

SB0151S01 compared with SB0151

{deleted text} shows text that was in SB0151 but was deleted in SB0151S01.

inserted text shows text that was not in SB0151 but was inserted into SB0151S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Wayne A. Harper proposes the following substitute bill:

COMMUNITY DEVELOPMENT AND RENEWAL AGENCIES

ACT REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: { } Stephen G. Handy

LONG TITLE

General Description:

This bill amends provisions related to community development and renewal agencies.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ beginning May 10, 2016:
 - provides a process for a community to create a community reinvestment agency;
 - allows an agency to create a community reinvestment project area; and
 - prohibits an agency from creating an urban renewal project area, an economic development project area, or a community development project area;

SB0151S01 compared with SB0151

- ▶ amends the required contents of an agency's annual report;
- ▶ for an agency that creates a community reinvestment project area:
 - ~~{authorizes an}~~provides for the agency to fund a community reinvestment project area with tax increment or sales and use tax revenue that is subject to an interlocal agreement;
 - requires the agency to conduct a blight study, make a blight determination, and create a taxing entity committee if the agency plans to ~~{conduct certain activities}~~acquire property within a community reinvestment area~~{, including}~~by eminent domain;
 - requires the agency to allocate a percentage of project area funds for housing;
 - prohibits an agency from adopting a proposed community reinvestment project area plan if 51% of the property owners within the proposed community reinvestment project area object to the plan; and
 - requires the agency to adopt a community reinvestment project area budget;
- ▶ authorizes, under certain circumstances, an agency to acquire by eminent domain property that the property owner fails to develop in accordance with a project area plan;
- ▶ provides the option for an agency to give the agency's housing allocation to a county housing authority;
- ▶ provides a process by which an agency may dissolve a project area;
- ▶ clarifies how a project area's incremental value is factored into the new growth calculation; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-1-203, as last amended by Laws of Utah 2014, Chapter 189

10-3-1303, as last amended by Laws of Utah 2011, Chapter 40

SB0151S01 compared with SB0151

10-9a-508, as last amended by Laws of Utah 2013, Chapter 309
11-25-2, as last amended by Laws of Utah 2006, Chapter 359
11-25-3, as last amended by Laws of Utah 2010, Chapter 279
11-27-2, as last amended by Laws of Utah 2010, Chapter 279
11-31-2, as last amended by Laws of Utah 2010, Chapter 378
11-32-2, as last amended by Laws of Utah 2008, Chapter 360
11-34-1, as last amended by Laws of Utah 2010, Chapter 378
11-49-102, as enacted by Laws of Utah 2012, Chapter 202
11-50-102, as enacted by Laws of Utah 2013, Chapter 367
11-52-102, as enacted by Laws of Utah 2013, Chapter 347
14-1-18, as last amended by Laws of Utah 2012, Chapter 347
15-7-2, as last amended by Laws of Utah 2007, Chapter 329
17C-1-101, as last amended by Laws of Utah 2010, Chapter 279
17C-1-102, as last amended by Laws of Utah 2015, Chapter 397
17C-1-103, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-202, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-203, as last amended by Laws of Utah 2008, Chapter 125
17C-1-204, as last amended by Laws of Utah 2012, Chapter 212
17C-1-205, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-207, as last amended by Laws of Utah 2012, Chapter 235
17C-1-208, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-302, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-402, as last amended by Laws of Utah 2013, Chapter 80
17C-1-403, as last amended by Laws of Utah 2013, Chapter 80
17C-1-404, as renumbered and amended by Laws of Utah 2006, Chapter 359
17C-1-405, as last amended by Laws of Utah 2009, Chapter 387
17C-1-406, as enacted by Laws of Utah 2006, Chapter 359
17C-1-407, as last amended by Laws of Utah 2013, Chapter 80
17C-1-408, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
17C-1-409, as last amended by Laws of Utah 2011, Chapter 43
17C-1-410, as last amended by Laws of Utah 2007, Chapter 364

SB0151S01 compared with SB0151

- 17C-1-411, as last amended by Laws of Utah 2009, Chapter 387
- 17C-1-412, as last amended by Laws of Utah 2012, Chapter 212
- 17C-1-413, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-502, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-504, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-505, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-506, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-507, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-508, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-602, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-603, as last amended by Laws of Utah 2011, Chapter 43
- 17C-1-605, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-606, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-1-607, as enacted by Laws of Utah 2006, Chapter 359
- 17C-2-102, as last amended by Laws of Utah 2008, Chapter 125
- 17C-2-103, as last amended by Laws of Utah 2006, Chapters 254, 292 and renumbered
and amended by Laws of Utah 2006, Chapter 359
- 17C-2-105, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-2-106, as last amended by Laws of Utah 2007, Chapter 364
- 17C-2-108, as last amended by Laws of Utah 2010, Chapter 279
- 17C-2-109, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-2-110, as last amended by Laws of Utah 2010, Chapter 279
- 17C-2-201, as last amended by Laws of Utah 2013, Chapter 80
- 17C-2-203, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-2-204, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 17C-2-206, as last amended by Laws of Utah 2011, Chapter 43
- 17C-2-207, as enacted by Laws of Utah 2011, Chapter 43
- 17C-2-303, as last amended by Laws of Utah 2011, Chapter 43
- 17C-3-102, as enacted by Laws of Utah 2006, Chapter 359
- 17C-3-103, as enacted by Laws of Utah 2006, Chapter 359
- 17C-3-105, as enacted by Laws of Utah 2006, Chapter 359

