

1 **PRISON RELOCATION AND DEVELOPMENT AMENDMENTS**

2 2013 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Scott K. Jenkins**

5 House Sponsor: _____

6

LONG TITLE

7 **General Description:**

8 This bill addresses the relocation of the state prison, including the development of the
9 former prison land.
10

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ creates the Prison Land Management Authority to facilitate and direct the relocation
- 14 of the state prison and the development of the old prison property;
- 15 ▶ establishes the powers and duties of the authority;
- 16 ▶ provides for a board to exercise the powers of the authority, and provides for board
- 17 membership, appointment, duties, and powers;
- 18 ▶ repeals provisions relating to the Prison Relocation and Development Authority;
- 19 ▶ provides a process for issuing a request for proposals on a project to build a new
- 20 prison, to redevelop the old prison property, or both, and for authority evaluation of
- 21 bids and its recommendation of a bid to the Legislature and governor;
- 22 ▶ provides a process for the authority to manage the development of the old prison
- 23 property;
- 24 ▶ provides for a property tax increment to be paid to the authority to be applied to
- 25 specified costs;
- 26 ▶ modifies the distribution of some local option sales tax revenues;
- 27 ▶ provides that debt issued under the Prison Land Management Authority Act is not



28 included as part of the total state indebtedness for purposes of a debt limitation provision; and
29 ▶ provides a repeal date for the Prison Land Management Act.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 This bill provides an immediate effective date.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **59-12-205**, as last amended by Laws of Utah 2012, Chapter 9

37 **63B-1-306**, as last amended by Laws of Utah 2009, Chapters 241 and 275

38 **63I-1-263 (Superseded 05/01/13)**, as last amended by Laws of Utah 2012, Chapters
39 126, 206, 369, and 395

40 **63I-1-263 (Effective 05/01/13)**, as last amended by Laws of Utah 2012, Chapters 126,
41 206, 347, 369, and 395

42 ENACTS:

43 **63H-7-101**, Utah Code Annotated 1953

44 **63H-7-102**, Utah Code Annotated 1953

45 **63H-7-201**, Utah Code Annotated 1953

46 **63H-7-202**, Utah Code Annotated 1953

47 **63H-7-203**, Utah Code Annotated 1953

48 **63H-7-204**, Utah Code Annotated 1953

49 **63H-7-205**, Utah Code Annotated 1953

50 **63H-7-301**, Utah Code Annotated 1953

51 **63H-7-302**, Utah Code Annotated 1953

52 **63H-7-303**, Utah Code Annotated 1953

53 **63H-7-304**, Utah Code Annotated 1953

54 **63H-7-305**, Utah Code Annotated 1953

55 **63H-7-401**, Utah Code Annotated 1953

56 **63H-7-402**, Utah Code Annotated 1953

57 **63H-7-501**, Utah Code Annotated 1953

58 **63H-7-502**, Utah Code Annotated 1953

- 59 **63H-7-503**, Utah Code Annotated 1953
- 60 **63H-7-504**, Utah Code Annotated 1953
- 61 **63H-7-505**, Utah Code Annotated 1953
- 62 **63H-7-601**, Utah Code Annotated 1953
- 63 **63H-7-602**, Utah Code Annotated 1953
- 64 **63H-7-701**, Utah Code Annotated 1953
- 65 **63H-7-702**, Utah Code Annotated 1953
- 66 **63H-7-703**, Utah Code Annotated 1953
- 67 **63H-7-704**, Utah Code Annotated 1953
- 68 **63H-7-705**, Utah Code Annotated 1953
- 69 **63H-7-706**, Utah Code Annotated 1953
- 70 **63H-7-801**, Utah Code Annotated 1953

71 REPEALS:

- 72 **63C-13-101**, as enacted by Laws of Utah 2011, Chapter 408
- 73 **63C-13-102**, as enacted by Laws of Utah 2011, Chapter 408
- 74 **63C-13-103**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 4
- 75 **63C-13-104**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 4
- 76 **63C-13-105**, as enacted by Laws of Utah 2011, Chapter 408
- 77 **63C-13-106**, as enacted by Laws of Utah 2011, Chapter 408



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

80 Section 1. Section **59-12-205** is amended to read:

81 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
82 **tax revenues -- Determination of population.**

83 (1) A county, city, or town, in order to maintain in effect sales and use tax ordinances
84 adopted pursuant to Section 59-12-204, shall, within 30 days of an amendment to an applicable
85 provision of Part 1, Tax Collection, adopt amendments to the county's, city's, or town's sales
86 and use tax ordinances as required to conform to the amendments to Part 1, Tax Collection.

87 (2) Except as provided in Subsections (3) through (5) and subject to Subsection (6):

88 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
89 be distributed to each county, city, and town on the basis of the percentage that the population

90 of the county, city, or town bears to the total population of all counties, cities, and towns in the
91 state; and

92 (b) (i) except as provided in [~~Subsection~~] Subsections (2)(b)(ii) and (iii), 50% of each
93 dollar collected from the sales and use tax authorized by this part shall be distributed to each
94 county, city, and town on the basis of the location of the transaction as determined under
95 Sections 59-12-211 through 59-12-215; [~~and~~]

96 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
97 within a project area described in a project area plan adopted by the military installation
98 development authority under Title 63H, Chapter 1, Military Installation Development
99 Authority Act, shall be distributed to the military installation development authority created in
100 Section 63H-1-201[~~;~~]; and

101 (iii) 50% of each dollar collected from the sales and use tax authorized by this part on
102 former prison land, as defined in Section 63H-7-102, shall be distributed to the Prison Land
103 Management Authority, created in Section 63H-7-201.

104 (3) (a) Beginning on July 1, 2011, and ending on June 30, 2016, the commission shall
105 each year distribute to a county, city, or town the distribution required by this Subsection (3) if:

106 (i) the county, city, or town is a:

107 (A) county of the third, fourth, fifth, or sixth class;

108 (B) city of the fifth class; or

109 (C) town;

110 (ii) the county, city, or town received a distribution under this section for the calendar
111 year beginning on January 1, 2008, that was less than the distribution under this section that the
112 county, city, or town received for the calendar year beginning on January 1, 2007;

113 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
114 within the unincorporated area of the county for one or more days during the calendar year
115 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
116 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
117 American Industry Classification System of the federal Executive Office of the President,
118 Office of Management and Budget; or

119 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
120 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during

121 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
122 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
123 2002 North American Industry Classification System of the federal Executive Office of the
124 President, Office of Management and Budget; and

125 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
126 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for
127 one more days during the calendar year beginning on January 1, 2008, was not the holder of a
128 direct payment permit under Section 59-12-107.1; or

129 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
130 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
131 city or town for one or more days during the calendar year beginning on January 1, 2008, was
132 not the holder of a direct payment permit under Section 59-12-107.1.

