

SB0070S01 compared with SB0070

~~{deleted text}~~ shows text that was in SB0070 but was deleted in SB0070S01.

inserted text shows text that was not in SB0070 but was inserted into SB0070S01.

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Senator Curtis S. Bramble proposes the following substitute bill:

COMMUNITY DEVELOPMENT AND RENEWAL AGENCIES

AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: ~~{~~ Brad L. Dee }

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ~~{~~ ▶ authorizes an agency to designate a core business development district;
- ~~}~~ ▶ amends taxing entity committee provisions;
- ▶ amends tax increment and sales tax use provisions;
- ▶ amends agency report provisions;

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- ▶ amends urban renewal project area ~~{plan requirements}~~ budget provisions;
- ▶ authorizes an agency to approve an urban renewal project area budget extension;
- ▶ amends provisions authorizing an agency board to make a finding of blight;
- ▶ amends economic development project area ~~{plan requirements}~~ budget provisions;
- ▶ authorizes an agency to approve an economic development project area budget extension;
- ▶ amends community development project area budget provisions; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

~~{17C-2-103}~~ 17C-2-206, as last amended by Laws of Utah ~~{2006, Chapters 254, 292}~~
and renumbered and amended by Laws of Utah ~~2006~~ 2010, Chapter ~~{359}~~ 279

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

~~{17C-3-103}~~ 17C-3-205, as ~~{enacted}~~ last amended by Laws of Utah ~~{2006}~~ 2010,
Chapter ~~{359}~~ 279

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

ENACTS:

~~{——— 17C-1-209, Utah Code Annotated 1953}~~

~~{~~ 17C-2-207, Utah Code Annotated 1953

17C-3-206, Utah Code Annotated 1953

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

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

17C-1-102. Definitions.

As used in this title:

(1) "Adjusted tax increment" means:

(a) for tax increment under a pre-July 1, 1993₂ project area plan, tax increment under Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and

(b) for tax increment under a post-June 30, 1993₂ project area plan, tax increment under Section 17C-1-404, excluding tax increment under Section 17C-1-406.

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

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

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

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

(4) "Annual income" has the meaning as defined under regulations of the U.S.

Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

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

(6) "Base taxable value" means:

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

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

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

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

or

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

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later of:

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

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

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

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

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

and

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

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

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

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

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

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

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

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

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

~~{ (14) "Core business development district" means an area within an agency's boundaries designated as a core business development district by resolution of the agency board as~~

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[provided in Section 17C-1-209.](#)

~~(13)~~ ~~(15)~~ 14 "Combined incremental value" means the combined total of all incremental values from all urban renewal project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under adopted project area plans and adopted project area budgets at the time that a project area budget for a new urban renewal project area is being considered.

~~(14)~~ ~~(16)~~ 15 "Community" means a county, city, or town.

~~(15)~~ ~~(17)~~ 16 "Community development" means development activities within a community, including the encouragement, promotion, or provision of development.

~~(16)~~ ~~(18)~~ 17 "Economic development" means to promote the creation or retention of public or private jobs within the state through:

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

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

~~(17)~~ ~~(19)~~ 18 "Fair share ratio" means the ratio derived by:

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

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

~~(18)~~ ~~(20)~~ 19 "Family" has the meaning as defined under regulations of the U.S. Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.

~~(19)~~ ~~(21)~~ 20 "Greenfield" means land not developed beyond agricultural or forestry use.

~~(20)~~ ~~(22)~~ 21 "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant,

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contaminant, or toxic substance, or identified as hazardous to human health or the environment, under state or federal law or regulation.

~~[(21)]~~ ~~(23)~~22 "Housing funds" means the funds allocated in an urban renewal project area budget under Section 17C-2-203 for the purposes provided in Subsection 17C-1-412(1).

~~[(22)]~~ ~~(24)~~23 (a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

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

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

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

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

(iii) requires remediation because:

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

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

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in Subsection ~~[(22)]~~ ~~(24)~~23(a).

~~[(23)]~~ ~~(25)~~24 (a) "Inactive industrial site" means land that:

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

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

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

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection ~~[(23)]~~ ~~(25)~~24(a).

~~[(24)]~~ ~~(26)~~25 "Income targeted housing" means housing to be owned or occupied by a family whose annual income is at or below 80% of the median annual income for the county in which the housing is located.