SB0151S01 compared with SB0151

17C-3-107, as last amended by Laws of Utah 2010, Chapter 279
17C-3-108, as enacted by Laws of Utah 2006, Chapter 359
17C-3-109, as last amended by Laws of Utah 2010, Chapter 279
17C-3-201, as last amended by Laws of Utah 2013, Chapter 80
17C-3-203, as last amended by Laws of Utah 2009, Chapter 387
17C-3-205, as last amended by Laws of Utah 2011, Chapter 43
17C-3-206, as enacted by Laws of Utah 2011, Chapter 43
17C-4-102, as enacted by Laws of Utah 2006, Chapter 359
17C-4-103, as enacted by Laws of Utah 2006, Chapter 359
17C-4-104, as enacted by Laws of Utah 2006, Chapter 359
17C-4-106, as last amended by Laws of Utah 2009, Chapter 388
17C-4-107, as enacted by Laws of Utah 2006, Chapter 359
17C-4-108, as last amended by Laws of Utah 2015, Chapter 302
17C-4-109, as enacted by Laws of Utah 2015, Chapter 302
17C-4-201, as last amended by Laws of Utah 2010, Chapter 279
17C-4-202, as last amended by Laws of Utah 2014, Chapter 189
17C-4-203, as last amended by Laws of Utah 2009, Chapter 387
17C-4-204, as last amended by Laws of Utah 2011, Chapter 43
20A-7-613, as last amended by Laws of Utah 2015, Chapter 258
35A-8-504, as last amended by Laws of Utah 2012, Chapter 347 and renumbered and amended by Laws of Utah 2012, Chapter 212
38-1b-102, as enacted by Laws of Utah 2012, Chapter 278
53-3-207, as last amended by Laws of Utah 2015, Chapter 412
53A-16-106, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
53A-16-113, as last amended by Laws of Utah 2013, Chapter 287
53A-17a-133, as last amended by Laws of Utah 2015, Chapter 287
53A-17a-164, as last amended by Laws of Utah 2013, Chapters 178 and 313
53A-19-105, as last amended by Laws of Utah 2009, Chapter 204
59-2-913, as last amended by Laws of Utah 2014, Chapter 279
59-2-924, as last amended by Laws of Utah 2014, Chapter 270
59-2-924.2, as last amended by Laws of Utah 2015, Chapter 224

SB0151S01 compared with SB0151

59-2-924.3, as last amended by Laws of Utah 2011, Chapter 371

59-7-614.2, as last amended by Laws of Utah 2015, Chapter 283

59-12-603, as last amended by Laws of Utah 2011, Chapter 309

63G-7-102, as renumbered and amended by Laws of Utah 2008, Chapter 382

63G-9-201, as renumbered and amended by Laws of Utah 2008, Chapter 382

63I-1-259, as last amended by Laws of Utah 2015, Chapters 224, 275, and 467

63N-2-103, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and amended by Laws of Utah 2015, Chapter 283 and last amended by Coordination Clause, Laws of Utah 2015, Chapter 344

63N-2-104, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-105, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-107, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-108, as renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-502, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-505, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-507, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and amended by Laws of Utah 2015, Chapter 283

63N-2-508, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and amended by Laws of Utah 2015, Chapter 283

67-1a-6.5, as last amended by Laws of Utah 2013, Chapters 42 and 371

72-1-208, as last amended by Laws of Utah 2010, Chapter 279

ENACTS:

