

Senator Jerry W. Stevenson proposes the following substitute bill:

REDEVELOPMENT AGENCY AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Brad R. Wilson

LONG TITLE

General Description:

This bill amends provisions related to a community development and renewal agency.

Highlighted Provisions:

This bill:

- ▶ authorizes a taxing entity committee to approve exceptions to the requirement that a project area budget include a maximum cumulative amount of tax increment;
- ▶ amends tax increment provisions applicable to a pre-July 1, 1993, project area plan;
- ▶ enacts language prohibiting certain entities from recovering increased taxes paid to an agency in certain circumstances;
- ▶ requires that certain urban renewal project budgets specify the maximum cumulative dollar amount of tax increment that the agency may receive;

⌚▶ amends notice provisions; ⌚←

- ▶ requires that certain economic development project budgets specify the maximum cumulative dollar amount of tax increment that the agency may receive; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **17C-1-402**, as last amended by Laws of Utah 2012, Chapter 23529 **17C-1-403**, as renumbered and amended by Laws of Utah 2006, Chapter 35930 **17C-1-407**, as last amended by Laws of Utah 2009, Chapter 38731 **17C-2-201**, as last amended by Laws of Utah 2010, Chapter 27931a **Ĥ→ 17C-2-502, as last amended by Laws of Utah 2010, Chapter 279 ←Ĥ**32 **17C-3-201**, as last amended by Laws of Utah 2010, Chapter 27932a **Ĥ→ 17C-3-402, as last amended by Laws of Utah 2010, Chapter 279 ←Ĥ**

33

34 *Be it enacted by the Legislature of the state of Utah:*35 Section 1. Section **17C-1-402** is amended to read:36 **17C-1-402. Taxing entity committee.**37 (1) Each agency that adopts or proposes to adopt a post-June 30, 1993, urban renewal
38 or economic development project area plan shall, and any other agency may, cause a taxing
39 entity committee to be created.

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

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

42 (B) (I) in a county of the second, third, fourth, fifth, or sixth class, two representatives
43 appointed by resolution of the legislative body of the county in which the agency is located; or44 (II) in a county of the first class, one representative appointed by the county executive
45 and one representative appointed by the legislative body of the county in which the agency is
46 located;47 (C) if the agency was created by a city or town, two representatives appointed by
48 resolution of the legislative body of that city or town;

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

50 (E) one representative selected by majority vote of the legislative bodies or governing
51 boards of all other taxing entities that levy a tax on property within the agency's boundaries, to
52 represent the interests of those taxing entities on the taxing entity committee.53 (ii) (A) If the agency boundaries include only one school district, that school district
54 shall appoint the two school district representatives under Subsection (2)(a)(i)(A).55 (B) If the agency boundaries include more than one school district, those school
56 districts shall jointly appoint the two school district representatives under Subsection

274 recreational or cultural facility, whether or not the facility is located within a project area;

275 (B) construction of the recreational or cultural facility is commenced on or before
276 December 31, 2005; and

277 (C) the additional tax increment is pledged on or before July 1, 2005, to pay all or part
278 of the cost of the land for and the installation and construction of the recreational or cultural
279 facility, including parking and infrastructure improvements related to the recreational or
280 cultural facility.

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

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

286 Section 3. Section **17C-1-407** is amended to read:

287 **17C-1-407. Limitations on tax increment.**

288 (1) (a) If the development of retail sales of goods is the primary objective of an urban
289 renewal project area, tax increment from the urban renewal project area may not be paid to or
290 used by an agency unless a finding of blight is made under Chapter 2, Part 3, Blight
291 Determination in Urban Renewal Project Areas.

292 (b) Development of retail sales of goods does not disqualify an agency from receiving
293 tax increment.

294 (c) After July 1, 2005, an agency may not be paid or use tax increment generated from
295 the value of property within an economic development project area that is attributable to the
296 development of retail sales of goods, unless the tax increment was previously pledged to pay
297 for bonds or other contractual obligations of the agency.

