

Senator Scott K. Jenkins proposes the following substitute bill:

PRISON RELOCATION AND DEVELOPMENT AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott K. Jenkins

House Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ creates the Prison Land Management Authority to facilitate and direct the relocation of the state prison and the development of the old prison property;
- ▶ establishes the powers and duties of the authority;
- ▶ provides for a board to exercise the powers of the authority, and provides for board membership, appointment, duties, and powers;
- ▶ repeals provisions relating to the Prison Relocation and Development Authority;
- ▶ provides a process for issuing a request for proposals on a project to build a new prison, to redevelop the old prison property, or both, and for authority evaluation of bids and its recommendation of a bid to the Legislature and governor;
- ▶ provides a process for the authority to manage the development of the old prison property;
- ▶ provides for a property tax increment to be paid to the authority to be applied to 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
- 29 provision; and
- 30 ▶ provides a repeal date for the Prison Land Management Act.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill provides an immediate effective date.

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **59-12-205**, as last amended by Laws of Utah 2012, Chapter 9

38 **63B-1-306**, as last amended by Laws of Utah 2009, Chapters 241 and 275

39 **63I-1-263 (Superseded 05/01/13)**, as last amended by Laws of Utah 2012, Chapters

40 126, 206, 369, and 395

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

42 206, 347, 369, and 395

43 ENACTS:

44 **63H-7-101**, Utah Code Annotated 1953

45 **63H-7-102**, Utah Code Annotated 1953

46 **63H-7-201**, Utah Code Annotated 1953

47 **63H-7-202**, Utah Code Annotated 1953

48 **63H-7-203**, Utah Code Annotated 1953

49 **63H-7-204**, Utah Code Annotated 1953

50 **63H-7-205**, Utah Code Annotated 1953

51 **63H-7-301**, Utah Code Annotated 1953

52 **63H-7-302**, Utah Code Annotated 1953

53 **63H-7-303**, Utah Code Annotated 1953

54 **63H-7-304**, Utah Code Annotated 1953

55 **63H-7-305**, Utah Code Annotated 1953

56 **63H-7-401**, Utah Code Annotated 1953

- 57 **63H-7-402**, Utah Code Annotated 1953
- 58 **63H-7-501**, Utah Code Annotated 1953
- 59 **63H-7-502**, Utah Code Annotated 1953
- 60 **63H-7-503**, Utah Code Annotated 1953
- 61 **63H-7-504**, Utah Code Annotated 1953
- 62 **63H-7-505**, Utah Code Annotated 1953
- 63 **63H-7-601**, Utah Code Annotated 1953
- 64 **63H-7-602**, Utah Code Annotated 1953
- 65 **63H-7-701**, Utah Code Annotated 1953
- 66 **63H-7-702**, Utah Code Annotated 1953
- 67 **63H-7-703**, Utah Code Annotated 1953
- 68 **63H-7-704**, Utah Code Annotated 1953
- 69 **63H-7-705**, Utah Code Annotated 1953
- 70 **63H-7-706**, Utah Code Annotated 1953
- 71 **63H-7-801**, Utah Code Annotated 1953

72 REPEALS:

- 73 **63C-13-101**, as enacted by Laws of Utah 2011, Chapter 408
- 74 **63C-13-102**, as enacted by Laws of Utah 2011, Chapter 408
- 75 **63C-13-103**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 4
- 76 **63C-13-104**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 4
- 77 **63C-13-105**, as enacted by Laws of Utah 2011, Chapter 408
- 78 **63C-13-106**, as enacted by Laws of Utah 2011, Chapter 408

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

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

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

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

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

89 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
90 be distributed to each county, city, and town on the basis of the percentage that the population
91 of the county, city, or town bears to the total population of all counties, cities, and towns in the
92 state; and

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

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

102 (iii) beginning the first day of the calendar quarter that is at least 90 days after the
103 Prison Land Management Authority, created in Section 63H-7-201, gives notice to the tax
104 commission of the Authority's intent to receive sales and use tax revenue under this Subsection
105 (2)(b)(iii), 50% of each dollar collected from the sales and use tax authorized by this part on
106 former prison land, as defined in Section 63H-67-102, shall be distributed to the Prison Land
107 Management Authority.

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

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

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

112 (B) city of the fifth class; or

113 (C) town;

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

117 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
118 within the unincorporated area of the county for one or more days during the calendar year

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

123 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
124 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
125 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
126 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
127 2002 North American Industry Classification System of the federal Executive Office of the
128 President, Office of Management and Budget; and

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

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

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

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

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

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

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

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

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

149 (d) A distribution required by this Subsection (3) is in addition to any other distribution

150 required by this section.