133 (b) The commission shall make the distribution required by this Subsection (3) to a
134 county, city, or town described in Subsection (3)(a):

135 (i) from the distribution required by Subsection (2)(a); and

136 (ii) before making any other distribution required by this section.

137 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
138 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

139 (ii) For purposes of Subsection (3)(c)(i):

140 (A) the numerator of the fraction is the difference calculated by subtracting the
141 distribution a county, city, or town described in Subsection (3)(a) received under this section
142 for the calendar year beginning on January 1, 2008, from the distribution under this section that
143 the county, city, or town received for the calendar year beginning on January 1, 2007; and

144 (B) the denominator of the fraction is \$333,583.

145 (d) A distribution required by this Subsection (3) is in addition to any other distribution
146 required by this section.

147 (4) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year
148 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of
149 the taxable sales within the boundaries of the county, city, or town.

150 (b) The commission shall proportionally reduce monthly distributions to any county,
151 city, or town that, but for the reduction, would receive a distribution in excess of 1% of the

152 sales and use tax revenue collected within the boundaries of the county, city, or town.

153 (5) (a) As used in this Subsection (5):

154 (i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000 or
155 more in tax revenue distributions in accordance with Subsection (4) for each of the following
156 fiscal years:

157 (A) fiscal year 2002-03;

158 (B) fiscal year 2003-04; and

159 (C) fiscal year 2004-05.

160 (ii) "Minimum tax revenue distribution" means the greater of:

161 (A) the total amount of tax revenue distributions an eligible county, city, or town
162 receives from a tax imposed in accordance with this part for fiscal year 2000-01; or

163 (B) the total amount of tax revenue distributions an eligible county, city, or town
164 receives from a tax imposed in accordance with this part for fiscal year 2004-05.

165 (b) (i) Except as provided in Subsection (5)(b)(ii), beginning with fiscal year 2006-07
166 and ending with fiscal year 2012-13, an eligible county, city, or town shall receive a tax
167 revenue distribution for a tax imposed in accordance with this part equal to the greater of:

168 (A) the payment required by Subsection (2); or

169 (B) the minimum tax revenue distribution.

170 (ii) If the tax revenue distribution required by Subsection (5)(b)(i) for an eligible
171 county, city, or town is equal to the amount described in Subsection (5)(b)(i)(A) for three
172 consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following
173 that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax
174 revenue distribution equal to the payment required by Subsection (2).

175 (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year
176 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution
177 for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that
178 eligible county, city, or town is less than or equal to the product of:

179 (i) the minimum tax revenue distribution; and

180 (ii) .90.

181 (6) (a) Population figures for purposes of this section shall be based on the most recent
182 official census or census estimate of the United States Census Bureau.

183 (b) If a needed population estimate is not available from the United States Census
184 Bureau, population figures shall be derived from the estimate from the Utah Population
185 Estimates Committee created by executive order of the governor.

186 (c) The population of a county for purposes of this section shall be determined only
187 from the unincorporated area of the county.

188 Section 2. Section **63B-1-306** is amended to read:

189 **63B-1-306. Obligations issued by authority -- Limitation of liability on**
190 **obligations -- Limitation on amount of obligations issued.**

191 (1) (a) All obligations issued by the authority under this part shall be limited
192 obligations of the authority and may not constitute, nor give rise to, a general obligation or
193 liability of, nor a charge against the general credit or taxing power of, this state or any of its
194 political subdivisions.

195 (b) This limitation shall be plainly stated upon all obligations.

196 (2) (a) No authority obligations incurred under this section may be issued in an amount
197 exceeding the difference between the total indebtedness of the state and an amount equal to
198 1-1/2% of the value of the taxable property of the state.

199 (b) Debt issued under authority of the following parts or sections may not be included
200 as part of the total indebtedness of the state of Utah in determining the debt limit established by
201 this Subsection (2):

202 (i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond
203 Authorization;

204 (ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization;

205 (iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond
206 Authorization;

207 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note
208 Authorization;

209 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond
210 Authorization;

211 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note
212 Authorization;

213 (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;

- 214 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bonds;
- 215 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond
- 216 Anticipation Notes Authorization;
- 217 (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bonds for Salt
- 218 Lake County;
- 219 (xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond
- 220 Anticipation Notes for Salt Lake County;
- 221 (xii) Section 63B-13-102;
- 222 (xiii) Section 63B-16-101;
- 223 (xiv) Section 63B-16-102;
- 224 (xv) Section 63B-18-401; [~~and~~]
- 225 (xvi) Section 63B-18-402[~~-~~]; and
- 226 (xvii) Title 63H, Chapter 7, Prison Land Management Authority Act.
- 227 (c) Debt issued under authority of Section 63B-7-503 may not be included as part of
- 228 the total indebtedness of the state in determining the debt limit established by this Subsection
- 229 (2).
- 230 (3) The obligations shall be authorized by resolution of the authority, following
- 231 approval of the Legislature, and may:
- 232 (a) be executed and delivered at any time, and from time to time, as the authority may
- 233 determine;
- 234 (b) be sold at public or private sale in the manner and at the prices, either at, in excess
- 235 of, or below their face value and at the times that the authority determines;
- 236 (c) be in the form and denominations that the authority determines;
- 237 (d) be of the tenor that the authority determines;
- 238 (e) be in registered or bearer form either as to principal or interest or both;
- 239 (f) be payable in those installments and at the times that the authority determines;
- 240 (g) be payable at the places, either within or without this state, that the authority
- 241 determines;
- 242 (h) bear interest at the rate or rates, payable at the place or places, and evidenced in the
- 243 manner, that the authority determines;
- 244 (i) be redeemable before maturity, with or without premium;

245 (j) contain any other provisions not inconsistent with this part that are considered to be
246 for the best interests of the authority and provided for in the proceedings of the authority under
247 which the bonds are authorized to be issued; and

248 (k) bear facsimile signatures and seals.

249 (4) The authority may pay any expenses, premiums, or commissions, that it considers
250 necessary or advantageous in connection with the authorization, sale, and issuance of these
251 obligations, from the proceeds of the sale of the obligations or from the revenues of the projects
252 involved.