17C-1-102.5, Utah Code Annotated 1953

17C-1-201.1, Utah Code Annotated 1953

17C-1-209, Utah Code Annotated 1953

17C-1-301.1, Utah Code Annotated 1953

SB0151S01 compared with SB0151

17C-1-401.1, Utah Code Annotated 1953
17C-1-501.1, Utah Code Annotated 1953
17C-1-601.1, Utah Code Annotated 1953
17C-1-701.1, Utah Code Annotated 1953
17C-1-702, Utah Code Annotated 1953
17C-1-801, Utah Code Annotated 1953
17C-1-901, Utah Code Annotated 1953
17C-2-101.1, Utah Code Annotated 1953
17C-2-101.2, Utah Code Annotated 1953
17C-3-101.1, Utah Code Annotated 1953
17C-3-101.2, Utah Code Annotated 1953
17C-4-101.1, Utah Code Annotated 1953
17C-4-101.2, Utah Code Annotated 1953
17C-5-101, Utah Code Annotated 1953
17C-5-102, Utah Code Annotated 1953
17C-5-103, Utah Code Annotated 1953
17C-5-104, Utah Code Annotated 1953
17C-5-105, Utah Code Annotated 1953
17C-5-106, Utah Code Annotated 1953
17C-5-107, Utah Code Annotated 1953
17C-5-108, Utah Code Annotated 1953
17C-5-109, Utah Code Annotated 1953
17C-5-110, Utah Code Annotated 1953
17C-5-111, Utah Code Annotated 1953
17C-5-112, Utah Code Annotated 1953
17C-5-113, Utah Code Annotated 1953
17C-5-201, Utah Code Annotated 1953
17C-5-202, Utah Code Annotated 1953
17C-5-203, Utah Code Annotated 1953
17C-5-204, Utah Code Annotated 1953
17C-5-205, Utah Code Annotated 1953

SB0151S01 compared with SB0151

17C-5-206, Utah Code Annotated 1953
17C-5-301, Utah Code Annotated 1953
17C-5-302, Utah Code Annotated 1953
17C-5-303, Utah Code Annotated 1953
17C-5-304, Utah Code Annotated 1953
17C-5-305, Utah Code Annotated 1953
17C-5-306, Utah Code Annotated 1953
17C-5-307, Utah Code Annotated 1953
17C-5-401, Utah Code Annotated 1953
17C-5-402, Utah Code Annotated 1953
17C-5-403, Utah Code Annotated 1953
17C-5-404, Utah Code Annotated 1953
17C-5-405, Utah Code Annotated 1953
17C-5-406, Utah Code Annotated 1953

RENUMBERS AND AMENDS:

17C-1-201.5, (Renumbered from 17C-1-201, as last amended by Laws of Utah 2012, Chapter 235)
17C-1-301.5, (Renumbered from 17C-1-301, as renumbered and amended by Laws of Utah 2006, Chapter 359)
17C-1-401.5, (Renumbered from 17C-1-401, as last amended by Laws of Utah 2012, Chapter 235)
17C-1-501.5, (Renumbered from 17C-1-501, as renumbered and amended by Laws of Utah 2006, Chapter 359)
17C-1-601.5, (Renumbered from 17C-1-601, as last amended by Laws of Utah 2010, Chapter 90)
17C-1-701.5, (Renumbered from 17C-1-701, as last amended by Laws of Utah 2009, Chapter 350)
17C-1-802, (Renumbered from 17C-2-401, as renumbered and amended by Laws of Utah 2006, Chapter 359)
17C-1-803, (Renumbered from 17C-2-402, as renumbered and amended by Laws of Utah 2006, Chapter 359)

SB0151S01 compared with SB0151

- 17C-1-804**, (Renumbered from 17C-2-403, as last amended by Laws of Utah 2010, Chapter 90)
- 17C-1-805**, (Renumbered from 17C-2-501, as renumbered and amended by Laws of Utah 2006, Chapter 359)
- 17C-1-806**, (Renumbered from 17C-2-502, as last amended by Laws of Utah 2010, Chapter 279)
- 17C-1-807**, (Renumbered from 17C-2-503, as last amended by Laws of Utah 2007, Chapter 379)
- 17C-1-808**, (Renumbered from 17C-2-504, as renumbered and amended by Laws of Utah 2006, Chapter 359)
- 17C-1-809**, (Renumbered from 17C-2-505, as renumbered and amended by Laws of Utah 2006, Chapter 359)
- 17C-1-902**, (Renumbered from 17C-1-206, as last amended by Laws of Utah 2007, Chapter 379)
- 17C-1-903**, (Renumbered from 17C-2-602, as last amended by Laws of Utah 2008, Chapter 382)
- 17C-1-904**, (Renumbered from 17C-2-601, as last amended by Laws of Utah 2012, Chapter 235)
- 17C-1-905**, (Renumbered from 17C-2-603, as enacted by Laws of Utah 2007, Chapter 379)
- 17C-2-101.5**, (Renumbered from 17C-2-101, as renumbered and amended by Laws of Utah 2006, Chapter 359)
- 17C-3-101.5**, (Renumbered from 17C-3-101, as enacted by Laws of Utah 2006, Chapter 359)
- 17C-4-101.5**, (Renumbered from 17C-4-101, as enacted by Laws of Utah 2006, Chapter 359)

REPEALS:

- 17C-1-303**, as last amended by Laws of Utah 2010, Chapter 279
- 17C-3-301**, as enacted by Laws of Utah 2006, Chapter 359
- 17C-3-302**, as enacted by Laws of Utah 2006, Chapter 359
- 17C-3-303**, as last amended by Laws of Utah 2009, Chapter 388