298 (2) (a) An agency may not be paid any portion of a taxing entity's taxes resulting from
299 an increase in the taxing entity's tax rate ~~H→~~ through truth in taxation procedures ~~←H~~ that
299a occurs after

300 the taxing entity committee approves the project area budget unless, at the time the taxing
301 entity committee approves the project area budget, the taxing entity committee approves
302 payment of those increased taxes to the agency.

303 (b) If the taxing entity committee does not approve of payment of the increased taxes to
304 the agency under Subsection (2)(a), the county shall distribute to the taxing entity the taxes

305 attributable to the tax rate increase in the same manner as other property taxes.

306 ~~§→ [(c) Notwithstanding any other provision of law, if increased taxes are paid to an agency~~
 307 ~~without the approval of the taxing entity committee as required by Subsection (2)(a), the~~
 308 ~~increased taxes may not be recovered from the agency by the State Tax Commission, the~~
 309 ~~county as the collector of the taxes, a taxing entity, or any other person or entity.]~~

309a (c) Notwithstanding any other provision of this section, if, prior to tax year 2013,
 309b increased taxes are paid to an agency without the approval of the taxing entity committee, and
 309c notwithstanding the law at the time that the tax was collected or increased:

309d (i) the State Tax Commission, the county as the collector of the taxes, a taxing entity, or
 309e any other person or entity may not recover, directly or indirectly, the increased taxes from the
 309f agency by adjustment of a tax rate used to calculate tax increment or otherwise;

309g (ii) the county is not liable to a taxing entity or any other person or entity for the
 309h increased taxes that were paid to the agency; and

309i (iii) tax increment, including the increased taxes, shall continue to be paid to the agency
 309j subject to the same number of tax years, percentage of tax increment, and cumulative dollar
 309k amount of tax increment as approved in the project area budget and previously paid to the
 309l agency. ←§

310 (3) Except as the taxing entity committee otherwise agrees, an agency may not receive
 311 tax increment under an urban renewal or economic development project area budget adopted
 312 on or after March 30, 2009:

313 (a) that exceeds the percentage of tax increment or cumulative dollar amount of tax
 314 increment specified in the project area budget; or

315 (b) for more tax years than specified in the project area budget.

316 Section 4. Section **17C-2-201** is amended to read:

317 **17C-2-201. Project area budget -- Requirements for adopting -- Contesting the**
 318 **budget or procedure -- Time limit.**

319 (1) (a) If an agency anticipates funding all or a portion of a post-June 30, 1993 urban
 320 renewal project area plan with tax increment, the agency shall, subject to Section 17C-2-202,
 321 adopt a project area budget as provided in this part.

322 (b) An urban renewal project area budget adopted on or after March 30, 2009 shall
 323 specify:

324 (i) for a project area budget adopted on or after March 30, 2009:

325 [(†)] (A) the number of tax years for which the agency will be allowed to receive tax
 326 increment from the project area; and

336 offices during normal business hours;

337 (c) provide notice of the budget hearing as required by Part 5, Urban Renewal Notice
338 Requirements;

339 (d) hold a public hearing on the draft project area budget and, at that public hearing,
340 allow public comment on:

341 (i) the draft project area budget; and

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

343 (e) (i) if required under Subsection 17C-2-204(1), obtain the approval of the taxing
344 entity committee on the draft project area budget or a revised version of the draft project area
345 budget; or

346 (ii) if applicable, comply with the requirements of Subsection 17C-2-204(2);

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

351 (g) after the budget hearing, hold a board meeting in the same meeting as the public
352 hearing or in a subsequent meeting to:

353 (i) consider comments made and information presented at the public hearing relating to
354 the draft project area budget; and

355 (ii) adopt by resolution the draft project area budget, with any revisions, as the project
356 area budget.

357 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
358 under Subsection (2)(g), any person in interest may contest the project area budget or the
359 procedure used to adopt the project area budget if the budget or procedure fails to comply with
360 applicable statutory requirements.

