

1 **COMMUNITY DEVELOPMENT AND RENEWAL AGENCIES**

2 **AMENDMENTS**

3 2011 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Curtis S. Bramble**

6 House Sponsor:

7

LONG TITLE

8 **General Description:**

9 This bill amends provisions of the Community Development and Renewal Agencies
10 Act.
11

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ defines terms;
- 15 ▶ authorizes an agency to designate a core business development district;
- 16 ▶ amends taxing entity committee provisions;
- 17 ▶ amends tax increment and sales tax use provisions;
- 18 ▶ amends agency report provisions;
- 19 ▶ amends urban renewal project area plan requirements;
- 20 ▶ authorizes an agency to approve an urban renewal project area budget extension;
- 21 ▶ amends provisions authorizing an agency board to make a finding of blight;
- 22 ▶ amends economic development project area plan requirements;
- 23 ▶ authorizes an agency to approve an economic development project area budget
24 extension;
- 25 ▶ amends community development project area budget provisions; and
- 26 ▶ makes technical corrections.

27 **Money Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **17C-1-102**, as last amended by Laws of Utah 2010, Chapter 279

34 **17C-1-204**, as last amended by Laws of Utah 2009, Chapter 387

35 **17C-1-401**, as last amended by Laws of Utah 2010, Chapter 279

36 **17C-1-402**, as last amended by Laws of Utah 2009, Chapter 387

37 **17C-1-409**, as last amended by Laws of Utah 2010, Chapter 279

38 **17C-1-603**, as renumbered and amended by Laws of Utah 2006, Chapter 359

39 **17C-2-103**, as last amended by Laws of Utah 2006, Chapters 254, 292 and renumbered

40 and amended by Laws of Utah 2006, Chapter 359

41 **17C-2-303**, as last amended by Laws of Utah 2008, Chapter 125

42 **17C-3-103**, as enacted by Laws of Utah 2006, Chapter 359

43 **17C-4-204**, as enacted by Laws of Utah 2006, Chapter 359

44 ENACTS:

45 **17C-1-209**, Utah Code Annotated 1953

46 **17C-2-207**, Utah Code Annotated 1953

47 **17C-3-206**, Utah Code Annotated 1953



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

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

51 **17C-1-102. Definitions.**

52 As used in this title:

53 (1) "Adjusted tax increment" means:

54 (a) for tax increment under a pre-July 1, 1993₂ project area plan, tax increment under

55 Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and

56 (b) for tax increment under a post-June 30, 1993₂ project area plan, tax increment under

57 Section 17C-1-404, excluding tax increment under Section 17C-1-406.

58 (2) "Affordable housing" means housing to be owned or occupied by persons and

59 families of low or moderate income, as determined by resolution of the agency.

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

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

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

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

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

71 (6) "Base taxable value" means:

72 (a) for an urban renewal or economic development project area, the taxable value of
73 the property within a project area from which tax increment will be collected, as shown upon
74 the assessment roll last equalized before:

75 (i) for a pre-July 1, 1993₂ project area plan, the effective date of the project area plan;

76 (ii) for a post-June 30, 1993₂ project area plan:

77 (A) the date of the taxing entity committee's approval of the first project area budget;

78 or

79 (B) if no taxing entity committee approval is required for the project area budget, the
80 later of:

81 (I) the date the project area plan is adopted by the community legislative body; and

82 (II) the date the agency adopts the first project area budget;

83 (iii) for a project on an inactive industrial site, a year after the date on which the
84 inactive industrial site is sold for remediation and development; or

85 (iv) for a project on an inactive airport site, a year after the later of:

86 (A) the date on which the inactive airport site is sold for remediation and development;

87 and

88 (B) the date on which the airport that had been operated on the inactive airport site
89 ceased operations; and

90 (b) for a community development project area, the agreed value specified in a
91 resolution or interlocal agreement under Subsection 17C-4-201(2).

92 (7) "Basic levy" means the portion of a school district's tax levy constituting the
93 minimum basic levy under Section 59-2-902.

94 (8) "Blight" or "blighted" means the condition of an area that meets the requirements of
95 Subsection 17C-2-303(1).

96 (9) "Blight hearing" means a public hearing under Subsection 17C-2-102(1)(a)(i)(C)
97 and Section 17C-2-302 regarding the existence or nonexistence of blight within the proposed
98 urban renewal project area.

99 (10) "Blight study" means a study to determine the existence or nonexistence of blight
100 within a survey area as provided in Section 17C-2-301.

101 (11) "Board" means the governing body of an agency, as provided in Section
102 17C-1-203.

103 (12) "Budget hearing" means the public hearing on a draft project area budget required
104 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget or Subsection
105 17C-3-201(2)(d) for an economic development project area budget.

106 (13) "Closed military base" means land within a former military base that the Defense
107 Base Closure and Realignment Commission has voted to close or realign when that action has
108 been sustained by the President of the United States and Congress.

109 (14) "Core business development district" means an area within an agency's boundaries
110 designated as a core business development district by resolution of the agency board as
111 provided in Section 17C-1-209.

112 [~~(13)~~] (15) "Combined incremental value" means the combined total of all incremental
113 values from all urban renewal project areas, except project areas that contain some or all of a
114 military installation or inactive industrial site, within the agency's boundaries under adopted
115 project area plans and adopted project area budgets at the time that a project area budget for a
116 new urban renewal project area is being considered.

117 [~~(14)~~] (16) "Community" means a county, city, or town.

118 [~~(15)~~] (17) "Community development" means development activities within a
119 community, including the encouragement, promotion, or provision of development.

120 [~~(16)~~] (18) "Economic development" means to promote the creation or retention of

121 public or private jobs within the state through:

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

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

126 [~~17~~] (19) "Fair share ratio" means the ratio derived by:

127 (a) for a city or town, comparing the percentage of all housing units within the city or
128 town that are publicly subsidized income targeted housing units to the percentage of all
129 housing units within the whole county that are publicly subsidized income targeted housing
130 units; or

131 (b) for the unincorporated part of a county, comparing the percentage of all housing
132 units within the unincorporated county that are publicly subsidized income targeted housing
133 units to the percentage of all housing units within the whole county that are publicly subsidized
134 income targeted housing units.