~~[(25)]~~ ~~(27)~~26 "Incremental value" means a figure derived by multiplying the marginal value of the property located within an urban renewal project area on which tax increment is collected by a number that represents the percentage of adjusted tax increment from that project area that is paid to the agency.

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~~[(26)]~~ ~~(~~28~~)~~ (27) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 9, Chapter 4, Part 7, Olene Walker Housing Loan Fund.

~~[(27)]~~ ~~(~~29~~)~~ (28) "Marginal value" means the difference between actual taxable value and base taxable value.

~~[(28)]~~ ~~(~~30~~)~~ (29) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.

(30) (a) "Municipal building" means a building owned and operated by a municipality for the purpose of providing one or more primary municipal functions, including:

(i) a fire station;

(ii) a police station;

(iii) a city hall; or

(iv) a court or other judicial building.

(b) "Municipal building" does not include a building the primary purpose of which is cultural or recreational in nature.

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

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

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

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

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

(b) not dedicated to public use.

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

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

- (a) the base taxable value of property in the project area;
- (b) the projected tax increment expected to be generated within the project area;
- (c) the amount of tax increment expected to be shared with other taxing entities;
- (d) the amount of tax increment expected to be used to implement the project area plan, including the estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;
- (e) the tax increment expected to be used to cover the cost of administering the project area plan;
- (f) if the area from which tax increment is to be collected is less than the entire project area:
 - (i) the tax identification numbers of the parcels from which tax increment will be collected; or
 - (ii) a legal description of the portion of the project area from which tax increment will be collected;
- (g) for property that the agency owns and expects to sell, the expected total cost of the property to the agency and the expected selling price; and
- (h) (i) for an urban renewal project area, the information required under Subsection 17C-2-201(1)(b); and
 - (ii) for an economic development project area, the information required under Subsection 17C-3-201(1)(b).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17C-1-204. Urban renewal, economic development, and community development

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by an adjoining agency -- Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

(A) part of the inactive industrial site because it lies within the perimeter described in Subsection 17C-1-102[(23)](25)(b); and

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

(b) (i) Subject to Subsection (4)(b)(ii), a county agency may undertake urban renewal, economic development, or community development on industrial property if the record

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property owner of the industrial property submits a written request to the county agency to do so.

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

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

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

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

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

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

Section 3. Section ~~{17C-1-209}~~ 17C-1-401 is ~~{enacted}~~ amended 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:

~~_____~~ (1) consists predominantly of nongreenfield parcels;

~~_____~~ (2) contains no more than 200 acres of private real property; and

~~_____~~ (3) at the time of designation has a last equalized assessed value equal to or less than 10% of the last equalized assessed value of all property located within 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, 1993, project area plan, from the first tax year regarding which the

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agency accepts tax increment from the project area;

(ii) for a post-June 30, 1993, 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 increment or sales tax shall specify:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section ~~5~~4. Section **17C-1-402** is amended to read:

17C-1-402. Taxing entity committee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

‡ (b) A taxing entity committee may:

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

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

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

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

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

or ~~}~~

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

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

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

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

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

‡ ~~[(e)]~~ (v) approve exceptions to the limits on the value and size of a project area imposed under this title;

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

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

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

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

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

(a) if the [~~urban renewal or economic development~~] project area is located within a city

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or town, five members; or

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

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

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

(i) at which a quorum is present; and

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

~~{~~ (A) a core business development district;

~~}~~ (~~B~~)^A an inactive industrial site;

(~~C~~)^B an inactive airport site; or

(~~D~~)^C a closed military base; or

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

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

(b) Each notice under Subsection (7)(a) shall be accompanied by:

(i) the proposed agenda for the taxing entity committee meeting; and

(ii) if not previously provided and if they exist and are to be considered at the meeting:

(A) the [~~urban renewal or economic development~~] project area plan or proposed plan;

(B) the [~~urban renewal or economic development~~] project area budget or proposed budget;

(C) the analysis required under Subsection 17C-2-103(2) or 17C-3-103(2);

(D) the blight study;

(E) the agency's resolution making a finding of blight under Subsection 17C-2-102(1)(a) (ii)(B); and

(F) other documents to be considered by the taxing entity committee at the meeting.

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

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on which the Legislature is in session.

(ii) Notwithstanding Subsection (7)(c)(i), the taxing entity committee may, by unanimous consent, waive the scheduling restriction described in Subsection (7)(c)(i).

