

1                   **STATEWIDE HOMELESS SERVICES AND AFFORDABLE**  
2                                   **HOUSING AMENDMENTS**

3                                   2016 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Steve Eliason**

6                                   Senate Sponsor: \_\_\_\_\_

---

---

7  
8                   **LONG TITLE**

9                   **General Description:**

10                   This bill modifies provisions of the Community Development and Renewal Agencies  
11                   Act relating to housing.

12                   **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ defines terms;
- 15                   ▶ provides that an agency may pay all or a portion of the agency's housing allocation  
16                   to certain county housing authorities;
- 17                   ▶ modifies the required housing allocation for an urban renewal project area and an  
18                   economic development project area;
- 19                   ▶ enacts a housing allocation requirement for a community development project area;
- 20                   and
- 21                   ▶ makes technical and conforming changes.

22                   **Money Appropriated in this Bill:**

23                   None

24                   **Other Special Clauses:**

25                   None

26                   **Utah Code Sections Affected:**

27                   AMENDS:



- 28           17C-1-102, as last amended by Laws of Utah 2015, Chapter 397
- 29           17C-1-103, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 30           17C-1-404, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 31           17C-1-412, as last amended by Laws of Utah 2012, Chapter 212
- 32           17C-2-203, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 33           17C-2-204, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 34           17C-3-202, as last amended by Laws of Utah 2009, Chapter 387
- 35           17C-3-203, as last amended by Laws of Utah 2009, Chapter 387

36 ENACTS:

37           17C-4-205, Utah Code Annotated 1953



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

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

41           **17C-1-102. Definitions.**

42           As used in this title:

43           (1) "Adjusted tax increment" means:

44           (a) for tax increment under a pre-July 1, 1993, project area plan, tax increment under  
45 Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3); and

46           (b) for tax increment under a post-June 30, 1993, project area plan, tax increment under  
47 Section 17C-1-404, excluding tax increment under Section 17C-1-406.

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

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

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

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

57           (4) "Annual income" has the meaning as defined under regulations of the United States  
58 Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as

59 superseded by replacement regulations.

60 (5) "Assessment roll" [~~has the meaning as~~] means the same as that term is defined in  
61 Section 59-2-102.

62 (6) "Base taxable value" means:

63 (a) unless otherwise designated by the taxing entity committee in accordance with  
64 Subsection 17C-1-402(4)(b)(ix), for an urban renewal or economic development project area,  
65 the taxable value of the property within a project area from which tax increment will be  
66 collected, as shown upon the assessment roll last equalized before:

67 (i) for a pre-July 1, 1993, project area plan, the effective date of the project area plan;

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

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

70 or

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

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

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

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

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

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

79 and

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

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

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

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

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

90 urban renewal project area.

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

93 (11) "Board" means the governing body of an agency, as provided in Section  
94 17C-1-203.

95 (12) "Budget hearing" means the public hearing on a draft project area budget required  
96 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget or Subsection  
97 17C-3-201(2)(d) for an economic development project area budget.

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

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

106 (15) "Community" means a county, city, or town.

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

109 (17) "Contest" means to file a written complaint in the district court of the county in  
110 which the person filing the complaint resides.

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

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

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

117 (19) "Fair share ratio" means the ratio derived by:

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

121 units; or

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

126 (20) "Family" has the meaning as defined under regulations of the United States  
127 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as  
128 superseded by replacement regulations.

129 (21) "Greenfield" means land not developed beyond agricultural or forestry use.

130 (22) "Hazardous waste" means any substance defined, regulated, or listed as a  
131 hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant,  
132 or toxic substance, or identified as hazardous to human health or the environment, under state  
133 or federal law or regulation.

134 (23) "Housing funds" means the funds allocated in [~~an urban renewal~~] a project area  
135 budget under Section [17C-2-203](#), [17C-3-202](#), or [17C-4-204](#) for the purposes [~~provided~~]  
136 described in Subsection [17C-1-412\(1\)](#).

137 (24) (a) "Inactive airport site" means land that:

138 (i) consists of at least 100 acres;

139 (ii) is occupied by an airport:

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

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

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

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

144 (iii) requires remediation because:

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

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

148 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land  
149 described in Subsection (24)(a).

150 (25) (a) "Inactive industrial site" means land that:

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

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

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

155 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land  
156 described in Subsection (25)(a).