135 [~~18~~] (20) "Family" has the meaning as defined under regulations of the U.S.
136 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as
137 superseded by replacement regulations.

138 [~~19~~] (21) "Greenfield" means land not developed beyond agricultural or forestry use.

139 [~~20~~] (22) "Hazardous waste" means any substance defined, regulated, or listed as a
140 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,
141 or toxic substance, or identified as hazardous to human health or the environment, under state
142 or federal law or regulation.

143 [~~21~~] (23) "Housing funds" means the funds allocated in an urban renewal project area
144 budget under Section 17C-2-203 for the purposes provided in Subsection 17C-1-412(1).

145 [~~22~~] (24) (a) "Inactive airport site" means land that:

146 (i) consists of at least 100 acres;

147 (ii) is occupied by an airport:

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

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

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

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

152 (iii) requires remediation because:

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

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

156 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
157 described in Subsection [~~(22)~~] (24)(a).

158 [~~(23)~~] (25) (a) "Inactive industrial site" means land that:

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

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

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

163 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
164 described in Subsection [~~(23)~~] (25)(a).

165 [~~(24)~~] (26) "Income targeted housing" means housing to be owned or occupied by a
166 family whose annual income is at or below 80% of the median annual income for the county in
167 which the housing is located.

168 [~~(25)~~] (27) "Incremental value" means a figure derived by multiplying the marginal
169 value of the property located within an urban renewal project area on which tax increment is
170 collected by a number that represents the percentage of adjusted tax increment from that project
171 area that is paid to the agency.

172 [~~(26)~~] (28) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
173 established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

174 [~~(27)~~] (29) "Marginal value" means the difference between actual taxable value and
175 base taxable value.

176 [~~(28)~~] (30) "Military installation project area" means a project area or a portion of a
177 project area located within a federal military installation ordered closed by the federal Defense
178 Base Realignment and Closure Commission.

179 [~~(29)~~] (31) "Plan hearing" means the public hearing on a draft project area plan
180 required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan,
181 Subsection 17C-3-102(1)(d) for an economic development project area plan, and Subsection
182 17C-4-102(1)(d) for a community development project area plan.

183 [~~(30)~~] (32) "Post-June 30, 1993, project area plan" means a project area plan adopted
184 on or after July 1, 1993, whether or not amended subsequent to its adoption.

185 [~~(31)~~] (33) "Pre-July 1, 1993, project area plan" means a project area plan adopted
186 before July 1, 1993, whether or not amended subsequent to its adoption.

187 [~~(32)~~] (34) "Private," with respect to real property, means:

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

190 (b) not dedicated to public use.

191 [~~(33)~~] (35) "Project area" means the geographic area described in a project area plan or
192 draft project area plan where the urban renewal, economic development, or community
193 development, as the case may be, set forth in the project area plan or draft project area plan
194 takes place or is proposed to take place.

195 [~~(34)~~] (36) "Project area budget" means a multiyear projection of annual or cumulative
196 revenues and expenses and other fiscal matters pertaining to a urban renewal or economic
197 development project area that includes:

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

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

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

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

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

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

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

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

213 (g) for property that the agency owns and expects to sell, the expected total cost of the

214 property to the agency and the expected selling price; and

215 (h) (i) for an urban renewal project area, the information required under Subsection
216 17C-2-201(1)(b); and

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

219 [~~35~~] (37) "Project area plan" means a written plan under Chapter 2, Part 1, Urban
220 Renewal Project Area Plan, Chapter 3, Part 1, Economic Development Project Area Plan, or
221 Chapter 4, Part 1, Community Development Project Area Plan, as the case may be, that, after
222 its effective date, guides and controls the urban renewal, economic development, or community
223 development activities within a project area.

224 [~~36~~] (38) "Property tax" includes privilege tax and each levy on an ad valorem basis
225 on tangible or intangible personal or real property.

226 [~~37~~] (39) "Public entity" means:

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

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

230 [~~38~~] (40) "Publicly owned infrastructure and improvements" means water, sewer,
231 storm drainage, electrical, and other similar systems and lines, streets, roads, curb, gutter,
232 sidewalk, walkways, parking facilities, public transportation facilities, and other facilities,
233 infrastructure, and improvements benefitting the public and to be publicly owned or publicly
234 maintained or operated.

235 [~~39~~] (41) "Record property owner" or "record owner of property" means the owner of
236 real property as shown on the records of the recorder of the county in which the property is
237 located and includes a purchaser under a real estate contract if the contract is recorded in the
238 office of the recorder of the county in which the property is located or the purchaser gives
239 written notice of the real estate contract to the agency.

240 [~~40~~] (42) "Superfund site":

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

243 (b) includes an area formerly included in the National Priorities List, as described in
244 Subsection [~~40~~] (42)(a), but removed from the list following remediation that leaves on site

245 the waste that caused the area to be included in the National Priorities List.

246 [~~(41)~~] (43) "Survey area" means an area designated by a survey area resolution for
247 study to determine whether one or more urban renewal projects within the area are feasible.

248 [~~(42)~~] (44) "Survey area resolution" means a resolution adopted by the agency board
249 under Subsection 17C-2-101(1)(a) designating a survey area.

250 [~~(43)~~] (45) "Taxable value" means the value of property as shown on the last equalized
251 assessment roll as certified by the county assessor.

252 [~~(44)~~] (46) (a) "Tax increment" means, except as provided in Subsection [~~(44)~~] (46)(b),
253 the difference between:

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

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

259 (b) "Tax increment" does not include taxes levied and collected under Section
260 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

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

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

265 [~~(45)~~] (47) "Taxing entity" means a public entity that levies a tax on a parcel or parcels
266 of property located within a community.