151 (4) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year
152 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of
153 the taxable sales within the boundaries of the county, city, or town.

154 (b) The commission shall proportionally reduce monthly distributions to any county,
155 city, or town that, but for the reduction, would receive a distribution in excess of 1% of the
156 sales and use tax revenue collected within the boundaries of the county, city, or town.

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

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

161 (A) fiscal year 2002-03;

162 (B) fiscal year 2003-04; and

163 (C) fiscal year 2004-05.

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

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

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

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

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

173 (B) the minimum tax revenue distribution.

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

179 (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year
180 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution

181 for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that
182 eligible county, city, or town is less than or equal to the product of:

- 183 (i) the minimum tax revenue distribution; and
- 184 (ii) .90.

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

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

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

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

193 **63B-1-306. Obligations issued by authority -- Limitation of liability on**
194 **obligations -- Limitation on amount of obligations issued.**

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

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

200 (2) (a) No authority obligations incurred under this section may be issued in an amount
201 exceeding the difference between the total indebtedness of the state and an amount equal to
202 1-1/2% of the value of the taxable property of the state.

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

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

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

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

211 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note

212 Authorization;

213 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond

214 Authorization;

215 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note

216 Authorization;

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

218 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bonds;

219 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond

220 Anticipation Notes Authorization;

221 (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bonds for Salt

222 Lake County;

223 (xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond

224 Anticipation Notes for Salt Lake County;

225 (xii) Section 63B-13-102;

226 (xiii) Section 63B-16-101;

227 (xiv) Section 63B-16-102;

228 (xv) Section 63B-18-401; [~~and~~]

229 (xvi) Section 63B-18-402[~~;~~]; and

230 (xvii) Title 63H, Chapter 7, Prison Land Management Authority Act.

231 (c) Debt issued under authority of Section 63B-7-503 may not be included as part of
232 the total indebtedness of the state in determining the debt limit established by this Subsection
233 (2).

234 (3) The obligations shall be authorized by resolution of the authority, following
235 approval of the Legislature, and may:

236 (a) be executed and delivered at any time, and from time to time, as the authority may
237 determine;

238 (b) be sold at public or private sale in the manner and at the prices, either at, in excess
239 of, or below their face value and at the times that the authority determines;

240 (c) be in the form and denominations that the authority determines;

241 (d) be of the tenor that the authority determines;

242 (e) be in registered or bearer form either as to principal or interest or both;

243 (f) be payable in those installments and at the times that the authority determines;

244 (g) be payable at the places, either within or without this state, that the authority
245 determines;

246 (h) bear interest at the rate or rates, payable at the place or places, and evidenced in the
247 manner, that the authority determines;

248 (i) be redeemable before maturity, with or without premium;

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

252 (k) bear facsimile signatures and seals.

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

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

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

259 **Part 1. General Provisions**

260 **63H-7-101. Title.**

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

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

263 **63H-7-102. Definitions.**

264 As used in this chapter:

265 (1) "Authority" means the Prison Land Management Authority, created in Section
266 63H-7-201.

267 (2) "Base taxable value" means:

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

271 (b) for private property that is included in a project area, the taxable value of the
272 property within any portion of the project area, as designated by board resolution, from which
273 tax increment will be collected, as shown upon the assessment roll last equalized before the

274 year in which the authority issues a building permit for a building within that portion of the
275 project area.

276 (3) "Board" means the authority's governing body established under Section
277 63H-7-301.

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

279 (5) "Former prison" means the state prison operating as of February 1, 2013 in Salt
280 Lake County.

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

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

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

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

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

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

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

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

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

296 (8) "Master development project" means a former prison land development project and
297 a new prison development project.

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

299 (10) "New prison development project":

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

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

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

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

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

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

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

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

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

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

319 (f) if tax increment is to be collected at different times or from different portions of the
320 project area, or both:

321 (i) (A) the tax identification numbers of the parcels from which tax increment will be
322 collected; or

323 (B) a legal description of the portion of the project area from which tax increment will
324 be collected; and

325 (ii) an estimate of when other portions of the project area will become subject to tax
326 increment collection; and

327 (g) for property that the authority owns or leases and expects to sell or sublease, the
328 expected total cost of the property to the authority and the expected selling price or lease
329 payments.