SB0151S01 compared with SB0151

17C-3-401, as enacted by Laws of Utah 2006, Chapter 359

17C-3-402, as last amended by Laws of Utah 2010, Chapter 279

17C-3-403, as enacted by Laws of Utah 2006, Chapter 359

17C-3-404, as enacted by Laws of Utah 2006, Chapter 359

17C-4-301, as enacted by Laws of Utah 2006, Chapter 359

17C-4-302, as last amended by Laws of Utah 2010, Chapter 90

17C-4-401, as enacted by Laws of Utah 2006, Chapter 359

17C-4-402, as last amended by Laws of Utah 2010, Chapter 279

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

Section 1. Section **10-1-203** is amended to read:

10-1-203. License fees and taxes -- Application information to be transmitted to the county assessor.

(1) As used in this section:

(a) "Business" means any enterprise carried on for the purpose of gain or economic profit, except that the acts of employees rendering services to employers are not included in this definition.

(b) "Telecommunications provider" [~~is as~~] means the same as that term is defined in Section 10-1-402.

(c) "Telecommunications tax or fee" [~~is as~~] means the same as that term is defined in Section 10-1-402.

(2) Except as provided in Subsections (3) through (5), the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance.

(3) (a) The legislative body of a municipality may raise revenue by levying and collecting a municipal energy sales or use tax as provided in Part 3, Municipal Energy Sales and Use Tax Act, except a municipality may not levy or collect a franchise tax or fee on an energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal Energy Sales and Use Tax Act.

(b) (i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined in Subsection 10-1-303(6), that is in effect on July 1, 1997, or a future franchise.

SB0151S01 compared with SB0151

(ii) A franchise agreement as defined in Subsection 10-1-303(6) in effect on January 1, 1997, or a future franchise shall remain in full force and effect.

(c) A municipality that collects a contractual franchise fee pursuant to a franchise agreement as defined in Subsection 10-1-303(6) with an energy supplier that is in effect on July 1, 1997, may continue to collect that fee as provided in Subsection 10-1-310(2).

(d) (i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as defined in Subsection 10-1-303(6) between a municipality and an energy supplier may contain a provision that:

(A) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax Act; and

(B) imposes the contractual franchise fee on or after the day on which Part 3, Municipal Energy Sales and Use Tax Act is:

(I) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-305 is reduced; and

(II) is not superseded by a law imposing a substantially equivalent tax.

(ii) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(b)(i) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.

(4) (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a municipality may raise revenue by levying and providing for the collection of a municipal telecommunications license tax as provided in Part 4, Municipal Telecommunications License Tax Act.

(b) A municipality may not levy or collect a telecommunications tax or fee on a telecommunications provider except as provided in Part 4, Municipal Telecommunications License Tax Act.

(5) (a) (i) The legislative body of a municipality may by ordinance raise revenue by levying and collecting a license fee or tax on:

(A) a parking service business in an amount that is less than or equal to:

(I) \$1 per vehicle that parks at the parking service business; or

(II) 2% of the gross receipts of the parking service business;

(B) a public assembly or other related facility in an amount that is less than or equal to

SB0151S01 compared with SB0151

\$5 per ticket purchased from the public assembly or other related facility; and

(C) subject to the limitations of Subsections (5)(c) and (d):

(I) a business that causes disproportionate costs of municipal services; or

(II) a purchaser from a business for which the municipality provides an enhanced level of municipal services.

(ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to levy or collect a license fee or tax on a public assembly or other related facility owned and operated by another political subdivision other than a community [~~development and renewal~~] reinvestment agency without the written consent of the other political subdivision.

(b) As used in this Subsection (5):

(i) "Municipal services" includes:

(A) public utilities; and

(B) services for:

(I) police;

(II) fire;

(III) storm water runoff;

(IV) traffic control;

(V) parking;

(VI) transportation;

(VII) beautification; or

(VIII) snow removal.

(ii) "Parking service business" means a business:

(A) that primarily provides off-street parking services for a public facility that is wholly or partially funded by public money;

(B) that provides parking for one or more vehicles; and

(C) that charges a fee for parking.

(iii) "Public assembly or other related facility" means an assembly facility that:

(A) is wholly or partially funded by public money;

(B) is operated by a business; and

(C) requires a person attending an event at the assembly facility to purchase a ticket.

(c) (i) Before the legislative body of a municipality imposes a license fee on a business

SB0151S01 compared with SB0151

that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance defining for purposes of the tax under Subsection (5)(a)(i)(C)(I):

(A) the costs that constitute disproportionate costs; and

(B) the amounts that are reasonably related to the costs of the municipal services provided by the municipality.

(ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related to the costs of the municipal services provided by the municipality.