361 (b) After the 30-day period under Subsection (3)(a) expires, a person, for any cause,
362 may not contest:

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

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

366 (iii) the agency's use of tax increment under the project area budget.

366a **H→ Section 5. Section 17C-2-502 is amended to read:**

366b **17C-2-502. Requirements for notice provided by agency.**

366c **(1) The notice required by Section 17C-2-501 shall be given by: ←H**

- 366d **Ĥ→** (a) (i) publishing one notice, excluding the map referred to in Subsection (3)(b), in a
 366e newspaper of general circulation within the county in which the project area or proposed project area
 366f is located, at least 14 days before the hearing;
- 366g (ii) if there is no newspaper of general circulation, posting notice at least 14 days before the
 366h day of the hearing in at least three conspicuous places within the county in which the project area or
 366i proposed project area is located; or
- 366j (iii) posting notice, excluding the map described in Subsection (3)(b), at least 14 days before
 366k the day on which the hearing is held on:
- 366l (A) the Utah Public Notice Website described in Section 63F-1-701; and
- 366m (B) the public website of a community located within the boundaries of the project area; and
- 366n (b) at least 30 days before the hearing:
- 366o (i) mailing notice to each record owner of property located within the project area or proposed
 366p project area; and
- 366q (ii) mailing notice to:
- 366r (A) the State Tax Commission;
- 366s (B) the assessor and auditor of the county in which the project area or proposed project area is
 366t located; **[and]**
- 366u (C) (I) each member of the taxing entity committee; or
- 366v (II) if a taxing entity committee has not yet been formed, the State Board of Education and the
 366w legislative body or governing board of each taxing entity **[-]** ; **and**
- 366x **(D) the Utah Taxpayers Association.**
- 366y (2) The mailing of the notice to record property owners required under Subsection (1)(b)(i)
 366z shall be conclusively considered to have been properly completed if:
- 366aa (a) the agency mails the notice to the property owners as shown in the records, including an
 366ab electronic database, of the county recorder's office and at the addresses shown in those records; and
- 366ac (b) the county recorder's office records used by the agency in identifying owners to whom the
 366ad notice is mailed and their addresses were obtained or accessed from the county recorder's office no
 366ae earlier than 30 days before the mailing.
- 366af (3) The agency shall include in each notice required under Section 17C-2-501:
- 366ag (a) (i) a specific description of the boundaries of the project area or proposed project area; or
- 366ah (ii) (A) a mailing address or telephone number where a person may request that a copy of the
 366ai description be sent at no cost to the person by mail or facsimile transmission; and
- 366aj (B) if the agency has an Internet website, an Internet address where a person may gain access
 366ak to an electronic, printable copy of the description;
- 366al (b) a map of the boundaries of the project area or proposed project area;
- 366am (c) an explanation of the purpose of the hearing; and
- 366an (d) a statement of the date, time, and location of the hearing. **←Ĥ**

366ao **H→ (4) The agency shall include in each notice under Subsection (1)(b)(ii):**
366ap **(a) a statement that property tax revenues resulting from an increase in valuation of property**
366aq **within the project area or proposed project area will be paid to the agency for urban renewal purposes**
366ar **rather than to the taxing entity to which the tax revenues would otherwise have been paid if:**
366as **(i) the taxing entity committee consents to the project area budget; and**
366at **(ii) the project area plan provides for the agency to receive tax increment; and**
366au **(b) an invitation to the recipient of the notice to submit to the agency comments concerning the**
366av **subject matter of the hearing before the date of the hearing.**
366aw **(5) An agency may include in a notice under Subsection (1) any other information the agency**
366ax **considers necessary or advisable, including the public purpose served by the project and any future tax**
366ay **benefits expected to result from the project. ←H**

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

402 (g) after the budget hearing, hold a board meeting in the same meeting as the public
 403 hearing or in a subsequent meeting to:

404 (i) consider comments made and information presented at the public hearing relating to
 405 the draft project area budget; and

406 (ii) adopt by resolution the draft project area budget, with any revisions, as the project
 407 area budget.