267 [~~(46)~~] (48) "Taxing entity committee" means a committee representing the interests of
268 taxing entities, created as provided in Section 17C-1-402.

269 [~~(47)~~] (49) "Unincorporated" means not within a city or town.

270 [~~(48)~~] (50) (a) "Urban renewal" means the development activities under a project area
271 plan within an urban renewal project area, including:

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

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

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

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

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

282 (vi) providing improvements of public or private recreation areas and other public
283 grounds.

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

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

287 **17C-1-204. Urban renewal, economic development, and community development**
288 **by an adjoining agency -- Requirements.**

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

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

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

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

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

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

- 307 (4) (a) As used in this Subsection (4):
- 308 (i) "County agency" means an agency that was created by a county.
- 309 (ii) "Industrial property" means private real property:
- 310 (A) over half of which is located within the boundary of a town, as defined in Section
- 311 10-1-104; and
- 312 (B) comprises some or all of an inactive industrial site.
- 313 (iii) "Perimeter portion" means the portion of an inactive industrial site that is:
- 314 (A) part of the inactive industrial site because it lies within the perimeter described in
- 315 Subsection 17C-1-102[~~(23)~~](25)(b); and
- 316 (B) located within the boundary of a city, as defined in Section 10-1-104.
- 317 (b) (i) Subject to Subsection (4)(b)(ii), a county agency may undertake urban renewal,
- 318 economic development, or community development on industrial property if the record
- 319 property owner of the industrial property submits a written request to the county agency to do
- 320 so.
- 321 (ii) A county agency may not include a perimeter portion within a project area without
- 322 the approval of the city in which the perimeter portion is located.
- 323 (c) If a county agency undertakes urban renewal, economic development, or
- 324 community development on industrial property:
- 325 (i) the county agency may act in all respects as if the project area that includes the
- 326 industrial property were within the county agency's boundary;
- 327 (ii) the board of the county agency has each right, power, and privilege with respect to
- 328 the project area as if the project area were within the county agency's boundary; and
- 329 (iii) the county agency may be paid tax increment to the same extent as if the project
- 330 area were within the county agency's boundary.
- 331 (d) A project area plan for a project on industrial property that is approved by the
- 332 county agency shall be adopted by ordinance of the legislative body of the county in which the
- 333 project area is located.

Section 3. Section **17C-1-209** is enacted to read:

17C-1-209. Core business development district.

An agency may designate a single area within the agency's boundaries as a core business development district if the area:

- 338 (1) consists predominantly of nongreenfield parcels;
- 339 (2) contains no more than 200 acres of private real property; and
- 340 (3) at the time of designation has a last equalized assessed value equal to or less than
- 341 10% of the last equalized assessed value of all property located with the agency's boundaries.

Section 4. Section 17C-1-401 is amended to read:

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

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

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

(i) for a pre-July 1, 1993₂ project area plan, from the first tax year regarding which the agency accepts tax increment from the project area;

(ii) for a post-June 30, 1993₂ urban renewal or economic development project area plan, from the first tax year for which the agency receives tax increment under the project area budget; or

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

(b) Unless otherwise provided in a project area budget that is approved by a taxing entity committee, or in an interlocal agreement or resolution adopted by a taxing entity, tax increment may not be paid to an agency for a tax year prior to the tax year following:

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

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

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

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

(b) the resolution or interlocal agreement authorizing the agency to be paid tax

369 increment or sales tax shall specify:

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

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

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

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

379 (5) (a) Subject to Section 17C-1-407, an agency is entitled to receive tax increment as
380 authorized by:

381 (i) for a pre-July 1, 1993, project area plan, Section 17C-1-403;

382 (ii) for a post-June 30, 1993, project area plan:

383 (A) Section 17C-1-404 under a project area budget adopted by the agency in
384 accordance with this title;

385 (B) a project area budget approved by the taxing entity committee and adopted by the
386 agency in accordance with this title; or

387 (C) Section 17C-1-406; or

388 (iii) a resolution or interlocal agreement entered into under Section 17C-2-207,
389 17C-3-206, 17C-4-201, or 17C-4-202.

390 (b) A county that collects property tax on property located within a project area shall
391 pay and distribute any tax increment:

392 (i) to an agency that the agency is entitled to collect; and

393 (ii) in accordance with Section 59-2-1365.

394 Section 5. Section **17C-1-402** is amended to read:

395 **17C-1-402. Taxing entity committee.**

396 (1) Each agency that adopts or proposes to adopt a post-June 30, 1993, urban renewal
397 or economic development project area plan shall, and any other agency may, cause a taxing
398 entity committee to be created.

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

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

401 (B) (I) in a county of the second, third, fourth, fifth, or sixth class, two representatives
402 appointed by resolution of the legislative body of the county in which the agency is located; or

403 (II) in a county of the first class, one representative appointed by the county executive
404 and one representative appointed by the legislative body of the county in which the agency is
405 located;

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

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

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

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

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

417 (b) (i) Each taxing entity committee representative under Subsection (2)(a) shall be
418 appointed within 30 days after the agency provides notice of the creation of the taxing entity
419 committee.

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

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

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

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

430 (A) notify the agency in writing of the name and address of the newly appointed

431 representative; and

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

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

437 (3) At its first meeting, a taxing entity committee shall adopt an organizing resolution:

438 (a) designating a chair and a secretary of the committee; and

439 (b) if the committee considers it appropriate, governing the use of electronic meetings
440 under Section 52-4-207.

441 (4) (a) A taxing entity committee represents all taxing entities regarding:

442 (i) an urban renewal ~~[or]~~ project area;

443 (ii) an economic development project area ~~[and may];~~ or

444 (iii) a community development project area related to a project area budget described in
445 Subsection 17C-4-204(4).