(d) (i) Before the legislative body of a municipality imposes a license fee on a purchaser from a business for which it provides an enhanced level of municipal services under Subsection (5)(a)(i)(C)(II), the legislative body of the municipality shall adopt an ordinance defining for purposes of the fee under Subsection (5)(a)(i)(C)(II):

(A) the level of municipal services that constitutes the basic level of municipal services in the municipality; and

(B) the amounts that are reasonably related to the costs of providing an enhanced level of municipal services in the municipality.

(ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related to the costs of providing an enhanced level of the municipal services.

(6) All license fees and taxes shall be uniform in respect to the class upon which they are imposed.

(7) The municipality shall transmit the information from each approved business license application to the county assessor within 60 days following the approval of the application.

(8) If challenged in court, an ordinance enacted by a municipality before January 1, 1994, imposing a business license fee on rental dwellings under this section shall be upheld unless the business license fee is found to impose an unreasonable burden on the fee payer.

Section 2. Section **10-3-1303** is amended to read:

10-3-1303. Definitions.

As used in this part:

(1) "Appointed officer" means any person appointed to any statutory office or position or any other person appointed to any position of employment with a city or with a community

SB0151S01 compared with SB0151

~~[development and renewal]~~ reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community ~~[Development and Renewal Agencies]~~ Reinvestment Agency Act. Appointed officers include, but are not limited to, persons serving on special, regular, or full-time committees, agencies, or boards whether or not such persons are compensated for their services. The use of the word "officer" in this part is not intended to make appointed persons or employees "officers" of the municipality.

(2) "Assist" means to act, or offer or agree to act, in such a way as to help, represent, aid, advise, furnish information to, or otherwise provide assistance to a person or business entity, believing that such action is of help, aid, advice, or assistance to such person or business entity and with the intent to assist such person or business entity.

(3) "Business entity" means a sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.

(4) "Compensation" means anything of economic value, however designated, which is paid, loaned, granted, given, donated, or transferred to any person or business entity by anyone other than the governmental employer for or in consideration of personal services, materials, property, or any other thing whatsoever.

(5) "Elected officer" means a person:

- (a) elected or appointed to the office of mayor, commissioner, or council member; or
- (b) who is considered to be elected to the office of mayor, commissioner, or council member by a municipal legislative body in accordance with Section 20A-1-206.

(6) "Improper disclosure" means disclosure of private, controlled, or protected information to any person who does not have both the right and the need to receive the information.

(7) "Municipal employee" means a person who is not an elected or appointed officer who is employed on a full- or part-time basis by a municipality or by a community ~~[development and renewal]~~ reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community ~~[Development and Renewal Agencies]~~ Reinvestment Agency Act.

(8) "Private, controlled, or protected information" means information classified as private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and

SB0151S01 compared with SB0151

Management Act, or other applicable provision of law.

(9) "Substantial interest" means the ownership, either legally or equitably, by an individual, the individual's spouse, or the individual's minor children, of at least 10% of the outstanding shares of a corporation or 10% interest in any other business entity.

Section 3. Section **10-9a-508** is amended to read:

10-9a-508. Exactions -- Exaction for water interest -- Requirement to offer to original owner property acquired by exaction.

(1) A municipality may impose an exaction or exactions on development proposed in a land use application, including, subject to Subsection (3), an exaction for a water interest, if:

(a) an essential link exists between a legitimate governmental interest and each exaction; and

(b) each exaction is roughly proportionate, both in nature and extent, to the impact of the proposed development.

(2) If a land use authority imposes an exaction for another governmental entity:

(a) the governmental entity shall request the exaction; and

(b) the land use authority shall transfer the exaction to the governmental entity for which it was exacted.

(3) (a) (i) A municipality shall base any exaction for a water interest on the culinary water authority's established calculations of projected water interest requirements.

(ii) Upon an applicant's request, the culinary water authority shall provide the applicant with the basis for the culinary water authority's calculations under Subsection (3)(a)(i) on which an exaction for a water interest is based.

(b) A municipality may not impose an exaction for a water interest if the culinary water authority's existing available water interests exceed the water interests needed to meet the reasonable future water requirement of the public, as determined under Subsection 73-1-4(2)(f).

(4) (a) If a municipality plans to dispose of surplus real property that was acquired under this section and has been owned by the municipality for less than 15 years, the municipality shall first offer to reconvey the property, without receiving additional consideration, to the person who granted the property to the municipality.

(b) A person to whom a municipality offers to reconvey property under Subsection

SB0151S01 compared with SB0151

(4)(a) has 90 days to accept or reject the municipality's offer.

(c) If a person to whom a municipality offers to reconvey property declines the offer, the municipality may offer the property for sale.

(d) Subsection (4)(a) does not apply to the disposal of property acquired by exaction by a community [~~development and renewal~~] reinvestment agency.

Section 4. Section **11-25-2** is amended to read:

11-25-2. Legislative findings -- Liberal construction.

