project area is located.

324 Section 3. Section **17C-1-401** is amended to read:

325 **17C-1-401. Agency receipt and use of tax increment and sales tax -- Distribution**  
326 **of tax increment and sales tax.**

327 (1) An agency may receive and use tax increment and sales tax, as provided in this  
328 part.

329 (2) (a) The applicable length of time or number of years for which an agency is to be  
330 paid tax increment or sales tax under this part shall be measured:

331 (i) for a pre-July 1, 1993 project area plan, from the first tax year regarding which the  
332 agency accepts tax increment from the project area;

333 (ii) for a post-June 30, 1993 urban renewal or economic development project area plan,  
334 from the first tax year for which the agency receives tax increment under the project area  
335 budget; or

336 (iii) for a community development project area plan, as indicated in the resolution or  
337 interlocal agreement of a taxing entity that establishes the agency's right to receive tax  
338 increment or sales tax.

339 (b) Tax increment may not be paid to an agency for a tax year prior to the tax year  
340 following:

341 (i) for an urban renewal or economic development project area plan, the effective date  
342 of the project area plan; and

343 (ii) for a community development project area plan, the effective date of the interlocal  
344 agreement that establishes the agency's right to receive tax increment.

345 (c) For a project area plan adopted by a legislative body on or after May 11, 2010, an  
346 agency shall pay tax increment funds allocated for housing funds under Section 17C-1-412:

347 (i) in the first tax year in which the agency receives tax increment under a project area  
348 budget; and

349 (ii) each tax year succeeding the year described in Subsection (2)(c)(i) that the tax  
350 increment is collected.

351 (3) With respect to a community development project area plan:

352 (a) a taxing entity or public entity may, by resolution or through interlocal agreement,  
353 authorize an agency to be paid any or all of that taxing entity or public entity's tax increment or  
354 sales tax for any period of time; and

355 (b) the resolution or interlocal agreement authorizing the agency to be paid tax  
356 increment or sales tax shall specify:

357 (i) the base taxable value of the project area; and

358 (ii) the method of calculating the amount of tax increment or sales tax to be paid to the  
359 agency.

360 (4) With the written consent of a taxing entity, an agency may be paid tax increment,  
361 from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time,  
362 or both, than otherwise authorized under this title.

363 (5) Each county that collects property tax on property within a project area shall pay  
364 and distribute to the agency the tax increment that the agency is entitled to collect under this  
365 title, in the manner and at the time provided in Section 59-2-1365.

366 Section 4. Section **17C-3-101** is amended to read:

367 **17C-3-101. Resolution authorizing the preparation of a draft economic**  
368 **development project area plan -- Request to adopt resolution.**

369 (1) An agency board may begin the process of adopting an economic development  
370 project area plan by adopting a resolution that authorizes the preparation of:

371 (a) a draft project area plan[-]; and

372 (b) a draft housing project area plan.

373 (2) (a) Any person or any group, association, corporation, or other entity may submit a  
374 written request to the board to adopt a resolution under Subsection (1).

375 (b) A request under Subsection (2)(a) may include plans showing the economic  
376 development proposed for an area within the agency's boundaries.

377 (c) The board may, in its sole discretion, grant or deny a request under Subsection  
378 (2)(a).

379 Section 5. Section **17C-3-102** is amended to read:

380 **17C-3-102. Process for adopting an economic development project area plan --**  
381 **Prerequisites -- Restrictions.**

382 (1) In order to adopt an economic development project area plan, after adopting a  
383 resolution under Subsection 17C-3-101(1) the agency shall:

384 (a) (i) prepare a draft [of an economic development] project area plan [and];

385 (ii) prepare a draft housing project area plan; and

386 (iii) conduct any examination, investigation, and negotiation regarding the draft project  
387 area plan and the draft housing project area plan that the agency considers appropriate;

388 (b) make the draft project area plan and the draft housing project area plan available to  
389 the public at the agency's offices during normal business hours;

390 (c) provide notice of the plan hearing as provided in Part 4, Economic Development  
391 Notice Requirements;

392 (d) (i) hold a public hearing [on] to review at the same public hearing:

393 (A) the draft project area plan; and[-, at that]

394 (B) the draft housing project area plan; and

395 (ii) at the public hearing described in Subsection (1)(d)(i):

396 [(+)] (A) allow public comment on:

397 [(A)] (I) the draft project area plan and the draft housing project area plan; and

398            [~~(B)~~] (II) whether the draft project area plan or the draft housing project area plan  
399 should be revised, approved, or rejected; and

400            [~~(ii)~~] (B) receive all written and hear all oral objections to the draft project area plan  
401 and the draft housing project area plan;

402            (e) before holding the plan hearing, provide an opportunity for the State Board of  
403 Education and each taxing entity that levies a tax on property within the proposed project area  
404 to consult with the agency regarding the draft project area plan and the draft housing project  
405 area plan;

406            (f) after holding the plan hearing, at the same meeting or at a subsequent meeting  
407 consider:

408            (i) the oral and written objections to the draft project area plan and the draft housing  
409 project area plan;

410            (ii) evidence and testimony for or against adoption of:

411            (A) the draft project area plan; and

412            (B) the draft housing project area plan; and

413            [~~(ii)~~] (iii) whether to revise, approve, or reject:

414            (A) the draft project area plan; or

415            (B) the draft housing project area plan;

416            (g) approve either the draft project area plan or the draft housing project area plan, with  
417 or without revisions, as the approved project area plan by a resolution that complies with  
418 Section 17C-3-105; and

419            (h) submit the approved project area plan to the community legislative body for  
420 adoption.