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

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

164 (28) "Loan fund board" means the Olene Walker Housing Loan Fund Board,  
165 established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

166 (29) "Marginal value" means the difference between actual taxable value and base  
167 taxable value.

168 (30) "Military installation project area" means a project area or a portion of a project  
169 area located within a federal military installation ordered closed by the federal Defense Base  
170 Realignment and Closure Commission.

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

173 (i) a fire station;

174 (ii) a police station;

175 (iii) a city hall; or

176 (iv) a court or other judicial building.

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

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

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

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

187 (35) "Private," with respect to real property, means:

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

190 (b) not dedicated to public use.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

226 (40) "Public entity" means:

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

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

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

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

240 (43) "Superfund site":

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

243 (b) includes an area formerly included in the National Priorities List, as described in  
244 Subsection (43)(a), but removed from the list following remediation that leaves on site the



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

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

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

250 (46) "Taxable value" means the value of property as shown on the last equalized  
251 assessment roll as certified by the county assessor.

252 (47) (a) Except as provided in Subsection (47)(b), "tax increment" means the  
253 difference between:

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

257 (A) using the current assessed value of the property; and

258 (B) that are paid to the agency from funds from all of the tax levies used in establishing  
259 the certified tax rate in accordance with Section 59-2-924 of the taxing entity within which the  
260 agency is located, including funds that are restricted for a particular use by statute to the extent  
261 bond covenants are not impaired; and

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

264 (b) "Tax increment" does not include taxes levied and collected under Section  
265 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

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

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

270 (48) "Taxing entity" means a public entity that levies a tax on a parcel or parcels of  
271 property located within a community.

272 (49) "Taxing entity committee" means a committee representing the interests of taxing  
273 entities, created as provided in Section 17C-1-402.

274 (50) "Unincorporated" means not within a city or town.

275 (51) (a) "Urban renewal" means the development activities under a project area plan

276 within an urban renewal project area, including:

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

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

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

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

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

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

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

291 Section 2. Section **17C-1-103** is amended to read:

292 **17C-1-103. Limitations on applicability of title -- Amendment of previously**  
293 **adopted project area plan.**

294 (1) ~~[Nothing]~~ Except as expressly provided, nothing in this title may be construed to:

295 (a) impose a requirement or obligation on an agency, with respect to a project area plan  
296 adopted or an agency action taken, that was not imposed by the law in effect at the time the  
297 project area plan was adopted or the action taken;

298 (b) prohibit an agency from taking an action that:

299 (i) was allowed by the law in effect immediately before an applicable amendment to  
300 this title;

301 (ii) is permitted or required under the project area plan adopted before the amendment;

302 and

303 (iii) is not explicitly prohibited under this title;

304 (c) revive any right to challenge any action of the agency that had already expired; or

305 (d) require a project area plan to contain a provision that was not required by the law in  
306 effect at the time the project area plan was adopted.

307 (2) (a) A project area plan adopted before an amendment to this title becomes effective  
308 may be amended as provided in this title.

309 (b) Unless explicitly prohibited by this title, an amendment under Subsection (2)(a)  
310 may include a provision that is allowed under this title but that was not required or allowed by  
311 the law in effect before the applicable amendment.

312 Section 3. Section **17C-1-404** is amended to read:

313 **17C-1-404. Tax increment under a post-June 30, 1993, project area plan.**

314 (1) This section applies to tax increment under a post-June 30, 1993, project area plan  
315 adopted before May 1, 2006, only.

316 (2) An agency board may provide in the project area budget for the agency to be paid:

317 (a) if [20%] a percentage of the project area budget is allocated for housing under

318 Section **17C-2-203**:

319 (i) 100% of annual tax increment for 15 years;

320 (ii) 75% of annual tax increment for 24 years; or

321 (iii) if approved by the taxing entity committee, any percentage of tax increment up to  
322 100%, or any specified dollar amount, for any period of time; or

323 (b) if [20%] none of the project area budget is [~~not~~] allocated for housing under Section

324 **17C-2-203**:

325 (i) 100% of annual tax increment for 12 years;

326 (ii) 75% of annual tax increment for 20 years; or

327 (iii) if approved by the taxing entity committee, any percentage of tax increment up to  
328 100%, or any specified dollar amount, for any period of time.