253 Section 3. Section **63H-7-101** is enacted to read:

254 **CHAPTER 7. PRISON LAND MANAGEMENT AUTHORITY ACT**

255 **Part 1. General Provisions**

256 **63H-7-101. Title.**

257 This chapter is known as the "Prison Land Management Authority Act."

258 Section 4. Section **63H-7-102** is enacted to read:

259 **63H-7-102. Definitions.**

260 As used in this chapter:

261 (1) "Authority" means the Prison Land Management Authority, created in Section
262 63H-7-201.

263 (2) "Base taxable value" means:

264 (a) for former prison land that is exempt from property tax at the time a project area
265 that includes the former prison land is created under this chapter or at the time the former
266 prison land leaves state ownership, whichever occurs earlier, a taxable value of zero; or

267 (b) for private property that is included in a project area, the taxable value of the
268 property within any portion of the project area, as designated by board resolution, from which
269 tax increment will be collected, as shown upon the assessment roll last equalized before the
270 year in which the authority issues a building permit for a building within that portion of the
271 project area.

272 (3) "Board" means the authority's governing body established under Section
273 63H-7-301.

274 (4) "Development project" means a project to develop land within a project area.

275 (5) "Former prison" means the state prison operating as of February 1, 2013 in Salt

276 Lake County.

277 (6) "Former prison land" means all the land owned or controlled by the state on which
278 the former prison is located, including:

279 (a) all land under state ownership contiguous to and surrounding the former prison; and

280 (b) land owned by the Utah Department of Transportation that it does not use for a
281 right-of-way.

282 (7) "Former prison land development project" means:

283 (a) if the former prison land is sold before it is developed, the sale of the former prison
284 land and all activities associated with the sale; or

285 (b) if the former prison land remains under state ownership during development or
286 during development and beyond, a project to:

287 (i) develop the former prison land, including the demolition of the former prison after it
288 is vacated; and

289 (ii) (A) manage the former prison land and the ongoing operation of facilities within a
290 project area after the development of the former prison land; or

291 (B) transfer the former prison land into private ownership after the land is developed.

292 (8) "Master development project" means a former prison land development project and
293 a new prison development project.

294 (9) "New prison" means a state prison to be built to replace the former prison.

295 (10) "New prison development project":

296 (a) means a project to construct a new prison at a suitable location in the state other
297 than the location of the former prison; and

298 (b) includes the acquisition of the land on which the new prison will be built.

299 (11) "New prison land" means land that is or is anticipated to be under state ownership
300 and on which a new prison is or is projected to be built.

301 (12) "Project area" means the land described in a project area plan or draft project area
302 plan where the former prison land development project set forth in the project area plan or draft
303 project area plan takes place or is proposed to take place.

304 (13) "Project area budget" means a multiyear projection of annual or cumulative
305 revenues and expenses and other fiscal matters pertaining to a project area that includes:

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

- 307 (b) the projected tax increment expected to be generated within the project area;
- 308 (c) the amount of tax increment expected to be shared with other taxing entities;
- 309 (d) the amount of tax increment expected to be used to implement the project area plan,
- 310 including the estimated amount of tax increment to be used for land acquisition, public
- 311 improvements, infrastructure improvements, and loans, grants, or other incentives to private
- 312 and public entities;
- 313 (e) the tax increment expected to be used to cover the cost of administering the project
- 314 area plan;
- 315 (f) if tax increment is to be collected at different times or from different portions of the
- 316 project area, or both:
- 317 (i) (A) the tax identification numbers of the parcels from which tax increment will be
- 318 collected; or
- 319 (B) a legal description of the portion of the project area from which tax increment will
- 320 be collected; and
- 321 (ii) an estimate of when other portions of the project area will become subject to tax
- 322 increment collection; and
- 323 (g) for property that the authority owns or leases and expects to sell or sublease, the
- 324 expected total cost of the property to the authority and the expected selling price or lease
- 325 payments.
- 326 (14) "Project area plan" means a written plan that, after its effective date, guides and
- 327 controls the former prison land development project within a project area.
- 328 (15) "Property tax" includes privilege tax and each levy on an ad valorem basis on
- 329 tangible or intangible personal or real property.
- 330 (16) "Public entity" means:
- 331 (a) the state, including any department, division, agency, or other instrumentality of the
- 332 state; or
- 333 (b) a political subdivision of the state, including a county, city, town, school district,
- 334 local district, special service district, or interlocal cooperation entity.
- 335 (17) "Publicly owned infrastructure and improvements" means water, sewer, storm
- 336 drainage, electrical, telecommunications, and other similar systems and lines, streets, roads,
- 337 curbs, gutters, sidewalks, walkways, parking facilities, public transportation facilities, and

338 other buildings, facilities, infrastructure, and improvements that:

339 (a) benefit the public; and

340 (b) are:

341 (i) publicly owned or owned by a utility; or

342 (ii) publicly owned or publicly maintained or operated by the authority or another
343 public entity.

344 (18) "State ownership" means ownership by the state or any department, division, or
345 agency of the state.

346 (19) "Taxable value" means the value of property as shown on the last equalized
347 assessment roll as certified by the county assessor.

348 (20) "Tax increment" means the difference between:

349 (a) the amount of property tax revenues generated each tax year by all taxing entities
350 from the former prison land, using the current assessed value of the property; and

351 (b) the amount of property tax revenues that would be generated from that same land,
352 using the base taxable value of the property.

353 (21) "Taxing entity" means a public entity that levies a tax on former prison land.

354 Section 5. Section **63H-7-201** is enacted to read:

355 **Part 2. Creation and Powers of Prison Land Management Authority**

356 **63H-7-201. Creation of Prison Land Management Authority -- Status and powers**
357 **of authority -- Limitation.**

358 (1) There is created a Prison Land Management Authority.

359 (2) The authority is:

360 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
361 succession, whose purpose is to facilitate and direct a master development project;

362 (b) a political subdivision of the state; and

363 (c) a public corporation, as defined in Section 63E-1-102.