(8) (a) A taxing entity committee may not vote on a proposed [~~urban renewal or economic development~~] project area budget or proposed amendment to [~~an urban renewal or economic development~~] a project area budget at the first meeting at which the proposed budget or amendment is considered unless all members of the taxing entity committee present at the meeting consent.

(b) A second taxing entity committee meeting to consider [~~an urban renewal or economic development~~] a project area budget or a proposed amendment to [~~an urban renewal or economic development~~] a project area budget may not be held within 14 days after the first meeting unless all members of the taxing entity committee present at the first meeting consent.

(9) [Each] (a) ~~{Each}~~ Except as provided in Subsection (9)(b), each taxing entity committee ~~{}~~ shall ~~{ may }~~ meet ~~{}~~ at least ~~{}~~ annually during the time that the agency receives tax increment under ~~{}~~ an urban renewal or economic development ~~{ a }~~ project area budget ~~{ approved by the taxing entity committee }~~ in order to review the status of the project area.

(b) ~~{ An agency shall convene the annual meeting described in Subsection (9)(a) if at least two members of the }~~ A taxing entity committee ~~{ submit a written request to meet }~~ is not required under Subsection (9)(a) to meet if the agency submits on or before November 1 of each year to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment, a report containing the following:

(i) an assessment of growth of incremental values for each active project area, including:

(A) the base year assessed value;

(B) the prior year's assessed value;

(C) the estimated current year assessed value for the project area; and

(D) a narrative description of the relative growth in assessed value within the project area;

(ii) a description of the amount of tax increment received by the agency and passed

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through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

(B) a narrative discussion regarding the use of tax increment; and

(C) a description of the benefits derived by the taxing entities;

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure

development, site development, and vertical construction within the project area; and

(B) a narrative discussion regarding the status of any agreements for development

within the project area;

(iv) a revised multi-year tax increment budget related to each active project area,

including:

(A) the prior year's tax increment receipts;

(B) the base year value and adjusted base year value, as applicable;

(C) the applicable tax rates within the project area; and

(D) a schedule of private and public investment within the project area; and

(v) any other project highlights included by the agency.

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

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

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

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

and

(ii) the assessed value.

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

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

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

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

(i) at least annually; and

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

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

~~_____ (a) } project area plan { }; { }~~

~~}; unless an agency seeks the } (14) A taxing entity {committee's approval of the related project area budget in accordance with Subsection 17C-4-204(4); or~~

~~_____ (b) } committee resolution, whether adopted before, on, or after May 10, 2011, approving a blight finding, approving a project area budget, {unless an agency seeks the taxing entity committee's approval of the } or approving an amendment to a project area budget { in accordance with Subsection 17C-4-204(4);~~

~~_____ Section 6};~~

~~(a) is final; and~~

~~(b) is not subject to repeal, amendment, or reconsideration unless the agency first consents by resolution to the proposed repeal, amendment, or reconsideration.~~

~~Section 5.~~ Section 17C-1-409 is amended to read:

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

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

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

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title;

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

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

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

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

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

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

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

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

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

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

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

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

(c) An agency may not use tax increment or sales tax proceeds received from a taxing

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entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal or economic development project area plan without the consent of the community legislative body.

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

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

(A) the agency's board approves; and

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

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

(iii) If a borrowing project area's funds are not sufficient to repay a loan made under Subsection (1)(e)(i) prior to when the tax increment or sales tax proceeds are intended for use under the loaning project area's plan, the community that created the agency shall repay the loan to the loaning project area's fund prior to when the tax increment or sales tax proceeds are intended for use under the loaning project area's plan, unless the taxing entity committee adopts a resolution to waive this requirement.

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

(i) the Department of Transportation; or

(ii) a public transit district.

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

(3) An agency may use sales tax proceeds it receives under a resolution or interlocal

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agreement under Section 17C-4-201 for the uses authorized in the resolution or interlocal agreement.

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

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

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

(a) construction of the convention center or sports complex or related building, facility, structure, or other improvement is commenced on or before ~~June 30, 2002~~ December 31, 2012; and

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

(6) Notwithstanding any other provision of this title, an agency may not use tax increment to construct municipal buildings ~~], courts or other judicial buildings, or fire stations]~~ unless the taxing entity committee adopts a resolution to waive this requirement.

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

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

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

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

(iii) to finance a telecommunication facility.

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

Section ~~7~~6. Section **17C-1-603** is amended to read:

17C-1-603. Agency report.