329 Section 4. Section **17C-1-412** is amended to read:

330 **17C-1-412. Use of funds allocated for housing -- Separate accounting required --**

331 **Issuance of bonds for housing -- Action to compel agency to provide housing funds.**

332 (1) (a) Each agency shall use all funds allocated for housing under Section **17C-2-203**

333 [~~or~~], **17C-3-202**, or **17C-4-204** to:

334 (i) pay part or all of the cost of land or construction of income targeted housing within  
335 the boundary of the agency, if practicable in a mixed income development or area;

336 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the

337 boundary of the agency;

338 (iii) lend, grant, or contribute money to a person, public entity, housing authority,  
339 private entity or business, or nonprofit corporation for income targeted housing within the  
340 boundary of the agency;

341 (iv) plan or otherwise promote income targeted housing within the boundary of the  
342 agency;

343 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of  
344 any building, facility, structure, or other housing improvement, including infrastructure  
345 improvements, related to housing located in a project area where blight has been found to exist;

346 (vi) replace housing units lost as a result of the urban renewal, economic development,  
347 or community development;

348 (vii) make payments on or establish a reserve fund for bonds:

349 (A) issued by the agency, the community, or the housing authority that provides  
350 income targeted housing within the community; and

351 (B) all or part of the proceeds of which are used within the community for the purposes  
352 stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);

353 (viii) if the community's fair share ratio at the time of the first adoption of the project  
354 area budget is at least 1.1 to 1.0, make payments on bonds:

355 (A) that were previously issued by the agency, the community, or the housing authority  
356 that provides income targeted housing within the community; and

357 (B) all or part of the proceeds of which were used within the community for the  
358 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi); or

359 (ix) relocate mobile home park residents displaced by an urban renewal, economic  
360 development, or community development project.

361 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or  
362 any portion of [~~housing~~] the agency's funds allocated for housing to:

363 (i) the community for use as provided under Subsection (1)(a);

364 (ii) the housing authority that provides income targeted housing within the community  
365 for use in providing income targeted housing within the community; [~~or~~]

366 (iii) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,  
367 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within  
368 the community[-]; or

369 (iv) a housing authority created by the county in which the agency is located for  
370 providing:

371 (A) income targeted housing within the county;

372 (B) a permanent housing, permanent supportive, or transitional facility, as defined in  
373 Section 35A-5-302, within the county; or

374 (C) homeless assistance within the county.

375 (2) (a) The agency or community shall separately account for the housing funds,  
376 together with all interest earned by the housing funds and all payments or repayments for loans,  
377 advances, or grants from the housing funds.

378 (b) A housing authority described in Subsection (1)(b)(iv) shall create a fund and  
379 separately account for housing funds the housing authority receives under this section.

380 (3) An agency may:

381 (a) issue bonds from time to time to finance a housing undertaking under this section,  
382 including the payment of principal and interest upon advances for surveys and plans or  
383 preliminary loans; and

384 (b) issue refunding bonds for the payment or retirement of bonds under Subsection  
385 (3)(a) previously issued by the agency.

386 (4) An agency:

387 (a) shall allocate housing funds each year in which the agency receives sufficient tax  
388 increment to make a housing allocation required by the project area budget; and

389 (b) is relieved, to the extent tax increment is insufficient in a year, of an obligation to  
390 allocate housing funds for the year tax increment is insufficient.

391 (5) (a) Except as provided in Subsection (4), if an agency fails to provide housing  
392 funds in accordance with the project area budget and, if applicable, the housing plan adopted  
393 under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the  
394 agency to provide the housing funds.

395 (b) In an action under Subsection (5)(a), the court:

396 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that  
397 the action was frivolous; and

398 (ii) may not award the agency its attorney fees, unless the court finds that the action  
399 was frivolous.

400 Section 5. Section 17C-2-203 is amended to read:

401 **17C-2-203. Part of tax increment funds in urban renewal project area budget to**  
402 **be used for housing -- Waiver of requirement.**

403 (1) (a) Except as provided in ~~[Subsection]~~ Subsections (1)(b) and (c), each urban  
404 renewal project area budget adopted on or after May 1, 2000, that provides for more than  
405 \$100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax  
406 increment for housing ~~[as provided]~~ in accordance with Section 17C-1-412.

407 ~~[(b) The 20% requirement of Subsection (1)(a) may be waived in part or whole by the~~  
408 ~~mutual consent of the loan fund board and the taxing entity committee if they determine that~~  
409 ~~20% of tax increment is more than is needed to address the community's need for income~~  
410 ~~targeted housing.]~~

411 (b) An agency may reduce the amount of the housing allocation described in  
412 Subsection (1)(a) by 10% if the agency pays the housing allocation to a housing authority  
413 described in Subsection 17C-1-412(1)(b)(iv).