364 (3) The authority may:

365 (a) as provided in this chapter, facilitate and direct:

366 (i) a former prison land development project; and

367 (ii) a new prison development project;

368 (b) sue and be sued;

- 369 (c) enter into contracts generally;
370 (d) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
371 personal property;
372 (e) exercise powers and perform functions under a contract, as authorized in the
373 contract;
374 (f) receive tax increment and other taxes and fees as provided in this chapter;
375 (g) accept financial or other assistance from any public or private source for the
376 authority's activities, powers, and duties, and expend any funds so received for any of the
377 purposes of this chapter;
378 (h) borrow money, contract with, or accept financial or other assistance from the
379 federal government, a public entity, or any other source for any of the purposes of this chapter
380 and comply with any conditions of the loan, contract, or assistance;
381 (i) hire employees, including contract employees;
382 (j) transact other business and exercise all other powers provided for in this chapter;
383 (k) if the former prison land remains under state ownership during its development or
384 during its development and beyond:
385 (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal
386 property:
387 (A) in a project area; or
388 (B) outside a project area for publicly owned infrastructure and improvements, if the
389 board considers the purchase, option, or other interest acquisition to be necessary for fulfilling
390 the authority's development objectives;
391 (ii) enter into a lease agreement on real or personal property, either as lessee or lessor:
392 (A) in a project area; or
393 (B) outside a project area, if the board considers the lease to be necessary for fulfilling
394 the authority's development objectives;
395 (iii) provide for the development of land within a project area under one or more
396 contracts;
397 (iv) enter into one or more development agreements with one or more developers of
398 land within a project area; and
399 (v) enter into an agreement with a political subdivision of the state under which the

400 political subdivision provides one or more municipal services within a project area; and

401 (1) exercise powers and perform functions that the authority is authorized by statute to
402 exercise or perform.

403 Section 6. Section **63H-7-202** is enacted to read:

404 **63H-7-202. Applicability of other law.**

405 (1) As provided in Subsection (2), the authority, land within a project area, and new
406 prison land are not subject to:

407 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act;

408 (b) Title 17, Chapter 27a, County Land Use, Development, and Management Act;

409 (c) any ordinances or regulations of a county or municipality, including those relating
410 to land use, health, business license, or franchise; or

411 (d) the jurisdiction of any local district under Title 17B, Limited Purpose Local
412 Government Entities - Local Districts, or special service district under Title 17D, Chapter 1,
413 Special Service District Act.

414 (2) Subsection (1) applies:

415 (a) with respect to the former prison land and the authority in its dealings relating to the
416 former prison land, as long as the former prison land remains under state ownership; and

417 (b) with respect to the new prison land and the authority in its dealings relating to the
418 new prison land, as long as the new prison land remains under state ownership.

419 (3) The authority is subject to and governed by Sections 63E-2-106, 63E-2-107,
420 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed
421 by Title 63E, Independent Entities Code.

422 Section 7. Section **63H-7-203** is enacted to read:

423 **63H-7-203. Allowable uses of tax increment and other funds.**

424 (1) The authority may use tax increment and other funds available to the authority:

425 (a) for any purpose authorized under this chapter, including a new prison development
426 project;

427 (b) for administrative, overhead, legal, and other operating expenses of the authority;

428 (c) to pay for, including financing or refinancing, all or part of the development of land
429 within the project area from which the tax increment funds or other funds were collected,

430 including assisting the ongoing operation of any development or facility within the project area;

431 (d) to pay the cost of the installation and construction of any publicly owned
432 infrastructure and improvements within the project area from which the tax increment funds
433 were collected;

434 (e) to pay the cost of the installation of publicly owned infrastructure and
435 improvements, including a passenger ropeway, as defined in Section 72-11-102, outside the
436 project area if:

437 (i) the authority board determines by resolution that the infrastructure and
438 improvements are of benefit to the project area; and

439 (ii) for a passenger ropeway, at least one end of the ropeway is located within the
440 project area; and

441 (f) to pay the principal of and interest on bonds issued to pay costs associated with a
442 new prison development project or former prison land development project.

443 (2) The authority may use revenue generated from the operation of publicly owned
444 infrastructure operated by the authority or improvements operated by the authority to:

445 (a) operate and maintain the infrastructure or improvements; and

446 (b) pay for authority operating expenses, including administrative, overhead, and legal
447 expenses.

448 (3) For purposes of Subsection (1), the authority may use:

449 (a) tax revenues received under Subsection 59-12-205(2)(b)(ii); and

450 (b) resort communities tax revenues generated from a project area that contains private
451 land.

452 (4) The determination of the authority board under Subsection (1)(e) regarding benefit
453 to the project area is final and conclusive.

454 Section 8. Section **63H-7-204** is enacted to read:

455 **63H-7-204. Authority receipt and use of tax increment -- Distribution of tax**
456 **increment.**

457 (1) (a) The authority may:

458 (i) subject to Subsection (1)(b), receive up to 50% of tax increment for up to 25 years,
459 as provided in this part; and

460 (ii) use tax increment during and after the period described in Subsection (1)(a)(i).

461 (b) With respect to a parcel located within a project area, the 25-year period described

462 in Subsection (1)(a)(i) shall begin on the day on which the authority receives the first tax
463 increment from that parcel.

464 (2) Improvements on a parcel within a project area become subject to property tax on
465 January 1 immediately following the day on which the authority issues a certificate of
466 occupancy with respect to those improvements.

467 (3) A county that collects property tax on property within a project area shall pay and
468 distribute to the authority the tax increment that the authority is entitled to collect under this
469 title, in the manner and at the time provided in Section 59-2-1365.

470 (4) (a) The board shall determine by resolution when the entire project area or an
471 individual parcel within a project area is subject to tax increment.

472 (b) The board shall amend the project area budget to reflect whether a parcel within a
473 project area is subject to tax increment.

474 Section 9. Section **63H-7-205** is enacted to read:

475 **63H-7-205. Authority funds nonlapsing.**

476 All funds received by the authority are nonlapsing.

477 Section 10. Section **63H-7-301** is enacted to read:

478 **Part 3. Authority Board**

479 **63H-7-301. Board duties and powers -- Chair -- Delegation of power.**

480 (1) The authority shall be governed by a board which shall manage and conduct the
481 business and affairs of the authority and shall determine all questions of authority policy.

482 (2) All powers of the authority are exercised through the board.

483 (3) The board may appoint a chair from among its members.

484 (4) The board may appoint one or more subcommittees of its members to act on
485 matters under the board's authority, but any action of a subcommittee is subject to board
486 approval.

487 (5) The board may by resolution delegate powers to authority staff.

488 Section 11. Section **63H-7-302** is enacted to read:

489 **63H-7-302. Board membership -- Vacancies -- Removal -- Nonvoting members.**

490 (1) (a) The authority's board consists of 10 members.

491 (b) Six members of the board shall be appointed by the governor as follows:

492 (i) an individual from the Department of Corrections;

493 (ii) an individual from the Governor's Office of Economic Development;
494 (iii) two individuals with commercial construction experience; and
495 (iv) two individuals with experience in the real estate industry.
496 (c) The other four members of the board shall be:
497 (i) a member of the Senate, appointed by the president of the Senate;
498 (ii) a member of the House of Representatives, appointed by the speaker of the House
499 of Representatives; and
500 (iii) two individuals appointed by the municipality in which the former prison land is
501 located.

502 (2) (a) A vacancy on the board shall be filled in the same manner as the appointment of
503 the member whose departure from the board will cause the vacancy.