330 (14) "Project area plan" means a written plan that, after its effective date, guides and
331 controls the former prison land development project within a project area.

332 (15) "Property tax" includes privilege tax and each levy on an ad valorem basis on
333 tangible or intangible personal or real property.

334 (16) "Public entity" means:

335 (a) the state, including any department, division, agency, or other instrumentality of the

336 state; or

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

339 (17) "Publicly owned infrastructure and improvements" means water, sewer, storm
340 drainage, electrical, telecommunications, and other similar systems and lines, streets, roads,
341 curbs, gutters, sidewalks, walkways, parking facilities, public transportation facilities, and
342 other buildings, facilities, infrastructure, and improvements that:

343 (a) benefit the public; and

344 (b) are:

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

346 (ii) publicly owned or publicly maintained or operated by the authority or another
347 public entity.

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

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

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

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

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

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

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

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

360 **63H-7-201. Creation of Prison Land Management Authority -- Status and powers**
361 **of authority -- Limitation.**

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

363 (2) The authority is:

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

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

- 367 (c) a public corporation, as defined in Section 63E-1-102.
- 368 (3) The authority may:
- 369 (a) as provided in this chapter, facilitate and direct:
- 370 (i) a former prison land development project; and
- 371 (ii) a new prison development project;
- 372 (b) sue and be sued;
- 373 (c) enter into contracts generally;
- 374 (d) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
- 375 personal property;
- 376 (e) exercise powers and perform functions under a contract, as authorized in the
- 377 contract;
- 378 (f) receive tax increment and other taxes and fees as provided in this chapter;
- 379 (g) accept financial or other assistance from any public or private source for the
- 380 authority's activities, powers, and duties, and expend any funds so received for any of the
- 381 purposes of this chapter;
- 382 (h) borrow money on a short-term basis, contract with, or accept financial or other
- 383 assistance from the federal government, a public entity, or any other source for any of the
- 384 purposes of this chapter and comply with any conditions of the loan, contract, or assistance;
- 385 (i) hire employees, including:
- 386 (A) contract employees; and
- 387 (B) a chief administrative officer;
- 388 (j) transact other business and exercise all other powers provided for in this chapter;
- 389 (k) if the former prison land remains under state ownership during its development or
- 390 during its development and beyond:
- 391 (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal
- 392 property:
- 393 (A) in a project area; or
- 394 (B) outside a project area for publicly owned infrastructure and improvements, if the
- 395 board considers the purchase, option, or other interest acquisition to be necessary for fulfilling
- 396 the authority's development objectives;
- 397 (ii) enter into a lease agreement on real or personal property, either as lessee or lessor:

- 398 (A) in a project area; or
399 (B) outside a project area, if the board considers the lease to be necessary for fulfilling
400 the authority's development objectives;
401 (iii) provide for the development of land within a project area under one or more
402 contracts;
403 (iv) enter into one or more development agreements with one or more developers of
404 land within a project area; and
405 (v) enter into an agreement with a political subdivision of the state under which the
406 political subdivision provides one or more municipal services within a project area; and
407 (l) exercise powers and perform functions that the authority is authorized by statute to
408 exercise or perform.

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

410 **63H-7-202. Applicability of other law.**

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

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

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

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

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

420 (2) Subsection (1) applies:

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

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

425 (3) The authority is subject to and governed by Sections 63E-2-106, 63E-2-107,
426 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed
427 by Title 63E, Independent Entities Code.

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

429 **63H-7-203. Allowable uses of tax increment and other funds.**

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

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

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

434 (c) to pay for, including financing or refinancing, all or part of the development of land
435 within the project area from which the tax increment funds or other funds were collected,
436 including assisting the ongoing operation of any development or facility within the project area;

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

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

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

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

447 (f) to pay costs associated with a new prison development project or former prison land
448 development project.

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

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

452 (b) pay for authority operating expenses, including administrative, overhead, and legal
453 expenses.

454 (3) For purposes of Subsection (1), the authority may use tax revenues received under
455 Subsection 59-12-205(2)(b)(iii).

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

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

459 **63H-7-204. Authority receipt and use of tax increment -- Distribution of tax**

460 **increment.**

461 (1) (a) The authority may:

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

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

465 (b) With respect to a parcel located within a project area, the 25-year period described
466 in Subsection (1)(a)(i) begins on the day on which the authority receives the first tax increment
467 from that parcel.