The Legislature finds and declares that it is necessary for the welfare of the state and its inhabitants that community [~~development and renewal~~] reinvestment agencies be authorized within cities, towns or counties, or cities or towns and counties to make long-term, low-interest loans to finance residential rehabilitation in selected residential areas in order to encourage the upgrading of property in those areas. Unless such agencies provide some form of assistance to finance residential rehabilitation, many residential areas will deteriorate at an accelerated pace. This act shall be liberally construed to effect its purposes.

Section 5. Section **11-25-3** is amended to read:

11-25-3. Definitions.

As used in this chapter:

~~[(4)]~~ (1) "Agency" means a community [~~development and renewal~~] reinvestment agency functioning pursuant to Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act.

~~[(1)]~~ (2) "Bonds" mean any bonds, notes, interim certificates, debentures, or other obligations issued by an agency pursuant to this part and which are payable exclusively from the revenues, as defined in Subsection (9), and from any other funds specified in this part upon which the bonds may be made a charge and from which they are payable.

~~[(2)]~~ (3) (a) "Citizen participation" means action by the agency to provide persons who will be affected by residential rehabilitation financed under the provisions of this part with opportunities to be involved in planning and carrying out the residential rehabilitation program. "Citizen participation" shall include, but not be limited to, all of the following:

- (i) Holding a public meeting prior to considering selection of the area for designation.
- (ii) Consultation with representatives of owners of property in, and residents of, a residential rehabilitation area, in developing plans for public improvements and

SB0151S01 compared with SB0151

implementation of the residential rehabilitation program.

(iii) Dissemination of information relating to the time and location of meetings, boundaries of the proposed residential rehabilitation area, and a general description of the proposed residential rehabilitation program.

(b) (i) Public meetings and consultations described in Subsection (2)(a) shall be conducted by an official designated by the agency.

(ii) Public meetings shall be held at times and places convenient to residents and property owners.

~~(3)~~ (4) "Financing" means the lending of money or any other thing of value for the purpose of residential rehabilitation.

(5) "Participating party" means any person, company, corporation, partnership, firm, agency, political subdivision of the state, or other entity or group of entities requiring financing for residential rehabilitation pursuant to the provisions of this part. No elective officer of the state or any of its political subdivisions shall be eligible to be a participating party under the provision of this part.

~~(8)~~ (6) "Rehabilitation standards" mean the applicable local or state standards for the rehabilitation of buildings located in residential rehabilitation areas, including any higher standards adopted by the agency as part of its residential rehabilitation financing program.

(7) "Residence" means a residential structure in residential rehabilitation areas. It also means a commercial structure which, in the judgment of the agency, is an integral part of a residential neighborhood.

~~(6)~~ (8) "Residential rehabilitation" means the construction, reconstruction, renovation, replacement, extension, repair, betterment, equipping, developing, embellishing, or otherwise improving residences consistent with standards of strength, effectiveness, fire resistance, durability, and safety, so that the structures are satisfactory and safe to occupy for residential purposes and are not conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime because of any one or more of the following factors:

- (a) defective design and character of physical construction;
- (b) faulty interior arrangement and exterior spacing;
- (c) high density of population and overcrowding;
- (d) inadequate provision for ventilation, light, sanitation, open spaces, and recreation

SB0151S01 compared with SB0151

facilities;

(e) age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses;

and

(f) economic dislocation, deterioration, or disuse, resulting from faulty planning.

~~[(10)]~~ (9) "Residential rehabilitation area" means the geographical area designated by the agency as one for inclusion in a comprehensive residential rehabilitation financing program pursuant to the provisions of this chapter.

~~[(9)]~~ (10) "Revenues" mean all amounts received as repayment of principal, interest, and all other charges received for, and all other income and receipts derived by, the agency from the financing of residential rehabilitation, including money deposited in a sinking, redemption, or reserve fund or other fund to secure the bonds or to provide for the payment of the principal of, or interest on, the bonds and such other money as the legislative body may, in its discretion, make available therefor.

Section 6. Section **11-27-2** is amended to read:

11-27-2. Definitions.

As used in this chapter:

(1) "Advance refunding bonds" means refunding bonds issued for the purpose of refunding outstanding bonds in advance of their maturity.

(2) "Assessments" means a special tax levied against property within a special improvement district to pay all or a portion of the costs of making improvements in the district.

(3) "Bond" means any revenue bond, general obligation bond, tax increment bond, special improvement bond, local building authority bond, or refunding bond.

(4) "General obligation bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of a public body payable in whole or in part from revenues derived from ad valorem taxes and that constitutes an indebtedness within the meaning of any applicable constitutional or statutory debt limitation.

(5) "Governing body" means the council, commission, county legislative body, board of directors, board of trustees, board of education, board of regents, or other legislative body of a public body designated in this chapter that is vested with the legislative powers of the public body, and, with respect to the state, the State Bonding Commission created by Section 63B-1-201.