504 (b) A person appointed to fill a vacancy shall serve the remaining unexpired term of
505 the member whose vacancy the person is filling.

506 (3) A member of the board appointed by the governor, president of the Senate, or
507 speaker of the House of Representatives serves at the pleasure of and may be removed and
508 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker
509 of the House of Representatives, respectively.

510 (4) The authority may:

511 (a) appoint nonvoting members of the board; and

512 (b) set terms for nonvoting members appointed under Subsection (4)(a).

513 Section 12. Section **63H-7-303** is enacted to read:

514 **63H-7-303. Term of board members.**

515 (1) Subject to Subsection 63H-7-302(3), the term of board members is four years.

516 (2) A board member shall serve until a successor is duly appointed and qualified.

517 Section 13. Section **63H-7-304** is enacted to read:

518 **63H-7-304. Compensation and expenses of board members.**

519 (1) Salaries and expenses of board members who are legislators shall be paid in
520 accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Expense and
521 Mileage Reimbursement for Authorized Legislative Meetings, Special Sessions, and Veto
522 Override Sessions.

523 (2) A board member who is not a legislator may not receive compensation or benefits

524 for the member's service on the board, but may receive per diem and reimbursement for travel
525 expenses incurred as a board member at the rates established by the Division of Finance under:

526 (a) Sections 63A-3-106 and 63A-3-107; and

527 (b) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

528 63A-3-107.

529 Section 14. Section **63H-7-305** is enacted to read:

530 **63H-7-305. Board member ethics and conflicts of interest.**

531 (1) A board member is subject to Title 67, Chapter 16, Utah Public Officers' and

532 Employees' Ethics Act.

533 (2) An individual may not be appointed to or serve on the board if the individual:

534 (a) has an ownership interest in or is an officer or employee of an entity that:

535 (i) anticipates submitting a bid or submits a bid for a new prison development project,

536 former prison land development project, or master development project; or

537 (ii) anticipates providing material or labor under a contract awarded pursuant to a bid

538 for a new prison development project, former prison land development project, or master

539 development project;

540 (b) has a spouse, child, parent, or sibling who has an ownership interest in or is an

541 officer or employee of an entity described in Subsection (2)(a); or

542 (c) has a direct or indirect interest in or derives or will derive any direct or indirect

543 financial benefit from any work done in pursuit of a new prison development project, former

544 prison land development project, or master development project.

545 Section 15. Section **63H-7-401** is enacted to read:

546 **Part 4. Bidding and Awarding of Contract for Projects**

547 **63H-7-401. Process of bidding on projects.**

548 (1) The authority shall:

549 (a) consult with the Division of Facilities Construction Management in formulating a

550 request for proposals under this part;

551 (b) as soon as reasonably possible and with the approval of the director of the Division

552 of Facilities Construction and Management, issue a request for proposals inviting persons to

553 submit bids on a new prison development project, former prison land development project, or

554 master development project;

555 (c) provide a process for persons to submit bids and for the authority to receive bids;

556 (d) evaluate the bids that are submitted;

557 (e) in evaluating and making a decision on bids, treat a bid from a bidder that has its

558 principal place of business outside the state as though the total amount of the bid were 105% of

559 the actual amount of the bid;

560 (f) decide whether to recommend accepting one of the bids or a combination of bids

561 and awarding a contract for a new prison development project, former prison land development

562 project, or master development project to the bidder of that bid or the bidders of the

563 combination of bids;

564 (g) if the authority decides to recommend accepting a bid or combination of bids and

565 awarding a contract for a new prison development project, former prison land development

566 project, or master development project to the bidder of that bid or the bidders of those bids,

567 immediately submit the recommendation to the governor and the Legislative Management

568 Committee; and

569 (h) upon the Legislature and governor's approval of the authority's recommendation,

570 accept the bid or combination of bids that are the subject of the authority's recommendation and

571 award a contract to the bidder under that bid or bidders under those bids.

572 (2) The authority may not accept a bid or award a contract under that bid unless the

573 Legislature and governor approve the bid through adoption of a concurrent resolution or other

574 legislation expressing approval.

575 (3) If the Legislature and governor have not approved the authority's recommendation

576 within 60 days after the authority submits its recommendation under Subsection (1)(f), the

577 authority:

578 (a) shall repeat the process described in Subsections (1)(c), (d), and (f), if the authority

579 has made only one previous recommendation; or

580 (b) is dissolved, if the authority has made two previous recommendations.

581 (4) (a) Subject to Subsection (4)(b), the provisions of Title 63G, Chapter 6a, Utah

582 Procurement Code, do not apply with respect to the process described in this section.

583 (b) The authority shall adopt procurement rules substantially similar to the

584 requirements of Title 63G, Chapter 6a, Utah Procurement Code, to govern the process

585 described in this section.

586 Section 16. Section **63H-7-402** is enacted to read:

587 **63H-7-402. Sources of funds for master development project -- Additional bid**
588 **requirements.**

589 (1) A bid submitted in response to a request for proposals under Section 63H-7-401
590 shall identify and quantify sources of funds that the bid relies on for its financial feasibility,
591 including identifying and quantifying which of the following possible sources of funds the bid
592 relies on:

593 (a) money derived from the sale, or from the development, management, and eventual
594 sale, of the former prison land;

595 (b) tax increment;

596 (c) sales tax revenue under Subsection 59-12-205(2)(b)(iii);

597 (d) savings realized from funds that had been intended for maintenance and upkeep of
598 the former prison but that will not be spent on the former prison due to the construction of a
599 new prison;

600 (e) the amount of future construction costs anticipated to be spent for prison facilities
601 but that will not be spent due to the construction of a new prison;

602 (f) reductions in future years' budgets of the Department of Corrections that equal the
603 savings realized due to greater efficiencies in the operation of a new prison over the anticipated
604 cost of operating the former prison;

605 (g) proceeds from the issuance of bonds;

606 (h) legislative appropriations;

607 (i) financing provided by the developer; and

608 (j) any other source of funds that the bidder proposes to be made available in order to
609 implement the new prison development project, former prison land development project, or
610 master development project.

611 (2) In issuing a request for proposals under Section 63H-7-401, the authority shall
612 request persons submitting bids to:

613 (a) specify and quantify which sources of funds the bid relies on for its financial
614 feasibility;

615 (b) identify any changes in state law the bidder recommends be made in order to
616 facilitate the implementation of the new prison development project, former prison land

617 development project, or master development project; and

618 (c) comply with all other requirements of the request for proposals.