446 (b) A taxing entity committee may:

447 ~~[(a)]~~ (i) cast votes that will be binding on all taxing entities;

448 ~~[(b)]~~ (ii) negotiate with the agency concerning a draft project area plan;

449 ~~[(c)]~~ (iii) approve or disapprove;

450 (A) an urban renewal project area budget as provided in Section 17C-2-204 ~~[or]~~;

451 (B) an economic development project area budget as provided in Section 17C-3-203;

452 or

453 (C) a community development project area budget, if the taxing entity committee is
454 convened by the agency to consider the budget under Section 17C-4-204;

455 ~~[(d)]~~ (iv) approve or disapprove amendments to a project area budget as provided in:

456 (A) Section 17C-2-206 for an urban renewal project area budget ~~[and]~~;

457 (B) Section 17C-3-205 for an economic development project area budget; or

458 (C) Section 17C-4-204 for a community development project area budget, if the taxing
459 entity committee is convened by the agency to consider the amendment or extension in
460 accordance with Section 17C-4-204;

461 ~~[(e)]~~ (v) approve exceptions to the limits on the value and size of a project area

462 imposed under this title;

463 [(f)] (vi) approve exceptions to the percentage of tax increment and the period of time
464 that tax increment is paid to the agency as provided in this title;

465 [(g)] (vii) approve the use of tax increment for publicly owned infrastructure and
466 improvements outside of an urban renewal or economic development project area that the
467 agency and community legislative body determine to be of benefit to the urban renewal or
468 economic development project area, as provided in Subsection 17C-1-409(1)(a)(iii)(D);

469 [(h)] (viii) waive the restrictions imposed by Subsection 17C-2-202(1); and

470 [(i)] (ix) give other taxing entity committee approval or consent required or allowed
471 under this title.

472 (5) A quorum of a taxing entity committee consists of:

473 (a) if the [~~urban renewal or economic development~~] project area is located within a city
474 or town, five members; or

475 (b) if the [~~urban renewal or economic development~~] project area is not located within a
476 city or town, four members.

477 (6) Taxing entity committee approval, consent, or other action requires:

478 (a) the affirmative vote of a majority of all members present at a taxing entity
479 committee meeting:

480 (i) at which a quorum is present; and

481 (ii) considering an action relating to a project area budget for, or approval of a finding
482 of blight within, a project area or proposed project area that contains:

483 (A) a core business development district;

484 (B) an inactive industrial site;

485 (C) an inactive airport site; or

486 (D) a closed military base; or

487 (b) for any other action not described in Subsection (6)(a)(ii), the affirmative vote of
488 two-thirds of all members present at a taxing entity committee meeting at which a quorum is
489 present.

490 (7) (a) An agency may call a meeting of the taxing entity committee by sending written
491 notice to the members of the taxing entity committee at least 10 days before the date of the
492 meeting.

- 493 (b) Each notice under Subsection (7)(a) shall be accompanied by:
- 494 (i) the proposed agenda for the taxing entity committee meeting; and
- 495 (ii) if not previously provided and if they exist and are to be considered at the meeting:
- 496 (A) the [~~urban renewal or economic development~~] project area plan or proposed plan;
- 497 (B) the [~~urban renewal or economic development~~] project area budget or proposed
- 498 budget;
- 499 (C) the analysis required under Subsection 17C-2-103(2) or 17C-3-103(2);
- 500 (D) the blight study;
- 501 (E) the agency's resolution making a finding of blight under Subsection
- 502 17C-2-102(1)(a) (ii)(B); and
- 503 (F) other documents to be considered by the taxing entity committee at the meeting.

504 (c) (i) An agency may not schedule a taxing entity committee meeting to meet on a day

505 on which the Legislature is in session.

506 (ii) Notwithstanding Subsection (7)(c)(i), the taxing entity committee may, by

507 unanimous consent, waive the scheduling restriction described in Subsection (7)(c)(i).

508 (8) (a) A taxing entity committee may not vote on a proposed [~~urban renewal or~~

509 ~~economic development~~] project area budget or proposed amendment to [~~an urban renewal or~~

510 ~~economic development~~] a project area budget at the first meeting at which the proposed budget

511 or amendment is considered unless all members of the taxing entity committee present at the

512 meeting consent.

513 (b) A second taxing entity committee meeting to consider [~~an urban renewal or~~

514 ~~economic development~~] a project area budget or a proposed amendment to [~~an urban renewal~~

515 ~~or economic development~~] a project area budget may not be held within 14 days after the first

516 meeting unless all members of the taxing entity committee present at the first meeting consent.

517 (9) (a) Each taxing entity committee [~~shall~~] may meet [~~at least~~] annually during the

518 time that the agency receives tax increment under [~~an urban renewal or economic development~~]

519 a project area budget approved by the taxing entity committee in order to review the status of

520 the project area.

521 (b) An agency shall convene the annual meeting described in Subsection (9)(a) if at

522 least two members of the taxing entity committee submit a written request to meet.

523 (10) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and

524 Public Meetings Act.

525 (11) Each time a school district representative or a representative of the State Board of
526 Education votes as a member of a taxing entity committee to allow an agency to be paid tax
527 increment or to increase the amount or length of time that an agency may be paid tax
528 increment, that representative shall, within 45 days after the vote, provide to the
529 representative's respective school board an explanation in writing of the representative's vote
530 and the reasons for the vote.

531 (12) (a) The auditor of each county in which the agency is located shall provide a
532 written report to the taxing entity committee stating, with respect to property within each urban
533 renewal and economic development project area, and with respect to a community
534 development project area budget described in Section 17C-4-204:

535 (i) the base taxable value, as adjusted by any adjustments under Section 17C-1-408;
536 and

537 (ii) the assessed value.

538 (b) With respect to the information required under Subsection (12)(a), the auditor shall
539 provide:

540 (i) actual amounts for each year from the adoption of the [~~urban renewal and economic~~
541 ~~development~~] project area plan to the time of the report; and

542 (ii) estimated amounts for each year beginning the year after the time of the report and
543 ending the time that the agency expects no longer to be paid tax increment from property
544 within the urban renewal and economic development project area.