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

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

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

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

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

479 **63H-7-205. Authority funds nonlapsing.**

480 All funds received by the authority are nonlapsing.

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

482 **Part 3. Authority Board**

483 **63H-7-301. Board duties and powers -- Chair -- Delegation of power.**

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

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

487 (3) The board shall appoint a chair from among its members.

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

491 (5) The board may by resolution assign administrative functions to authority staff.

492 (6) The board shall hold its first meeting no later than April 15, 2013.

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

494 **63H-7-302. Board membership -- Vacancies -- Removal -- Nonvoting members.**

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

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

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

498 (ii) an individual from the Governor's Office of Economic Development;

499 (iii) two individuals with commercial construction experience; and

500 (iv) two individuals with experience in the real estate industry.

501 (c) The other four members of the board shall be:

502 (i) a member of the Senate, appointed by the president of the Senate;

503 (ii) a member of the House of Representatives, appointed by the speaker of the House
504 of Representatives; and

505 (iii) two individuals appointed by the municipality in which the former prison land is
506 located.

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

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

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

515 (4) The authority may:

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

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

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

519 **63H-7-303. Term of board members.**

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

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

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

523 **63H-7-304. Compensation and expenses of board members.**

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

528 (2) A board member who is not a legislator may not receive compensation or benefits
529 for the member's service on the board, but may receive per diem and reimbursement for travel
530 expenses incurred as a board member at the rates established by the Division of Finance under:

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

532 (b) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
533 63A-3-107.

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

535 **63H-7-305. Board member ethics and conflicts of interest.**

536 (1) A board member is subject to Title 67, Chapter 16, Utah Public Officers' and
537 Employees' Ethics Act.

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

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

540 (i) anticipates submitting a proposal or submits a proposal for a new prison
541 development project, former prison land development project, or master development project;

542 or

543 (ii) anticipates providing material or labor under a contract awarded pursuant to a
544 proposal for a new prison development project, former prison land development project, or
545 master development project;

546 (b) has a spouse, child, parent, or sibling who has an ownership interest in or is an
547 officer or employee of an entity described in Subsection (2)(a); or

548 (c) has a direct or indirect interest in or derives or will derive any direct or indirect
549 financial benefit from any work done in pursuit of a new prison development project, former
550 prison land development project, or master development project.

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

552 **Part 4. Proposals and Awarding of Contract for Projects**

553 **63H-7-401. Process relating to proposals on projects.**

554 (1) The authority shall:

555 (a) consult with the Division of Facilities Construction Management in formulating a
556 request for proposals under this part;

557 (b) as soon as reasonably possible and with the approval of the director of the Division
558 of Facilities Construction and Management, issue a request for proposals inviting persons to
559 submit proposals on a new prison development project, former prison land development
560 project, or master development project;

561 (c) provide a process for persons to submit proposals and for the authority to receive
562 proposals;

563 (d) evaluate the proposals that are submitted;

564 (e) in evaluating and making a decision on proposals, give additional weight to a
565 proposal that contemplates using contractors, material providers, and laborers from within the
566 state;

567 (f) decide whether to accept one of the proposals or a combination of proposals and
568 award a contract for a new prison development project, former prison land development
569 project, or master development project to the person or persons who submitted the proposal or
570 combination of proposals;

571 (g) if the authority decides to accept a proposal or combination of proposals and to
572 award a contract for a new prison development project, former prison land development
573 project, or master development project to the person or persons who submitted the proposal or
574 combination of proposals, immediately submit written notification to the governor and the
575 Legislative Management Committee of the authority's decision; and

576 (h) subject to Subsection (2), accept the proposal or combination of proposals and
577 award a contract to the person or persons who submitted the proposal or combination of
578 proposals.

579 (2) The authority may not accept a proposal or award a contract under the proposal
580 unless the governor and Legislature indicate their approval, through the adoption of a
581 concurrent resolution or other legislation indicating approval, of the feasibility, overall cost,
582 cost-effectiveness, and concepts involved in the new prison development project, former prison
583 land development project, or master development project, as set forth in the winning proposal

584 or combination of proposals.

585 (3) If the Legislature and governor do not indicate their approval, as provided in
586 Subsection (2), the authority:

587 (a) may cancel the previously issued request for proposals and repeat the process
588 described in Subsection (1), issuing a new and revised request for proposals; or

589 (b) is dissolved, if the authority has undertaken the process described in Subsection (1)
590 more than once.