414 (c) (i) If the agency pays the housing allocation requirement described in Subsections  
415 (1)(a) and (b) to the Olene Walker Housing Loan Fund, the loan fund board and the taxing  
416 entity committee may, by mutual consent, waive the requirement in part or whole if the loan  
417 fund board and the taxing entity committee determine that the requirement is more than is  
418 needed to address the community's need for income targeted housing or homeless assistance.

419 (ii) If the agency pays the housing allocation requirement described in Subsections  
420 (1)(a) and (b) to a housing authority described in Subsection 17C-1-412(1)(b)(iv), the  
421 governing body of the housing authority and the taxing entity committee may, by mutual  
422 consent, waive the requirement in part or whole if the governing body of the housing authority  
423 and the taxing entity committee determine that the requirement is more than is needed to  
424 address the community's need for income targeted housing or homeless assistance.

425 (2) An urban renewal project area budget not required under Subsection (1)(a) to  
426 allocate tax increment for housing may allocate 20% of tax increment payable to the agency  
427 over the life of the project area for housing as provided in Section 17C-1-412 if the project area  
428 budget is under a project area plan that is adopted on or after July 1, 1998.

429 (3) Notwithstanding Section 17C-1-103, Subsection (1)(b) applies to each urban  
430 renewal project area budget adopted on or after May 1, 2000.

431 Section 6. Section 17C-2-204 is amended to read:

432 **17C-2-204. Consent of taxing entity committee required for urban renewal**  
 433 **project area budget -- Exception.**

434 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), each  
 435 agency shall obtain the consent of the taxing entity committee for each urban renewal project  
 436 area budget under a post-June 30, 1993 project area plan before the agency may collect any tax  
 437 increment from the urban renewal project area.

438 (b) For an urban renewal project area budget adopted from July 1, 1998<sub>2</sub> through May  
 439 1, 2000<sub>2</sub> that allocates 20% or more of the tax increment for housing as provided in Section  
 440 17C-1-412, an agency:

441 (i) need not obtain the consent of the taxing entity committee for the project area  
 442 budget; and

443 (ii) may not collect any tax increment from all or part of the project area until after:

444 (A) the loan fund board has certified the project area budget as complying with the  
 445 requirements of Section 17C-1-412; and

446 (B) the agency board has approved and adopted the project area budget by a two-thirds  
 447 vote.

448 (2) (a) Before a taxing entity committee may consent to an urban renewal project area  
 449 budget adopted on or after May 1, 2000<sub>2</sub> that is required under [Subsection] Section

450 17C-2-203~~[(1)(a)]~~ to allocate ~~[20%]~~ a percentage of tax increment for housing, the agency  
 451 shall:

452 (i) adopt a housing plan showing the uses for the housing funds; and

453 (ii) provide a copy of the housing plan to the taxing entity committee and the loan fund  
 454 board.

455 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency  
 456 shall provide a copy of the amendment to the taxing entity committee and the loan fund board.

457 Section 7. Section 17C-3-202 is amended to read:

458 **17C-3-202. Part of tax increment funds in an economic development project area**  
 459 **budget to be used for housing -- Waiver of requirement.**

460 ~~[(1) This section applies only to an economic development project area budget adopted~~  
 461 ~~on or after May 1, 2000, but before March 30, 2009.]~~

462 ~~[(2)]~~ (1) (a) Except as provided in [Subsection (2)(b)] Subsections (1)(b) and (c), each  
463 economic development project area budget adopted on or after May 1, 2000 [but before March  
464 30, 2009], that provides for more than \$100,000 of annual tax increment to be paid to the  
465 agency shall allocate at least 20% of the tax increment for housing [as provided] in accordance  
466 with Section 17C-1-412.

467 ~~[(b) The 20% requirement of Subsection (2)(a) may be waived:]~~

468 ~~[(i) in part or whole by the mutual consent of the loan fund board and the taxing entity~~  
469 ~~committee if they determine that 20% of tax increment is more than is needed to address the~~  
470 ~~community's need for income targeted housing; or]~~

471 ~~[(ii) in fifth and sixth class counties, by the taxing entity committee for economic~~  
472 ~~development project area budgets adopted on or after May 1, 2002 but before March 30, 2009,~~  
473 ~~if the economic development project area consists of an area without housing units.]~~

474 (b) An agency may reduce the amount of the housing allocation described in  
475 Subsection (1)(a) by 10% if the agency pays the housing allocation to a housing authority  
476 described in Subsection 17C-1-412(1)(b)(iv).