(1) (a) ~~On~~ Unless an agency submits a report to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment as provided under Subsection 17C-1-402(9)(b), on or before November 1 of each year, each agency shall prepare and file a report with the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment.

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

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

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

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

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

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

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

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

(g) any other information included by the agency.

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

(a) is for informational purposes; and

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(b) does not alter the amount of tax increment that an agency is entitled to collect from a project area.

Section ~~{8}~~7. Section ~~{17C-2-103}~~17C-2-206 is amended to read:

~~{~~ ~~17C-2-103. Urban renewal project area plan requirements:~~

- ~~—— (1) Each urban renewal project area plan and draft project area plan shall:~~
 - ~~—— (a) describe the boundaries of the project area, subject to Section 17C-1-414, if applicable;~~
 - ~~—— (b) contain a general statement of the land uses, layout of principal streets, population densities, and building intensities of the project area and how they will be affected by the urban renewal;~~
 - ~~—— (c) state the standards that will guide the urban renewal;~~
 - ~~—— (d) show how the purposes of this title will be attained by the urban renewal;~~
 - ~~—— (e) be consistent with the general plan of the community in which the project area is located and show that the urban renewal will conform to the community's general plan;~~
 - ~~—— (f) describe how the urban renewal will reduce or eliminate blight in the project area;~~
 - ~~—— (g) describe any specific project or projects that are the object of the proposed urban renewal;~~
 - ~~—— (h) identify how private developers, if any, will be selected to undertake the urban renewal and identify each private developer currently involved in the urban renewal process;~~
 - ~~—— (i) state the reasons for the selection of the project area;~~
 - ~~—— (j) describe the physical, social, and economic conditions existing in the project area;~~
 - ~~—— (k) describe any tax incentives offered private entities for facilities located in the project area;~~
 - ~~—— (l) include the analysis described in Subsection (2);~~
 - ~~—— (m) if any of the existing buildings or uses in the project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, state that the agency shall comply with Section 9-8-404 as though the agency were a state agency; [and]~~
 - ~~—— (n) if the project area includes an area designated by the agency as a core business development district, identify the criteria required in Section 17C-1-209 and how the designated area meets those criteria; and~~
 - ~~—— [(n)] (o) include other information that the agency determines to be necessary or~~

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advisable:

- ~~—— (2) Each analysis under Subsection (1)(f) shall consider:~~
- ~~—— (a) the benefit of any financial assistance or other public subsidy proposed to be provided by the agency, including:~~
- ~~—— (i) an evaluation of the reasonableness of the costs of the urban renewal;~~
- ~~—— (ii) efforts the agency or developer has made or will make to maximize private investment;~~
- ~~—— (iii) the rationale for use of tax increment, including an analysis of whether the proposed development might reasonably be expected to occur in the foreseeable future solely through private investment; and~~
- ~~—— (iv) an estimate of the total amount of tax increment that will be expended in undertaking urban renewal and the length of time for which it will be expended; and~~
- ~~—— (b) the anticipated public benefit to be derived from the urban renewal, including:~~
- ~~—— (i) the beneficial influences upon the tax base of the community;~~
- ~~—— (ii) the associated business and economic activity likely to be stimulated; and~~
- ~~—— (iii) whether adoption of the project area plan is necessary and appropriate to reduce or eliminate blight.~~

‡ **17C-2-206. Amending an urban renewal project area budget.**

(1) An agency may by resolution amend an urban renewal project area budget as provided in this section.

(2) To amend an adopted urban renewal project area budget, the agency shall:

(a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee [if] to the same extent that the agency was required [under Section 17C-2-204] to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

(c) if approval of the taxing entity committee is required under Subsection (2)(b), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

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(d) adopt a resolution amending the project area budget.

(3) The public hearing required under Subsection (2)(a) shall be conducted according to the procedures and requirements of Subsections 17C-2-201(2)(c) and (d), except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the notice shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted project area budget without the proposed amendment.

(5) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

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

(i) forfeits any claim against an agency's adoption of the amendment; and

(ii) may not contest:

(A) a payment to the agency under the budget amendment; or

(B) an agency's use of a tax increment under the budget amendment.

Section ~~9~~⁸. Section 17C-2-207 is enacted to read:

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

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

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

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

(ii) following the procedures outlined in this section.