SB0151S01 compared with SB0151

(6) "Government obligations" means:

(a) direct obligations of the United States of America, or other securities, the principal of and interest on which are unconditionally guaranteed by the United States of America; or

(b) obligations of any state, territory, or possession of the United States, or of any of the political subdivisions of any state, territory, or possession of the United States, or of the District of Columbia described in Section 103(a), Internal Revenue Code of 1986.

(7) "Issuer" means the public body issuing any bond or bonds.

(8) "Public body" means the state or any agency, authority, instrumentality, or institution of the state, or any municipal or quasi-municipal corporation, political subdivision, agency, school district, local district, special service district, or other governmental entity now or hereafter existing under the laws of the state.

(9) "Refunding bonds" means bonds issued under the authority of this chapter for the purpose of refunding outstanding bonds.

(10) "Resolution" means a resolution of the governing body of a public body taking formal action under this chapter.

(11) "Revenue bond" means any bond, note, warrant, certificate of indebtedness, or other obligation for the payment of money issued by a public body or any predecessor of any public body and that is payable from designated revenues not derived from ad valorem taxes or from a special fund composed of revenues not derived from ad valorem taxes, but excluding all of the following:

(a) any obligation constituting an indebtedness within the meaning of any applicable constitutional or statutory debt limitation;

(b) any obligation issued in anticipation of the collection of taxes, where the entire issue matures not later than one year from the date of the issue; and

(c) any special improvement bond.

(12) "Special improvement bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of a public body or any predecessor of any public body that is payable from assessments levied on benefitted property and from any special improvement guaranty fund.

(13) "Special improvement guaranty fund" means any special improvement guaranty fund established under Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities;

SB0151S01 compared with SB0151

Title 11, Chapter 42, Assessment Area Act; or any predecessor or similar statute.

(14) "Tax increment bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of a public body issued under authority of Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act.

Section 7. Section **11-31-2** is amended to read:

11-31-2. Definitions.

As used in this chapter:

(1) "Bonds" means any evidence or contract of indebtedness that is issued or authorized by a public body, including, without limitation, bonds, refunding bonds, advance refunding bonds, bond anticipation notes, tax anticipation notes, notes, certificates of indebtedness, warrants, commercial paper, contracts, and leases, whether they are general obligations of the issuing public body or are payable solely from a specified source, including annual appropriations by the public body.

(2) "Legislative body" means, with respect to any action to be taken by a public body with respect to bonds, the board, commission, council, agency, or other similar body authorized by law to take legislative action on behalf of the public body, and in the case of the state, the Legislature, the state treasurer, the commission created under Section 63B-1-201, and any other entities the Legislature designates.

(3) "Public body" means the state and any public department, public agency, or other public entity existing under the laws of the state, including, without limitation, any agency, authority, instrumentality, or institution of the state, and any county, city, town, municipal corporation, quasi-municipal corporation, state university or college, school district, special service district, local district, separate legal or administrative entity created under the Interlocal Cooperation Act or other joint agreement entity, community [~~development and renewal~~] reinvestment agency, and any other political subdivision, public authority, public agency, or public trust existing under the laws of the state.

Section 8. Section **11-32-2** is amended to read:

11-32-2. Definitions.

As used in this chapter:

(1) "Assignment agreement" means the agreement, security agreement, indenture, or

SB0151S01 compared with SB0151

other documentation by which the county transfers the delinquent tax receivables to the authority in consideration of the amounts paid by the authority under the assignment agreement, as provided in this chapter.

(2) "Bonds" means any bonds, notes, or other evidence of indebtedness of the financing authority issued under this chapter.

(3) "Delinquent tax receivables" means those ad valorem tangible property taxes levied within any county, for any year, which remain unpaid and owing the participant members within the county, as of January 15 of the following year, plus any interest and penalties accruing or assessed to them.

(4) "Financing authority" or "authority" means a nonprofit corporation organized under this chapter by a county on behalf of the participant members within the county as the financing authority for the participant members solely for the purpose of financing the assignment of the delinquent tax receivables of the participant members for which it was created.

(5) "Governing body" means the council, commission, county legislative body, board of education, board of trustees, or any other governing entity of a public body in which the legislative powers of the public body are vested.

(6) "Participant members" means those public bodies, including the county, the governing bodies of which approve the creation of an authority as provided in Section 11-32-3 and on whose behalf the authority acts.

(7) "Public body" means any city, town, county, school district, special service district, local district, community [~~development and renewal~~] reinvestment agency, or any other entity entitled to receive ad valorem property taxes, existing under the laws of the state.

Section 9. Section **11-34-1** is amended to read:

11-34-1. Definitions.

As used in this chapter:

(1) "Bonds" means any evidence or contract of indebtedness that is issued or authorized by a public body, including, without limitation, bonds, refunding bonds, advance refunding bonds, bond anticipation notes, tax anticipation notes, notes, certificates of indebtedness, warrants, commercial paper, contracts, and leases, whether they are general obligations of the issuing public body or are payable solely from a specified source, including

SB0151S01 compared with SB0151

annual appropriations by the public body.