619 Section 17. Section **63H-7-501** is enacted to read:

620 **Part 5. Project Area for Former Prison Land Development Project**

621 **63H-7-501. Application of part.**

622 This part applies only if the former prison land remains under state ownership during
623 the former prison land's development, as described in Subsection 63H-7-102(7)(b).

624 Section 18. Section **63H-7-502** is enacted to read:

625 **63H-7-502. Preparation of project area plan -- Required contents of project area**
626 **plan.**

627 (1) (a) To begin the process of implementing a former prison land development project,
628 the board shall adopt a project area plan as provided in this part.

629 (b) In order to adopt a project area plan, the board shall:

630 (i) prepare a draft project area plan;

631 (ii) give notice as required under Subsection 63H-7-503(2);

632 (iii) hold at least one public meeting, as required under Subsection 63H-7-503(1); and

633 (iv) after holding at least one public meeting and subject to Subsection (1)(c), adopt the
634 draft project area plan as the project area plan.

635 (c) Before adopting a draft project area plan as the project area plan, the board may
636 make modifications to the draft project area plan that the board considers necessary or
637 appropriate.

638 (2) Each project area plan and draft project area plan shall contain:

639 (a) a legal description of the boundary of the project area that is the subject of the
640 project area plan;

641 (b) the authority's purposes and intent with respect to the project area; and

642 (c) the board's findings and determination that:

643 (i) there is a need to effectuate a public purpose;

644 (ii) there is a public benefit to the proposed former prison land development project;

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

646 and

647 (iv) carrying out the project area plan will promote the public peace, health, safety, and

648 welfare of the community in which the project area is located.

649 (3) A project area described in a project area plan:

650 (a) shall include all of the former prison land; and

651 (b) may include public or private land contiguous to the former prison land if:

652 (i) the legislative body of the municipality in which the land is located passes a
653 resolution consenting to the inclusion of the land in the project area; and

654 (ii) the owner of the public or private land consents to the inclusion of the land in the
655 project area.

656 Section 19. Section **63H-7-503** is enacted to read:

657 **63H-7-503. Public meeting to consider and discuss draft project area plan --**

658 **Notice -- Adoption of plan.**

659 (1) The board shall hold at least one public meeting to consider and discuss the draft
660 project area plan.

661 (2) At least 10 days before holding a public meeting under Subsection (1), the board
662 shall give notice of the public meeting to:

663 (a) each taxing entity; and

664 (b) each municipality that is located within one-half mile of the proposed project area.

665 (3) Following consideration and discussion of the project area plan, the board may
666 adopt the draft project area plan as the project area plan.

667 Section 20. Section **63H-7-504** is enacted to read:

668 **63H-7-504. Notice of project area plan adoption -- Effective date of plan.**

669 (1) (a) Upon the board's adoption of a project area plan, the board shall provide notice
670 as provided in Subsection (1)(b) by:

671 (i) publishing or causing to be published a notice:

672 (A) in a newspaper of general circulation within the authority's boundaries; and

673 (B) as required in Section 45-1-101; or

674 (ii) if there is no newspaper of general circulation within the authority's boundaries as
675 described in Subsection (1)(a)(i)(A), causing a notice to be posted in at least three public places
676 within the authority's boundaries.

677 (b) Each notice under Subsection (1)(a) shall:

678 (i) set forth the board resolution adopting the project area plan or a summary of the

679 resolution; and

680 (ii) include a statement that the project area plan is available for general public
681 inspection and the hours for inspection.

682 (2) The project area plan shall become effective on the date of:

683 (a) if notice was published under Subsection (1)(a), publication of the notice; or

684 (b) if notice was posted under Subsection (1)(a), posting of the notice.

685 (3) The authority shall make the adopted project area plan available to the general
686 public at its offices during normal business hours.

687 (4) Within 10 days after adopting a project area plan that establishes a project area, or
688 after adopting an amendment to a project area plan under which the boundary of a project area
689 is modified, the authority shall send notice of the establishment or modification of the project
690 area and an accurate map or plat of the project area to:

691 (a) the State Tax Commission;

692 (b) the Automated Geographic Reference Center created in Section 63F-1-506; and

693 (c) the assessor and recorder of each county in which the project area is located.

694 Section 21. Section **63H-7-505** is enacted to read:

695 **63H-7-505. Amendment to a project area plan.**

696 (1) The authority may amend a project area plan by following the same procedure
697 under this part as applies to the adoption of a project area plan.

698 (2) The provisions of this part apply to the authority's adoption of an amendment to a
699 project area plan to the same extent as they apply to the adoption of a project area plan.

700 Section 22. Section **63H-7-601** is enacted to read:

701 **Part 6. Project Area Budget**

702 **63H-7-601. Applicability of part.**

703 This part applies only if the former prison land remains under state ownership during
704 the former prison land's development, as described in Subsection 63H-7-102(7)(b).

705 Section 23. Section **63H-7-602** is enacted to read:

706 **63H-7-602. Preparation and adoption of a project area budget -- Amendment.**

707 (1) The authority board shall prepare and adopt a budget for the former prison land
708 development project.

709 (2) The authority board may amend an adopted budget as and when the authority board

710 considers it appropriate.

711 Section 24. Section **63H-7-701** is enacted to read:

712 **Part 7. Authority Budget**

713 **63H-7-701. Annual authority budget -- Fiscal year -- Public hearing required --**

714 **Auditor forms -- Requirement to file form.**

715 (1) The authority shall prepare and its board adopt an annual budget of revenues and
716 expenditures for the authority for each fiscal year.

717 (2) Each annual authority budget shall be adopted before June 22.

718 (3) The authority's fiscal year shall be the period from July 1 to the following June 30.

719 (4) (a) Before adopting an annual budget, the authority board shall hold a public
720 hearing on the annual budget.

721 (b) The authority shall provide notice of the public hearing on the annual budget by:

722 (i) publishing notice:

723 (A) at least once in a newspaper of general circulation within the authority boundaries,
724 one week before the public hearing; and

725 (B) on the Utah Public Notice Website created in Section 63F-1-701, for at least one
726 week immediately before the public hearing; or

727 (ii) if there is no newspaper of general circulation within the authority boundaries as
728 described in Subsection (4)(b)(i)(A), posting a notice of the public hearing in at least three
729 public places within the authority boundaries.

730 (c) The authority shall make the annual budget available for public inspection at least
731 three days before the date of the public hearing.

732 (5) The state auditor shall prescribe the budget forms and the categories to be contained
733 in each authority budget, including:

734 (a) revenues and expenditures for the budget year;

735 (b) legal fees; and

736 (c) administrative costs, including rent, supplies, and other materials, and salaries of
737 authority personnel.