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

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

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

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

(ii) provide notice of the hearing;

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

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

(c) after obtaining the approval of the taxing entity in accordance with Subsection (3)(a), at or after the public hearing, adopt a resolution approving the extension.

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

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

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

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

(ii) may not contest:

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

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

Section ~~10}9~~. Section **17C-2-303** is amended to read:

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

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

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

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

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

(iv) the present condition or use of the proposed project area substantially impairs the sound growth of the municipality, retards the provision of housing accommodations, or

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constitutes an economic liability or is detrimental to the public health, safety, or welfare, as shown by the existence within the proposed project area of at least four of the following factors:

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

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

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

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

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

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

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

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

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

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

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

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

(2) No single parcel comprising 10% or more of the acreage of the proposed project area may be counted as satisfying Subsection (1)(a)(iii) or (iv) unless at least 50% of the area of that parcel is occupied by buildings or improvements.

(3) (a) For purposes of Subsection (1), if a developer involved in the urban renewal

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project has caused a condition listed in Subsection (1)(a)(iv) within the proposed project area, that condition may not be used in the determination of blight.

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

Section ~~{11}~~10. Section ~~{17C-3-103}~~17C-3-205 is amended to read:

~~{~~ ~~17C-3-103. Economic development project area plan requirements:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

~~_____ (m) if any of the existing buildings or uses in the project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, state that the~~

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~~agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency;
[and]~~

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

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

~~—— (2) Each analysis under Subsection (1)(1) shall consider:~~

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

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

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

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

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

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

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

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

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

‡ **17C-3-205. Amending an economic development project area budget.**

(1) An agency may by resolution amend an economic development project area budget as provided in this section.

(2) To amend an adopted economic development project area budget, the agency shall:

(a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee [if] to the same extent

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that the agency was required ~~[under Section 17C-3-203]~~ to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

(c) if approval of the taxing entity committee is required under Subsection (2)(b), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

(d) adopt a resolution amending the project area budget.

(3) The public hearing required under Subsection (2)(a) shall be conducted according to the procedures and requirements of Section 17C-3-201, except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the notice shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted economic development project area budget without the proposed amendment.

(5) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

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

(i) forfeits any claim against an agency's adoption of the amendment; and

(ii) may not contest:

(A) a payment to the agency under the budget amendment; or

(B) an agency's use of a tax increment under a budget amendment.

Section ~~{12}~~11. Section 17C-3-206 is enacted to read:

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

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

(2) (a) An agency's collection of tax increment under an adopted economic development project area budget may be extended by:

(i) following the project area budget amendment procedures outlined in Section

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17C-3-205; or

(ii) following the procedures outlined in this section.

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

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

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

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

(ii) provide notice of the hearing:

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

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

(c) after obtaining the approval of the taxing entity in accordance with Subsection (3)(a), at or after the public hearing, adopt a resolution approving the extension.

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

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

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

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

(ii) may not contest:

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

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

Section ~~13~~12. Section 17C-4-204 is amended to read:

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

-- Amendment.

(1) An agency may prepare and, by resolution adopted at a regular or special meeting of the agency board, adopt a budget setting forth:

(a) the anticipated costs, including administrative costs, of implementing the

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community development project area plan; and

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

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

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

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

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

~~_____ (A) convene a taxing entity committee in order to obtain is not required to obtain approval of the taxing entity ~~{committee's approval of}~~ committee for a community development project area budget~~}; and~~~~

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

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

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

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

~~_____ (c) To adopt a community development project area budget under this Subsection (4); the agency shall:~~

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

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

~~_____ (iii) provide notice of a budget hearing in the same manner as required for an economic~~

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development project area budget under Title 17C, Chapter 3, Part 4, Economic Development Notice Requirements:

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

—— (A) the draft project area budget; and

—— (B) whether the draft project area budget should be revised, adopted, or rejected;

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

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

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

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

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

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

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

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

—— (ii) a payment to the agency under the project area budget; or

—— (iii) the agency's use of tax increment under the project area budget;

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

—— (i) a resolution or an interlocal agreement approved by a taxing entity under Section 17C-4-201 that authorizes the agency to receive property tax increment to fund the same project area budget shall automatically and immediately become void as to the property tax

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~~increment to be paid to the agency under the resolution or interlocal agreement; and~~

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

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

~~{ —— (5) Except for a community development project area budget presented to a taxing entity committee as described in Subsection (4), an agency is not required to obtain approval of 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}~~