477 (c) (i) If the agency pays the housing allocation requirement described in Subsections  
478 (1)(a) and (b) to the Olene Walker Housing Loan Fund, the loan fund board and the taxing  
479 entity committee may, by mutual consent, waive the requirement in part or whole if the loan  
480 fund board and the taxing entity committee determine that the requirement is more than is  
481 needed to address the community's need for income targeted housing or homeless assistance.

482 (ii) If the agency pays the housing allocation requirement described in Subsections  
483 (1)(a) and (b) to a housing authority described in Subsection 17C-1-412(1)(b)(iv), the  
484 governing body of the housing authority and the taxing entity committee may, by mutual  
485 consent, waive the requirement in part or whole if the governing body of the housing authority  
486 and the taxing entity committee determine that the requirement is more than is needed to  
487 address the community's need for income targeted housing or homeless assistance.

488 (iii) A taxing entity committee may waive the housing allocation requirement described  
489 in Subsections (1)(a) and (b) if:

490 (A) the economic development project area consists of an area without housing units;

491 (B) the economic development project area budget was adopted on or after May 1,  
492 2002, but before March 30, 2009; and



493 (C) the economic development project area is located in a fifth or sixth class county.

494 ~~[(3)]~~ (2) An economic development project area budget not required under Subsection  
 495 ~~[(2)(a)]~~ (1) to allocate tax increment for housing may allocate 20% of tax increment payable to  
 496 the agency over the life of the project area for housing as provided in Section 17C-1-412 if the  
 497 project area budget is under a project area plan that is adopted on or after July 1, 1998.

498 (3) Notwithstanding Section 17C-1-103, unless otherwise specified in this section, this  
 499 section applies to each economic development project area budget adopted on or after May 1,  
 500 2000.

501 Section 8. Section 17C-3-203 is amended to read:

502 **17C-3-203. Consent of taxing entity committee required for economic**  
 503 **development project area budget -- Exception.**

504 (1) (a) Except as provided in Subsection (1)(b) and subject to Subsection (2), each  
 505 agency shall obtain the consent of the taxing entity committee for each economic development  
 506 project area budget under a post-June 30, 1993 economic development project area plan before  
 507 the agency may collect any tax increment from the project area.

508 (b) For an economic development project area budget adopted from July 1, 1998,  
 509 through May 1, 2000, that allocates 20% or more of the tax increment for housing as provided  
 510 in Section 17C-1-412, an agency:

511 (i) need not obtain the consent of the taxing entity committee for the project area  
 512 budget; and

513 (ii) may not collect any tax increment from all or part of the project area until after:

514 (A) the loan fund board has certified the project area budget as complying with the  
 515 requirements of Section 17C-1-412; and

516 (B) the agency board has approved and adopted the project area budget by a two-thirds  
 517 vote.

518 (2) (a) Before a taxing entity committee may consent to an economic development  
 519 project area budget adopted on or after May 1, 2000, that allocates ~~[20%]~~ a percentage of tax  
 520 increment for housing under ~~[Subsection]~~ Section 17C-3-202~~[(2)(a) or (3)]~~, the agency shall:

521 (i) adopt a housing plan showing the uses for the housing funds; and

522 (ii) provide a copy of the housing plan to the taxing entity committee and the loan fund  
 523 board.

524 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency  
525 shall provide a copy of the amendment to the taxing entity committee and the loan fund board.

526 Section 9. Section 17C-4-205 is enacted to read:

527 **17C-4-205. Part of tax increment funds in community development project area**  
528 **budget to be used for housing -- Waiver of requirement.**

529 (1) Except as provided in Subsection (2), each community development project area  
530 budget adopted on or after May 10, 2016, that provides for more than \$100,000 of annual tax  
531 increment or sales tax revenue to be paid to the agency shall allocate at least 20% of the tax  
532 increment or sales tax revenue for housing in accordance with Section [17C-1-412](#).

533 (2) An agency may reduce the amount of the housing allocation described in  
534 Subsection (1) by 10% if the agency pays the housing allocation to a housing authority  
535 described in Subsection [17C-1-412\(1\)\(b\)\(iv\)](#).

---

---

**Legislative Review Note**  
**Office of Legislative Research and General Counsel**