738 (6) (a) Within 30 days after adopting an annual budget, the authority board shall file a
739 copy of the annual budget with the auditor of the county in which the authority is located, the
740 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity

741 that levies a tax on property from which the authority collects tax increment.

742 (b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the
743 state as a taxing entity is met if the authority files a copy with the State Tax Commission and
744 the state auditor.

745 Section 25. Section **63H-7-702** is enacted to read:

746 **63H-7-702. Amending the authority annual budget.**

747 (1) The board may by resolution amend an annual authority budget.

748 (2) An amendment of the annual authority budget that would increase the total
749 expenditures may be made only after public hearing by notice published as required for initial
750 adoption of the annual budget.

751 (3) The authority may not make expenditures in excess of the total expenditures
752 established in the annual budget as it is adopted or amended.

753 Section 26. Section **63H-7-703** is enacted to read:

754 **63H-7-703. Authority report.**

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

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

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

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

764 (b) an estimate of the tax increment to be paid to the authority for the calendar year
765 beginning the next January 1.

766 Section 27. Section **63H-7-704** is enacted to read:

767 **63H-7-704. Audit requirements.**

768 The authority shall comply with the audit requirements of Title 51, Chapter 2a,
769 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local
770 Entities Act.

771 Section 28. Section **63H-7-705** is enacted to read:

772 **63H-7-705. Audit report.**

773 (1) The authority shall, within 180 days after the end of the authority's fiscal year, file a
774 copy of the audit report with the county auditor, the State Tax Commission, the State Board of
775 Education, and each taxing entity that levies a tax on property from which the authority collects
776 tax increment.

777 (2) Each audit report under Subsection (1) shall include:

778 (a) the tax increment collected by the authority for each project area;

779 (b) the outstanding principal amount of bonds issued or other loans incurred to finance
780 the costs associated with the authority's project areas; and

781 (c) the actual amount expended for:

782 (i) acquisition of property;

783 (ii) site improvements or site preparation costs;

784 (iii) installation of public utilities or other public improvements; and

785 (iv) administrative costs of the authority.

786 Section 29. Section **63H-7-706** is enacted to read:

787 **63H-7-706. Authority chief financial officer is a public treasurer -- Certain**
788 **authority funds are public funds.**

789 (1) The authority's chief financial officer:

790 (a) is a public treasurer, as defined in Section 51-7-3; and

791 (b) shall invest the authority funds specified in Subsection (2) as provided in
792 Subsection (2).

793 (2) Notwithstanding Subsection 63E-2-110(2)(a), tax increment funds, municipal
794 services revenue, and appropriations that the authority receives from the state:

795 (a) are public funds; and

796 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

797 Section 30. Section **63H-7-801** is enacted to read:

798 **Part 8. Dissolution of Authority**

799 **63H-7-801. Restrictions on dissolution of authority -- Filing copy of ordinance --**
800 **Authority records -- Dissolution expenses.**

801 (1) The authority may not be dissolved unless the authority has no unpaid loans,
802 indebtedness, or advances, and no legally binding contractual obligations with persons or

803 entities other than the state.

804 (2) Upon the dissolution of the authority:

805 (a) the Governor's Office of Economic Development shall publish a notice of
806 dissolution:

807 (i) in a newspaper of general circulation in the county in which the dissolved authority
808 is located; and

809 (ii) as required in Section 45-1-101; and

810 (b) all title to property owned by the authority vests in the state.

811 (3) The books, documents, records, papers, and seal of each dissolved authority shall
812 be deposited for safekeeping and reference with the state auditor.

813 (4) The authority shall pay all expenses of the deactivation and dissolution.

814 Section 31. Section **63I-1-263 (Superseded 05/01/13)** is amended to read:

815 **63I-1-263 (Superseded 05/01/13). Repeal dates, Titles 63A to 63M.**

816 (1) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage to
817 any public school district which chooses to participate, is repealed July 1, 2016.

818 (2) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2016.

819 (3) Section 63C-8-106, rural residency training program, is repealed July 1, 2015.

820 [~~(4) Title 63C, Chapter 13, Prison Relocation and Development Authority Act, is~~
821 ~~repealed July 1, 2014.~~]

822 [~~(5)~~ (4) Subsection 63G-6-502(5)(b)(ii) authorizing certain transportation agencies to
823 award a contract for a design-build transportation project in certain circumstances, is repealed
824 July 1, 2015.

825 [~~(6)~~ (5) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
826 July 1, 2020.

827 [~~(7)~~ (6) The Resource Development Coordinating Committee, created in Section
828 63J-4-501, is repealed July 1, 2015.

829 [~~(8)~~ (7) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

830 [~~(9)~~ (8) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act,
831 is repealed January 1, 2021.

832 (b) Subject to Subsection [~~(9)~~ (8)(c), Sections 59-7-610 and 59-10-1007 regarding tax
833 credits for certain persons in recycling market development zones, are repealed for taxable

834 years beginning on or after January 1, 2021.

835 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

836 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
837 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

838 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
839 the expenditure is made on or after January 1, 2021.

840 (d) Notwithstanding Subsections [~~(9)~~] (8)(b) and (c), a person may carry forward a tax
841 credit in accordance with Section 59-7-610 or 59-10-1007 if:

842 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

843 (ii) (A) for the purchase price of machinery or equipment described in Section
844 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
845 2020; or

846 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the
847 expenditure is made on or before December 31, 2020.

848 [~~(10)~~] (9) (a) Section 63M-1-2507, Health Care Compact is repealed on July 1, 2014.

849 (b) (i) The Legislature shall, before reauthorizing the Health Care Compact:

850 (A) direct the Health System Reform Task Force to evaluate the issues listed in
851 Subsection [~~(10)~~] (9)(b)(ii), and by January 1, 2013 develop and recommend criteria for the
852 Legislature to use to negotiate the terms of the Health Care Compact; and

853 (B) prior to July 1, 2014, seek amendments to the Health Care Compact among the
854 member states that the Legislature determines are appropriate after considering the
855 recommendations of the Health System Reform Task Force.