408 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
 409 under Subsection (2)(g), any person in interest may contest the project area budget or the
 410 procedure used to adopt the project area budget if the budget or procedure fails to comply with
 411 applicable statutory requirements.

412 (b) After the 30-day period under Subsection (3)(a) expires, a person, for any cause,
 413 may not contest:

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

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

417 (iii) the agency's use of tax increment under the project area budget.

417a **Ĥ→ Section 7. Section 17C-3-402 is amended to read:**

417b **17C-3-402. Requirements for notice provided by agency.**

417c **(1) The notice required by Section 17C-3-401 shall be given by:**

417d **(a) (i) publishing one notice, excluding the map described in Subsection (3)(b), in a newspaper**
 417e **of general circulation within the county in which the project area or proposed project area is located,**
 417f **at least 14 days before the hearing;**

417g **(ii) if there is no newspaper of general circulation, posting notice in at least three conspicuous**
 417h **places within the county in which the project area or proposed project area is located; or**

417i **(iii) posting notice, excluding the map described in Subsection (3)(b), at least 14 days before**
 417j **the day on which the hearing is held on:**

417k **(A) the Utah Public Notice Website described in Section 63F-1-701; and**

417l **(B) the public website of a community located within the boundaries of the project area; and**

417m **(b) at least 30 days before the hearing, mailing notice to:**

417n **(i) each record owner of property located within the project area or proposed project area;**

417o **(ii) the State Tax Commission; ←Ĥ**

417p **Ĥ→** (iii) the assessor and auditor of the county in which the project area or proposed project
417q area is located; [~~and~~]
417r (iv) (A) each member of the taxing entity committee; or
417s (B) if a taxing entity committee has not yet been formed, the State Board of Education and the
417t legislative body or governing board of each taxing entity [-] ; and
417u (v) the Utah Taxpayers Association.
417v (2) The mailing of notice to record property owners required under Subsection (1)(b)(i) shall
417w be conclusively considered to have been properly completed if:
417x (a) the agency mails the notice to the property owners as shown in the records, including an
417y electronic database, of the county recorder's office and at the addresses shown in those records; and
417z (b) the county recorder's office records used by the agency in identifying owners to whom the
417aa notice is mailed and their addresses were obtained or accessed from the county recorder's office no
417ab earlier than 30 days before the mailing.
417ac (3) The agency shall include in each notice required under Section 17C-3-401:
417ad (a) (i) a specific description of the boundaries of the economic development project area or
417ae proposed project area; or
417af (ii) (A) a mailing address or telephone number where a person may request that a copy of the
417ag description be sent at no cost to the person by mail or facsimile transmission; and
417ah (B) if the agency has an Internet website, an Internet address where a person may gain access
417ai to an electronic, printable copy of the description;
417aj (b) a map of the boundaries of the project area or proposed project area;
417ak (c) an explanation of the purpose of the hearing; and
417al (d) a statement of the date, time, and location of the hearing.
417am (4) The agency shall include in each notice under Subsections (1)(b)(ii), (iii), and (iv):
417an (a) a statement that property tax revenues resulting from an increase in valuation of property
417ao within the economic development project area or proposed project area will be paid to the agency for
417ap economic development purposes rather than to the taxing entity to which the tax revenues would
417aq otherwise have been paid if:
417ar (i) the taxing entity committee consents to the project area budget; and
417as (ii) the project area plan provides for the agency to receive tax increment; and
417at (b) an invitation to the recipient of the notice to submit to the agency comments concerning the
417au subject matter of the hearing before the date of the hearing.
417av (5) An agency may include in a notice under Subsection (1) any other information the agency
417aw considers necessary or advisable, including the public purpose served by the project and any future tax
417ax benefits expected to result from the project. **←Ĥ**