545 (c) The auditor of the county in which the agency is located shall provide a report
546 under this Subsection (12):

547 (i) at least annually; and

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

552 (13) This section does not apply to a community development;

553 (a) project area plan[-], unless an agency seeks the taxing entity committee's approval
554 of the related project area budget in accordance with Subsection 17C-4-204(4); or

555 (b) project area budget, unless an agency seeks the taxing entity committee's approval
556 of the project area budget in accordance with Subsection 17C-4-204(4).

557 Section 6. Section **17C-1-409** is amended to read:

558 **17C-1-409. Allowable uses of tax increment and sales tax.**

559 (1) (a) An agency may use tax increment and sales tax proceeds received from a taxing
560 entity:

561 (i) for any of the purposes for which the use of tax increment is authorized under this
562 title;

563 (ii) for administrative, overhead, legal, and other operating expenses of the agency,
564 including consultant fees and expenses under Subsection 17C-2-102(1)(b)(ii)(B) or funding for
565 a business resource center;

566 (iii) to pay for, including financing or refinancing, all or part of:

567 (A) urban renewal activities in the project area from which the tax increment funds are
568 collected, including environmental remediation activities occurring before or after adoption of
569 the project area plan;

570 (B) economic development or community development activities, including
571 environmental remediation activities occurring before or after adoption of the project area plan,
572 in the project area from which the tax increment funds are collected;

573 (C) housing expenditures, projects, or programs as provided in Section 17C-1-411 or
574 17C-1-412;

575 (D) subject to Subsections (1)(c) and (6), the value of the land for and the cost of the
576 installation and construction of any publicly owned building, facility, structure, landscaping, or
577 other improvement within the project area from which the tax increment funds were collected;
578 and

579 (E) subject to Subsection (1)(d), the cost of the installation of publicly owned
580 infrastructure and improvements outside the project area from which the tax increment funds
581 were collected if the agency board and the community legislative body determine by resolution
582 that the publicly owned infrastructure and improvements are of benefit to the project area; or

583 (iv) in an urban renewal project area that includes some or all of an inactive industrial
584 site and subject to Subsection (1)(f), to reimburse the Department of Transportation created
585 under Section 72-1-201, or a public transit district created under Title 17B, Chapter 2a, Part 8,

586 Public Transit District Act, for the cost of:

587 (A) construction of a public road, bridge, or overpass;

588 (B) relocation of a railroad track within the urban renewal project area; or

589 (C) relocation of a railroad facility within the urban renewal project area.

590 (b) The determination of the agency board and the community legislative body under
591 Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.

592 (c) An agency may not use tax increment or sales tax proceeds received from a taxing
593 entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal or economic
594 development project area plan without the consent of the community legislative body.

595 (d) An agency may not use tax increment or sales tax proceeds received from a taxing
596 entity for the purposes stated in Subsection (1)(a)(iii)(E) under an urban renewal or economic
597 development project area plan without the consent of the community legislative body and the
598 taxing entity committee.

599 (e) (i) Subject to Subsection (1)(e)(ii), an agency may loan tax increment or sales tax
600 proceeds, or a combination of tax increment and sales tax proceeds, from a project area fund to
601 another project area fund if:

602 (A) the agency's board approves; and

603 (B) the legislative body of each community that created the agency approves.

604 (ii) An agency may not loan tax increment or sales tax proceeds, or a combination of
605 tax increment and sales tax proceeds, under Subsection (1)(e)(i) unless the projections for the
606 future tax increment or sales tax proceeds of the borrowing project area are sufficient to repay
607 the loan amount prior to when the tax increment or sales tax proceeds are intended for use
608 under the loaning project area's plan.

609 (iii) If a borrowing project area's funds are not sufficient to repay a loan made under
610 Subsection (1)(e)(i) prior to when the tax increment or sales tax proceeds are intended for use
611 under the loaning project area's plan, the community that created the agency shall repay the
612 loan to the loaning project area's fund prior to when the tax increment or sales tax proceeds are
613 intended for use under the loaning project area's plan.

614 (f) Before an agency may pay any tax increment or sales tax revenue under Subsection
615 (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the
616 reimbursement with:

617 (i) the Department of Transportation; or

618 (ii) a public transit district.

619 (2) Sales tax proceeds that an agency receives from another public entity are not
620 subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Sales and Use
621 Tax Incentive Payments Act.

622 (3) An agency may use sales tax proceeds it receives under a resolution or interlocal
623 agreement under Section 17C-4-201 for the uses authorized in the resolution or interlocal
624 agreement.

625 (4) (a) An agency may contract with the community that created the agency or another
626 public entity to use tax increment to reimburse the cost of items authorized by this title to be
627 paid by the agency that have been or will be paid by the community or other public entity.

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

632 (5) An agency created by a city of the first or second class may use tax increment from
633 one project area in another project area to pay all or part of the value of the land for and the
634 cost of the installation and construction of a publicly or privately owned convention center or
635 sports complex or any building, facility, structure, or other improvement related to the
636 convention center or sports complex, including parking and infrastructure improvements, if:

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

639 (b) the tax increment is pledged to pay all or part of the value of the land for and the
640 cost of the installation and construction of the convention center or sports complex or related
641 building, facility, structure, or other improvement.

642 (6) Notwithstanding any other provision of this title, an agency may not use tax
643 increment to construct municipal buildings, courts or other judicial buildings, or fire stations.

644 (7) Notwithstanding any other provision of this title, an agency may not use tax
645 increment under an urban renewal or economic development project area plan, to pay any of
646 the cost of the land, infrastructure, or construction of a stadium or arena constructed after
647 March 1, 2005, unless the tax increment has been pledged for that purpose before February 15,

648 2005.