856 (ii) The Health System Reform Task Force shall evaluate and develop criteria for the
857 Legislature regarding:

858 (A) the impact of the Supreme Court ruling on the Affordable Care Act;

859 (B) whether Utah is likely to be required to implement any part of the Affordable Care
860 Act prior to negotiating the compact with the federal government, such as Medicaid expansion
861 in 2014;

862 (C) whether the compact's current funding formula, based on adjusted 2010 state
863 expenditures, is the best formula for Utah and other state compact members to use for
864 establishing the block grants from the federal government;

865 (D) whether the compact's calculation of current year inflation adjustment factor,
 866 without consideration of the regional medical inflation rate in the current year, is adequate to
 867 protect the state from increased costs associated with administering a state based Medicaid and
 868 a state based Medicare program;

869 (E) whether the state has the flexibility it needs under the compact to implement and
 870 fund state based initiatives, or whether the compact requires uniformity across member states
 871 that does not benefit Utah;

872 (F) whether the state has the option under the compact to refuse to take over the federal
 873 Medicare program;

874 (G) whether a state based Medicare program would provide better benefits to the
 875 elderly and disabled citizens of the state than a federally run Medicare program;

876 (H) whether the state has the infrastructure necessary to implement and administer a
 877 better state based Medicare program;

878 (I) whether the compact appropriately delegates policy decisions between the
 879 legislative and executive branches of government regarding the development and
 880 implementation of the compact with other states and the federal government; and

881 (J) the impact on public health activities, including communicable disease surveillance
 882 and epidemiology.

883 ~~[(11)]~~ (10) The Crime Victim Reparations and Assistance Board, created in Section
 884 63M-7-504, is repealed July 1, 2017.

885 ~~[(12)]~~ (11) Title 63M, Chapter 9, Families, Agencies, and Communities Together for
 886 Children and Youth At Risk Act, is repealed July 1, 2016.

887 ~~[(13)]~~ (12) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
 888 2017.

889 Section 32. Section **63I-1-263 (Effective 05/01/13)** is amended to read:

890 **63I-1-263 (Effective 05/01/13). Repeal dates, Titles 63A to 63M.**

891 (1) Section 63A-4-204, authorizing the Risk Management Fund to provide coverage to
 892 any public school district which chooses to participate, is repealed July 1, 2016.

893 (2) Section 63A-5-603, State Facility Energy Efficiency Fund, is repealed July 1, 2016.

894 (3) Section 63C-8-106, rural residency training program, is repealed July 1, 2015.

895 ~~[(4) Title 63C, Chapter 13, Prison Relocation and Development Authority Act, is~~

896 ~~repealed July 1, 2014.]~~

897 ~~[(5)] (4)~~ Subsection 63G-6a-1402(7) authorizing certain transportation agencies to
898 award a contract for a design-build transportation project in certain circumstances, is repealed
899 July 1, 2015.

900 ~~[(6)] (5)~~ Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
901 July 1, 2020.

902 ~~[(7)] (6)~~ The Resource Development Coordinating Committee, created in Section
903 63J-4-501, is repealed July 1, 2015.

904 ~~[(8)] (7)~~ Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

905 ~~[(9)] (8)~~ (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act,
906 is repealed January 1, 2021.

907 (b) Subject to Subsection ~~[(9)] (8)~~(c), Sections 59-7-610 and 59-10-1007 regarding tax
908 credits for certain persons in recycling market development zones, are repealed for taxable
909 years beginning on or after January 1, 2021.

910 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

911 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
912 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

913 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
914 the expenditure is made on or after January 1, 2021.

915 (d) Notwithstanding Subsections ~~[(9)] (8)~~(b) and (c), a person may carry forward a tax
916 credit in accordance with Section 59-7-610 or 59-10-1007 if:

917 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

918 (ii) (A) for the purchase price of machinery or equipment described in Section
919 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
920 2020; or

921 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the
922 expenditure is made on or before December 31, 2020.

923 ~~[(10)] (9)~~ (a) Section 63M-1-2507, Health Care Compact is repealed on July 1, 2014.

924 (b) (i) The Legislature shall, before reauthorizing the Health Care Compact:

925 (A) direct the Health System Reform Task Force to evaluate the issues listed in
926 Subsection ~~[(10)] (9)~~(b)(ii), and by January 1, 2013 develop and recommend criteria for the

927 Legislature to use to negotiate the terms of the Health Care Compact; and

928 (B) prior to July 1, 2014, seek amendments to the Health Care Compact among the
929 member states that the Legislature determines are appropriate after considering the
930 recommendations of the Health System Reform Task Force.

931 (ii) The Health System Reform Task Force shall evaluate and develop criteria for the
932 Legislature regarding:

933 (A) the impact of the Supreme Court ruling on the Affordable Care Act;

934 (B) whether Utah is likely to be required to implement any part of the Affordable Care
935 Act prior to negotiating the compact with the federal government, such as Medicaid expansion
936 in 2014;

937 (C) whether the compact's current funding formula, based on adjusted 2010 state
938 expenditures, is the best formula for Utah and other state compact members to use for
939 establishing the block grants from the federal government;

940 (D) whether the compact's calculation of current year inflation adjustment factor,
941 without consideration of the regional medical inflation rate in the current year, is adequate to
942 protect the state from increased costs associated with administering a state based Medicaid and
943 a state based Medicare program;

944 (E) whether the state has the flexibility it needs under the compact to implement and
945 fund state based initiatives, or whether the compact requires uniformity across member states
946 that does not benefit Utah;

947 (F) whether the state has the option under the compact to refuse to take over the federal
948 Medicare program;

949 (G) whether a state based Medicare program would provide better benefits to the
950 elderly and disabled citizens of the state than a federally run Medicare program;

951 (H) whether the state has the infrastructure necessary to implement and administer a
952 better state based Medicare program;

953 (I) whether the compact appropriately delegates policy decisions between the
954 legislative and executive branches of government regarding the development and
955 implementation of the compact with other states and the federal government; and

956 (J) the impact on public health activities, including communicable disease surveillance
957 and epidemiology.

958 [~~(H)~~] (10) The Crime Victim Reparations and Assistance Board, created in Section
959 63M-7-504, is repealed July 1, 2017.

960 [~~(H)~~] (11) Title 63M, Chapter 9, Families, Agencies, and Communities Together for
961 Children and Youth At Risk Act, is repealed July 1, 2016.

962 [~~(H)~~] (12) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
963 2017.

964 Section 33. **Repealer.**

965 This bill repeals:

966 Section **63C-13-101, Title.**

967 Section **63C-13-102, Definitions.**

968 Section **63C-13-103, Creation of Prison Relocation and Development Authority --**
969 **Members.**

970 Section **63C-13-104, Authority duties.**

971 Section **63C-13-105, Authority staff and expenses.**

972 Section **63C-13-106, No effect on local land use authority.**

973 Section 34. **Effective date.**

974 If approved by two-thirds of all the members elected to each house, this bill takes effect
975 upon approval by the governor, or the day following the constitutional time limit of Utah
976 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
977 the date of veto override.

Legislative Review Note
as of 2-12-13 9:21 AM

Office of Legislative Research and General Counsel