421            (2) An agency may not propose a project area plan under Subsection (1) unless the  
422 community in which the proposed project area is located:

423            (a) has a planning commission; and

424            (b) has adopted a general plan under:

425            (i) if the community is a city or town, Title 10, Chapter 9a, Part 4, General Plan; or

426            (ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.

427            (3) An agency board may not approve a project area plan more than one year after the  
428 date of the plan hearing.

429 (4) (a) Except as provided in Subsection (4)(b), a draft project area plan or a draft  
430 housing project area plan may not be modified to add real property to the proposed project area  
431 unless the board holds a plan hearing to consider the addition and gives notice of the plan  
432 hearing as required under Part 4, Economic Development Notice Requirements.

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

436 (i) the property is contiguous to the property already included in the proposed project  
437 area under the draft project area plan; and

438 (ii) the record owner of the property consents to adding the real property to the  
439 proposed project area.

440 Section 6. Section **17C-3-103** is amended to read:

441 **17C-3-103. Economic development project area plan requirements.**

442 (1) Each economic development project area plan [~~and~~], draft project area plan, and  
443 draft housing project area plan shall:

444 (a) describe the boundaries of the project area, subject to Section 17C-1-414, if  
445 applicable;

446 (b) contain a general statement of the land uses, layout of principal streets, population  
447 densities, and building intensities of the project area and how they will be affected by the  
448 economic development;

449 (c) state the standards that will guide the economic development;

450 (d) show how the purposes of this title will be attained by the economic development;

451 (e) be consistent with the general plan of the community in which the project area is  
452 located and show that the economic development will conform to the community's general  
453 plan;

454 (f) describe how the economic development will create additional jobs;

455 (g) describe any specific project or projects that are the object of the proposed  
456 economic development;

457 (h) identify how private developers, if any, will be selected to undertake the economic  
458 development and identify each private developer currently involved in the economic  
459 development process;

- 460 (i) state the reasons for the selection of the project area;
- 461 (j) describe the physical, social, and economic conditions existing in the project area;
- 462 (k) describe any tax incentives offered private entities for facilities located in the
- 463 project area;
- 464 (l) include an analysis, as provided in Subsection (2), of whether adoption of the
- 465 project area plan is beneficial under a benefit analysis;
- 466 (m) if any of the existing buildings or uses in the project area are included in or eligible
- 467 for inclusion in the National Register of Historic Places or the State Register, state that the
- 468 agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and
- 469 (n) include other information that the agency determines to be necessary or advisable.
- 470 (2) Each analysis under Subsection (1)(l) shall consider:
- 471 (a) the benefit of any financial assistance or other public subsidy proposed to be
- 472 provided by the agency, including:
- 473 (i) an evaluation of the reasonableness of the costs of economic development;
- 474 (ii) efforts the agency or developer has made or will make to maximize private
- 475 investment;
- 476 (iii) the rationale for use of tax increment, including an analysis of whether the
- 477 proposed development might reasonably be expected to occur in the foreseeable future solely
- 478 through private investment; and
- 479 (iv) an estimate of the total amount of tax increment that will be expended in
- 480 undertaking economic development and the length of time for which it will be expended; and
- 481 (b) the anticipated public benefit to be derived from the economic development,
- 482 including:
- 483 (i) the beneficial influences upon the tax base of the community;
- 484 (ii) the associated business and economic activity likely to be stimulated; and
- 485 (iii) the number of jobs or employment anticipated to be generated or preserved.

486 Section 7. Section **17C-3-105** is amended to read:

487 **17C-3-105. Board resolution approving an economic development project area**  
488 **plan -- Requirements.**

489 Each board resolution approving a draft [~~economic development~~] project area plan or a  
490 draft housing project area plan as the project area plan under Subsection 17C-3-102(1)(g) shall



491 contain:

492 (1) a legal description of the boundaries of the project area that is the subject of the  
493 project area plan;

494 (2) the agency's purposes and intent with respect to the project area;

495 (3) the project area plan incorporated by reference; and

496 (4) the board findings and determinations that:

497 (a) there is a need to effectuate a public purpose;

498 (b) there is a public benefit under the analysis described in Subsection 17C-3-103(2);

499 (c) it is economically sound and feasible to adopt and carry out the project area plan;

500 (d) the project area plan conforms to the community's general plan; and

501 (e) carrying out the project area plan will promote the public peace, health, safety, and  
502 welfare of the community in which the project area is located.

503 Section 8. Section **17C-3-403** is amended to read:

504 **17C-3-403. Additional requirements for notice of a plan hearing.**

505 Each notice under Section 17C-3-402 of a plan hearing shall include:

506 (1) a statement that any person objecting to [~~the draft project area plan~~] or contesting  
507 the regularity of any of the proceedings to adopt [it] a draft project area plan or a draft housing  
508 project area plan may appear before the agency board at the hearing to show cause why the  
509 draft project area plan or draft housing project area plan should not be adopted; and

510 (2) a statement that the [~~proposed economic development~~] draft project area plan [~~is~~]  
511 and draft housing project area plan are available for inspection at the agency offices.

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**Fiscal Note**

**S.B. 196 1st Sub. (Green) - Community Development and Renewal  
Amendments**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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