649 (8) (a) An agency may not use tax increment to pay the debt service of or any other
650 amount related to a bond issued or other obligation incurred if the bond was issued or the
651 obligation was incurred:

652 (i) by an interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation
653 Act;

654 (ii) on or after March 30, 2009; and

655 (iii) to finance a telecommunication facility.

656 (b) Subsection (8)(a) may not be construed to prohibit the refinancing, restatement, or
657 refunding of a bond issued before March 30, 2009.

658 Section 7. Section **17C-1-603** is amended to read:

659 **17C-1-603. Agency report.**

660 (1) (a) On or before November 1 of each year, each agency shall prepare and file a
661 report with the county auditor, the State Tax Commission, the State Board of Education, and
662 each taxing entity that levies a tax on property from which the agency collects tax increment.

663 (b) The requirement of Subsection (1)(a) to file a copy of the report with the state as a
664 taxing entity is met if the agency files a copy with the State Tax Commission and the state
665 auditor.

666 (2) Each report under Subsection (1) shall contain:

667 (a) an estimate of the tax increment to be paid to the agency for the calendar year
668 ending December 31; ~~and~~

669 (b) an estimate of the tax increment to be paid to the agency for the calendar year
670 beginning the next January 1[-];

671 (c) a narrative description of each active project area within the agency's boundaries;

672 (d) a narrative description of any significant activity related to each active project area
673 that occurred during the immediately preceding fiscal year;

674 (e) a summary description of the overall project timeline for each active project area;

675 (f) any other information specifically requested by the taxing entity committee or
676 required by the project area plan or budget; and

677 (g) any other information included by the agency.

678 (3) A report prepared in accordance with this section:

679 (a) is for informational purposes; and
680 (b) does not alter the amount of tax increment that an agency is entitled to collect from
681 a project area.

682 Section 8. Section **17C-2-103** is amended to read:

683 **17C-2-103. Urban renewal project area plan requirements.**

684 (1) Each urban renewal project area plan and draft project area plan shall:

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

687 (b) contain a general statement of the land uses, layout of principal streets, population
688 densities, and building intensities of the project area and how they will be affected by the urban
689 renewal;

690 (c) state the standards that will guide the urban renewal;

691 (d) show how the purposes of this title will be attained by the urban renewal;

692 (e) be consistent with the general plan of the community in which the project area is
693 located and show that the urban renewal will conform to the community's general plan;

694 (f) describe how the urban renewal will reduce or eliminate blight in the project area;

695 (g) describe any specific project or projects that are the object of the proposed urban
696 renewal;

697 (h) identify how private developers, if any, will be selected to undertake the urban
698 renewal and identify each private developer currently involved in the urban renewal process;

699 (i) state the reasons for the selection of the project area;

700 (j) describe the physical, social, and economic conditions existing in the project area;

701 (k) describe any tax incentives offered private entities for facilities located in the
702 project area;

703 (l) include the analysis described in Subsection (2);

704 (m) if any of the existing buildings or uses in the project area are included in or eligible
705 for inclusion in the National Register of Historic Places or the State Register, state that the
706 agency shall comply with Section 9-8-404 as though the agency were a state agency; ~~and~~

707 (n) if the project area includes an area designated by the agency as a core business
708 development district, identify the criteria required in Section 17C-1-209 and how the
709 designated area meets those criteria; and

710 ~~(n)~~ (o) include other information that the agency determines to be necessary or
711 advisable.

712 (2) Each analysis under Subsection (1)(l) shall consider:

713 (a) the benefit of any financial assistance or other public subsidy proposed to be
714 provided by the agency, including:

715 (i) an evaluation of the reasonableness of the costs of the urban renewal;

716 (ii) efforts the agency or developer has made or will make to maximize private
717 investment;

718 (iii) the rationale for use of tax increment, including an analysis of whether the
719 proposed development might reasonably be expected to occur in the foreseeable future solely
720 through private investment; and

721 (iv) an estimate of the total amount of tax increment that will be expended in
722 undertaking urban renewal and the length of time for which it will be expended; and

723 (b) the anticipated public benefit to be derived from the urban renewal, including:

724 (i) the beneficial influences upon the tax base of the community;

725 (ii) the associated business and economic activity likely to be stimulated; and

726 (iii) whether adoption of the project area plan is necessary and appropriate to reduce or
727 eliminate blight.

728 Section 9. Section **17C-2-207** is enacted to read:

729 **17C-2-207. Extending collection of tax increment in an urban renewal project**
730 **area budget.**

731 (1) An amendment or extension approved by a taxing entity or taxing entity committee
732 before May 10, 2011, is not subject to this section.

733 (2) (a) An agency's collection of tax increment under an adopted urban renewal project
734 area budget may be extended by:

735 (i) following the project area budget amendment procedures outlined in Section
736 17C-2-206; or

737 (ii) following the procedures outlined in this section.

738 (b) The base taxable value for an urban renewal project area budget may not be altered
739 as a result of an extension under this section unless otherwise expressly provided for in an
740 interlocal agreement adopted in accordance with Subsection (3)(a).

741 (3) To extend under this section the agency's collection of tax increment from a taxing
742 entity under a previously approved project area budget, the agency shall:

743 (a) obtain the approval of the taxing entity through an interlocal agreement;

744 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection

745 17C-2-201(2)(d) in the same manner as required for a draft project area budget; and

746 (ii) provide notice of the hearing:

747 (A) as required by Part 5, Urban Renewal Notice Requirements; and

748 (B) including the proposed period of extension of the project area budget; and

749 (c) after obtaining the approval of the taxing entity in accordance with Subsection

750 (3)(a), at or after the public hearing, adopt a resolution approving the extension.

751 (4) After the expiration of a project area budget, an agency may continue to receive tax

752 increment from those taxing entities that have agreed to an extension through an interlocal

753 agreement in accordance with Subsection (3)(a).