591 (4) (a) Subject to Subsection (4)(b), the provisions of Title 63G, Chapter 6a, Utah
592 Procurement Code, do not apply with respect to the process described in this section.

593 (b) The authority shall adopt procurement rules substantially similar to the
594 requirements of Title 63G, Chapter 6a, Utah Procurement Code, to govern the process
595 described in this section.

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

597 **63H-7-402. Sources of funds for master development project -- Additional**
598 **proposal requirements.**

599 (1) A proposal submitted in response to a request for proposals under Section
600 63H-7-401 shall identify and quantify sources of funds that the proposal relies on for its
601 financial feasibility, including identifying and quantifying which of the following possible
602 sources of funds the proposal relies on:

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

605 (b) tax increment;

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

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

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

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

615 (g) proceeds from the issuance of bonds;
616 (h) legislative appropriations;
617 (i) financing provided by the developer; and
618 (j) any other source of funds that the offeror proposes to be made available in order to
619 implement the new prison development project, former prison land development project, or
620 master development project.

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

623 (i) specify and quantify which sources of funds the proposal relies on for its financial
624 feasibility;

625 (ii) identify any changes in state law the offeror recommends be made in order to
626 facilitate the implementation of the new prison development project, former prison land
627 development project, or master development project; and

628 (iii) comply with all other requirements of the request for proposals.

629 (b) Recommended changes to state law that a proposal identifies under Subsection
630 (2)(a)(ii) are for informational purposes only, and the authority may not give more or less
631 weight to a proposal based on any recommended changes it contains or does not contain.

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

633 **Part 5. Project Area for Former Prison Land Development Project**
634 **63H-7-501. Application of part.**

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

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

638 **63H-7-502. Preparation of project area plan -- Required contents of project area**
639 **plan.**

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

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

643 (i) prepare a draft project area plan;

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

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

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

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

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

652 (a) a legal description of the boundary of the project area that is the subject of the
653 project area plan;

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

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

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

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

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

659 and

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

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

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

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

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

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

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

670 **63H-7-503. Public meeting to consider and discuss draft project area plan --**

671 **Notice -- Adoption of plan.**

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

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

676 (a) each taxing entity; and

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

678 (3) Following consideration and discussion of the project area plan, the board may

679 adopt the draft project area plan as the project area plan.

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

681 **63H-7-504. Notice of project area plan adoption -- Effective date of plan.**

682 (1) (a) Upon the board's adoption of a project area plan, the board shall provide notice

683 as provided in Subsection (1)(b) by:

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

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

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

687 (ii) if there is no newspaper of general circulation within the authority's boundaries as

688 described in Subsection (1)(a)(i)(A), causing a notice to be posted in at least three public places

689 within the authority's boundaries.

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

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

692 resolution; and

693 (ii) include a statement that the project area plan is available for general public

694 inspection and the hours for inspection.

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

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

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

698 (3) The authority shall make the adopted project area plan available to the general

699 public at its offices during normal business hours.

700 (4) Within 10 days after adopting a project area plan that establishes a project area, or

701 after adopting an amendment to a project area plan under which the boundary of a project area

702 is modified, the authority shall send notice of the establishment or modification of the project

703 area and an accurate map or plat of the project area to:

704 (a) the State Tax Commission;

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

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

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

708 **63H-7-505. Amendment to a project area plan.**

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

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

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

714 **Part 6. Project Area Budget**

715 **63H-7-601. Applicability of part.**

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

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

719 **63H-7-602. Preparation and adoption of a project area budget -- Amendment.**

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

722 (2) The authority board may amend an adopted budget as and when the authority board
723 considers it appropriate.

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

725 **Part 7. Authority Budget**

726 **63H-7-701. Annual authority budget -- Fiscal year -- Public hearing required --**
727 **Auditor forms -- Requirement to file form.**

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

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

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

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

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

735 (i) publishing notice:

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

738 (B) on the Utah Public Notice Website created in Section 63F-1-701, for at least one

739 week immediately before the public hearing; or

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

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

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

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

748 (b) legal fees; and

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

751 (6) (a) Within 30 days after adopting an annual budget, the authority board shall file a
752 copy of the annual budget with the auditor of the county in which the authority is located, the
753 State Tax Commission, the state auditor, the State Board of Education, and each taxing entity
754 that levies a tax on property from which the authority collects tax increment.

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

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

759 **63H-7-702. Amending the authority annual budget.**

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

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

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

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

767 **63H-7-703. Authority report.**

768 (1) (a) On or before November 1 of each year, the authority shall prepare and file a
769 report with the county auditor, the State Tax Commission, the State Board of Education, and

770 each taxing entity that levies a tax on property from which the authority collects tax increment.