754 (5) (a) A person may contest the agency's adoption of a budget extension within 30

755 days after the day on which the agency adopts the resolution providing for the extension.

756 (b) A person who fails to contest a budget extension under Subsection (5)(a):

757 (i) shall forfeit any claim against the agency's adoption of the extension; and

758 (ii) may not contest:

759 (A) a payment to the agency under the budget, as extended; or

760 (B) an agency's use of tax increment under the budget, as extended.

761 Section 10. Section **17C-2-303** is amended to read:

762 **17C-2-303. Conditions on board determination of blight -- Conditions of blight**
763 **caused by the developer.**

764 (1) An agency board may not make a finding of blight in a resolution under Subsection
765 17C-2-102(1)(a)(ii)(B) unless the board finds that:

766 (a) (i) the proposed project area consists predominantly of nongreenfield parcels;

767 (ii) the proposed project area is currently zoned for urban purposes and generally
768 served by utilities;

769 (iii) at least 50% of the parcels within the proposed project area contain nonagricultural
770 or nonaccessory buildings or improvements used or intended for residential, commercial,
771 industrial, or other urban purposes, or any combination of those uses;

772 (iv) the present condition or use of the proposed project area substantially impairs the
773 sound growth of the municipality, retards the provision of housing accommodations, or
774 constitutes an economic liability or is detrimental to the public health, safety, or welfare, as
775 shown by the existence within the proposed project area of at least four of the following
776 factors:

777 (A) one of the following, although sometimes interspersed with well maintained
778 buildings and infrastructure:

779 (I) substantial physical dilapidation, deterioration, or defective construction of
780 buildings or infrastructure; or

781 (II) significant noncompliance with current building code, safety code, health code, or
782 fire code requirements or local ordinances;

783 (B) unsanitary or unsafe conditions in the proposed project area that threaten the
784 health, safety, or welfare of the community;

785 (C) environmental hazards, as defined in state or federal law, that require remediation
786 as a condition for current or future use and development;

787 (D) excessive vacancy, abandoned buildings, or vacant lots within an area zoned for
788 urban use and served by utilities;

789 (E) abandoned or outdated facilities that pose a threat to public health, safety, or
790 welfare;

791 (F) criminal activity in the project area, higher than that of comparable nonblighted
792 areas in the municipality or county; and

793 (G) defective or unusual conditions of title rendering the title nonmarketable; and

794 (v) (A) at least 50% of the privately-owned parcels within the proposed project area are
795 affected by at least one of the factors, but not necessarily the same factor, listed in Subsection
796 (1)(a)(iv); and

797 (B) the affected parcels comprise at least 66% of the privately-owned acreage of the
798 proposed project area; or

799 (b) the proposed project area includes some or all of a superfund site, inactive
800 industrial site, or inactive airport site.

801 (2) No single parcel comprising 10% or more of the acreage of the proposed project
802 area may be counted as satisfying Subsection (1)(a)(iii) or (iv) unless at least 50% of the area of

803 that parcel is occupied by buildings or improvements.

804 (3) (a) For purposes of Subsection (1), if a developer involved in the urban renewal
805 project has caused a condition listed in Subsection (1)(a)(iv) within the proposed project area,
806 that condition may not be used in the determination of blight.

807 (b) Subsection (3)(a) does not apply to a condition that was caused by an owner or
808 tenant who becomes a developer.

809 Section 11. Section **17C-3-103** is amended to read:

810 **17C-3-103. Economic development project area plan requirements.**

811 (1) Each economic development project area plan and draft project area plan shall:

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

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

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

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

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

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

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

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

828 (i) state the reasons for the selection of the project area;

829 (j) describe the physical, social, and economic conditions existing in the project area;

830 (k) describe any tax incentives offered private entities for facilities located in the
831 project area;

832 (l) include an analysis, as provided in Subsection (2), of whether adoption of the
833 project area plan is beneficial under a benefit analysis;

834 (m) if any of the existing buildings or uses in the project area are included in or eligible
835 for inclusion in the National Register of Historic Places or the State Register, state that the
836 agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency;
837 [and]

838 (n) if the project area includes an area designated by the agency as a core business
839 development district, identify the criteria required in Section 17C-1-209 and how the
840 designated area meets those criteria; and

841 [~~n~~] (o) include other information that the agency determines to be necessary or
842 advisable.

843 (2) Each analysis under Subsection (1)(l) shall consider:

844 (a) the benefit of any financial assistance or other public subsidy proposed to be
845 provided by the agency, including:

846 (i) an evaluation of the reasonableness of the costs of economic development;

847 (ii) efforts the agency or developer has made or will make to maximize private
848 investment;

849 (iii) the rationale for use of tax increment, including an analysis of whether the
850 proposed development might reasonably be expected to occur in the foreseeable future solely
851 through private investment; and

852 (iv) an estimate of the total amount of tax increment that will be expended in
853 undertaking economic development and the length of time for which it will be expended; and

854 (b) the anticipated public benefit to be derived from the economic development,
855 including:

856 (i) the beneficial influences upon the tax base of the community;

857 (ii) the associated business and economic activity likely to be stimulated; and

858 (iii) the number of jobs or employment anticipated to be generated or preserved.

859 Section 12. Section **17C-3-206** is enacted to read:

860 **17C-3-206. Extending collection of tax increment under an economic development**
861 **project area budget.**

862 (1) An amendment or extension approved by a taxing entity or taxing entity committee
863 before May 10, 2011, is not subject to this section.

864 (2) (a) An agency's collection of tax increment under an adopted economic

865 development project area budget may be extended by:

866 (i) following the project area budget amendment procedures outlined in Section
867 17C-3-205; or

868 (ii) following the procedures outlined in this section.

869 (b) The base taxable value for an urban renewal project area budget may not be altered
870 as a result of an extension under this section unless otherwise expressly provided for in an
871 interlocal agreement adopted in accordance with Subsection (3)(a).