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

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

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

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

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

780 **63H-7-704. Audit requirements.**

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

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

785 **63H-7-705. Audit report.**

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

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

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

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

794 (c) the actual amount expended for:

795 (i) acquisition of property;

796 (ii) site improvements or site preparation costs;

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

798 (iv) administrative costs of the authority.

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

800 **63H-7-706. Authority chief financial officer is a public treasurer -- Certain**

801 authority funds are public funds.

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

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

804 (b) shall invest the authority funds specified in Subsection (2) as provided in

805 Subsection (2).

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

808 (a) are public funds; and

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

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

811 **Part 8. Dissolution of Authority**

812 **63H-7-801. Restrictions on dissolution of authority -- Filing copy of ordinance --**

813 **Authority records -- Dissolution expenses.**

814 (1) The authority may not be dissolved unless the authority has no unpaid loans,
815 indebtedness, or advances, and no legally binding contractual obligations with persons or
816 entities other than the state.

817 (2) Upon the dissolution of the authority:

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

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

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

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

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

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

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

828 **63I-1-263 (Superseded 05/01/13). Repeal dates, Titles 63A to 63M.**

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

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

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

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

835 [~~(5)~~ (4) Subsection 63G-6-502(5)(b)(ii) authorizing certain transportation agencies to
836 award a contract for a design-build transportation project in certain circumstances, is repealed
837 July 1, 2015.

838 [~~(6)~~ (5) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
839 July 1, 2020.

840 [~~(7)~~ (6) The Resource Development Coordinating Committee, created in Section
841 63J-4-501, is repealed July 1, 2015.

842 [~~(8)~~ (7) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

843 [~~(9)~~ (8) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act,
844 is repealed January 1, 2021.

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

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

849 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
850 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

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

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

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

856 (ii) (A) for the purchase price of machinery or equipment described in Section
857 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
858 2020; or

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

861 [~~(10)~~ (9) (a) Section 63M-1-2507, Health Care Compact is repealed on July 1, 2014.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

896 ~~[(11)]~~ (10) The Crime Victim Reparations and Assistance Board, created in Section
897 63M-7-504, is repealed July 1, 2017.

898 ~~[(12)]~~ (11) Title 63M, Chapter 9, Families, Agencies, and Communities Together for
899 Children and Youth At Risk Act, is repealed July 1, 2016.

900 ~~[(13)]~~ (12) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
901 2017.

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

903 **63I-1-263 (Effective 05/01/13). Repeal dates, Titles 63A to 63M.**

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

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

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

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

910 ~~[(5)]~~ (4) Subsection 63G-6a-1402(7) authorizing certain transportation agencies to
911 award a contract for a design-build transportation project in certain circumstances, is repealed
912 July 1, 2015.

913 ~~[(6)]~~ (5) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
914 July 1, 2020.

915 ~~[(7)]~~ (6) The Resource Development Coordinating Committee, created in Section
916 63J-4-501, is repealed July 1, 2015.

917 ~~[(8)]~~ (7) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.

918 ~~[(9)]~~ (8) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone Act,
919 is repealed January 1, 2021.

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

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

924 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or

925 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

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

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

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

931 (ii) (A) for the purchase price of machinery or equipment described in Section
932 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
933 2020; or

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

936 [~~(10)~~] (9) (a) Section 63M-1-2507, Health Care Compact is repealed on July 1, 2014.

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

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

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

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

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

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

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

953 (D) whether the compact's calculation of current year inflation adjustment factor,
954 without consideration of the regional medical inflation rate in the current year, is adequate to
955 protect the state from increased costs associated with administering a state based Medicaid and

956 a state based Medicare program;

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

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

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

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

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

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

971 [~~(11)~~] (10) The Crime Victim Reparations and Assistance Board, created in Section
972 63M-7-504, is repealed July 1, 2017.

973 [~~(12)~~] (11) Title 63M, Chapter 9, Families, Agencies, and Communities Together for
974 Children and Youth At Risk Act, is repealed July 1, 2016.

975 [~~(13)~~] (12) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
976 2017.

977 Section 33. **Repealer.**

978 This bill repeals:

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

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

981 Section **63C-13-103, Creation of Prison Relocation and Development Authority --**

982 **Members.**

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

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

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

986 Section 34. **Effective date.**

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