872 (3) To extend under this section the agency's collection of tax increment from a taxing
873 entity under a previously approved project area budget, the agency shall:

874 (a) obtain the approval of the taxing entity through an interlocal agreement;

875 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection
876 17C-2-201(2)(d) in the same manner as required for a draft project area budget; and

877 (ii) provide notice of the hearing:

878 (A) as required by Part 4, Economic Development Notice Requirements; and

879 (B) including the proposed period of extension of the project area budget; and

880 (c) after obtaining the approval of the taxing entity in accordance with Subsection

881 (3)(a), at or after the public hearing, adopt a resolution approving the extension.

882 (4) After the expiration of a project area budget, an agency may continue to receive tax
883 increment from those taxing entities that have agreed to an extension through an interlocal
884 agreement in accordance with Subsection (3)(a).

885 (5) (a) A person may contest the agency's adoption of a budget extension within 30
886 days after the day on which the agency adopts the resolution providing for the extension.

887 (b) A person who fails to contest a budget extension under Subsection (5)(a):

888 (i) shall forfeit any claim against the agency's adoption of the extension; and

889 (ii) may not contest:

890 (A) a payment to the agency under the budget, as extended; or

891 (B) an agency's use of tax increment under the budget, as extended.

892 Section 13. Section **17C-4-204** is amended to read:

893 **17C-4-204. Adoption of a budget for a community development project area plan**
894 **-- Amendment.**

895 (1) An agency may prepare and, by resolution adopted at a regular or special meeting

896 of the agency board, adopt a budget setting forth:

897 (a) the anticipated costs, including administrative costs, of implementing the
898 community development project area plan; and

899 (b) the tax increment, sales tax, and other revenue the agency anticipates receiving to
900 fund the project.

901 (2) An agency may, by resolution adopted at a regular or special meeting of the agency
902 board, amend a budget adopted under Subsection (1).

903 (3) Each resolution to adopt or amend a budget under this section shall appear as an
904 item on the agenda for the regular or special agency board meeting at which the resolution is
905 adopted~~[. No other notice is required.]~~ without additional required notice.

906 (4) (a) This Subsection (4) applies only to a community development project area that
907 includes a core business development district.

908 (b) (i) After an agency has made a reasonable effort to negotiate with one or more
909 taxing entities in accordance with Section 17C-4-201, the agency may:

910 (A) convene a taxing entity committee in order to obtain the taxing entity committee's
911 approval of a community development project area budget; and

912 (B) if the taxing entity committee approves the community development project area
913 budget, proceed to adopt the approved community development project area budget in
914 accordance with Subsection (4)(b)(ii).

915 (ii) A community development project area described in Subsection (4)(b)(i)(A) shall
916 specify:

917 (A) the number of tax years for which the agency will be allowed to receive tax
918 increment from the project area; and

919 (B) the percentage of tax increment or maximum cumulative dollar amount of tax
920 increment the agency is entitled to receive from the project area in accordance with the project
921 area budget.

922 (c) To adopt a community development project area budget under this Subsection (4),
923 the agency shall:

924 (i) prepare a draft of the community development project area budget;

925 (ii) make a copy of the draft project area budget available to the public at the agency's
926 offices during normal business hours;

927 (iii) provide notice of a budget hearing in the same manner as required for an economic
928 development project area budget under Title 17C, Chapter 3, Part 4, Economic Development
929 Notice Requirements;

930 (iv) hold a public hearing on the draft project area budget, and, at that public hearing,
931 allow public comment on:

932 (A) the draft project area budget; and
933 (B) whether the draft project area budget should be revised, adopted, or rejected;

934 (v) obtain the approval of the taxing entity committee on the draft project area budget
935 or a revised version of the draft project area budget;

936 (vi) after the budget hearing, hold a board meeting in the same meeting as the public
937 hearing or in a subsequent meeting to:

938 (A) consider comments made and information presented at the public hearing relating
939 to the draft project area budget; and

940 (B) adopt by resolution the draft project area budget, with any revisions, as the project
941 area budget; and

942 (vii) before collecting tax increment under the adopted project area budget, obtain a
943 written certification, signed by an attorney licensed to practice law in this state, stating that the
944 taxing entity committee followed the appropriate procedures to approve the project area
945 budget.

946 (d) For a period of 30 days after the day on which an agency adopts the project area
947 budget under Subsection (4)(c), a person may contest the project area budget or the procedure
948 used to adopt the project area budget.

949 (e) If the 30-day period described in Subsection (4)(d) expires, a person may not
950 contest:

951 (i) the project area budget or procedure used by either the taxing entity committee or
952 the agency to approve and adopt the project area budget;

953 (ii) a payment to the agency under the project area budget; or
954 (iii) the agency's use of tax increment under the project area budget.

955 (f) If an agency adopts a community development project area budget:

956 (i) a resolution or an interlocal agreement approved by a taxing entity under Section
957 17C-4-201 that authorizes the agency to receive property tax increment to fund the same

958 project area budget shall automatically and immediately become void as to the property tax
959 increment to be paid to the agency under the resolution or interlocal agreement; and

960 (ii) the agency shall be entitled to collect tax increment as provided under the project
961 area budget approved by the taxing entity committee and adopted by the agency.

962 (g) A community development project area budget approved by the taxing entity
963 committee and adopted by the agency under this Subsection (4) may be amended or extended
964 in the same manner as an economic development project area budget as provided in Section
965 17C-3-205 or 17C-3-206, respectively.

966 (5) Except for a community development project area budget presented to a taxing
967 entity committee as described in Subsection (4), an agency is not required to obtain approval of
968 the taxing entity committee for a community development project area budget.

Legislative Review Note
as of 2-4-11 9:02 AM

Office of Legislative Research and General Counsel

FISCAL NOTE

S.B. 70

SHORT TITLE: **Community Development and Renewal Agencies Amendments**

SPONSOR: **Bramble, C.**

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.