(2) "Public body" means the state and any public department, public agency, or other public entity existing under the laws of the state, including, without limitation, any agency, authority, instrumentality, or institution of the state, and any county, city, town, municipal corporation, quasi-municipal corporation, state university or college, school district, special service district, local district, separate legal or administrative entity created under the Interlocal Cooperation Act or other joint agreement entity, community [~~development and renewal~~] reinvestment agency, and any other political subdivision, public authority, public agency, or public trust existing under the laws of this state.

Section 10. Section **11-49-102** is amended to read:

11-49-102. Definitions.

(1) "Commission" means the Political Subdivisions Ethics Review Commission established in Section 11-49-201.

(2) "Complainant" means a person who files a complaint in accordance with Section 11-49-501.

(3) "Ethics violation" means a violation of:

- (a) Title 10, Chapter 3, Part 13, Municipal Officers' and Employees' Ethics Act;
- (b) Title 17, Chapter 16a, County Officers and Employees Disclosure Act; or
- (c) Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act.

(4) "Local political subdivision ethics commission" means an ethics commission established by a political subdivision within the political subdivision or with another political subdivision by interlocal agreement in accordance with Section 11-49-103.

(5) "Political subdivision" means a county, municipality, school district, community [~~development and renewal~~] reinvestment agency, local district, special service district, an entity created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal Cooperation Act, a local building authority, or any other governmental subdivision or public corporation.

(6) (a) "Political subdivision employee" means a person who is:

(i) (A) in a municipality, employed as a city manager or non-elected chief executive on a full or part-time basis; or

(B) employed as the non-elected chief executive by a political subdivision other than a municipality on a full or part-time basis; and

SB0151S01 compared with SB0151

(ii) subject to:

(A) Title 10, Chapter 3, Part 13, Municipal Officers' and Employees' Ethics Act;

(B) Title 17, Chapter 16a, County Officers and Employees Disclosure Act; or

(C) Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act.

(b) "Political subdivision employee" does not include:

(i) a person who is a political subdivision officer;

(ii) an employee of a state entity; or

(iii) a legislative employee as defined in Section 67-16-3.

(7) "Political subdivision governing body" means:

(a) for a county, the county legislative body as defined in Section 68-3-12.5;

(b) for a municipality, the council of the city or town;

(c) for a school district, the local board of education described in Section 53A-3-101;

(d) for a community [~~development and renewal~~] reinvestment agency, the agency board described in Section 17C-1-203;

(e) for a local district, the board of trustees described in Section 17B-1-301;

(f) for a special service district:

(i) the legislative body of the county, city, or town that established the special service district, if no administrative control board has been appointed under Section 17D-1-301; or

(ii) the administrative control board of the special service district, if an administrative control board has been appointed under Section 17D-1-301;

(g) for an entity created by an interlocal agreement, the governing body of an interlocal entity, as defined in Section 11-13-103;

(h) for a local building authority, the governing body, as defined in Section 17D-2-102, that creates the local building authority; or

(i) for any other governmental subdivision or public corporation, the board or other body authorized to make executive and management decisions for the subdivision or public corporation.

(8) (a) "Political subdivision officer" means a person elected in a political subdivision who is subject to:

(i) Title 10, Chapter 3, Part 13, Municipal Officers' and Employees' Ethics Act;

(ii) Title 17, Chapter 16a, County Officers and Employees Disclosure Act; or

SB0151S01 compared with SB0151

(iii) Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act.

(b) "Political subdivision officer" does not include:

(i) a person elected or appointed to a state entity;

(ii) the governor;

(iii) the lieutenant governor;

(iv) a member or member-elect of either house of the Legislature; or

(v) a member of Utah's congressional delegation.

(9) "Respondent" means a person who files a response in accordance with Section 11-49-604.

Section 11. Section **11-50-102** is amended to read:

11-50-102. Definitions.

As used in this chapter:

(1) "Annual financial report" means a comprehensive annual financial report or similar financial report required by Section 51-2a-201.

(2) "Chief administrative officer" means the chief administrative officer designated in accordance with Section 11-50-202.

(3) "Chief financial officer" means the chief financial officer designated in accordance with Section 11-50-202.

(4) "Governing body" means:

(a) for a county, city, or town, the legislative body of the county, city, or town;

(b) for a local district, the board of trustees of the local district;

(c) for a school district, the local board of education; or

(d) for a special service district under Title 17D, Chapter 1, Special Service District Act:

(i) the governing body of the county or municipality that created the special service district, if no administrative control board has been established under Section 17D-1-301; or

(ii) the administrative control board, if one has been established under Section 17D-1-301.

(5) (a) "Political subdivision" means any county, city, town, school district, community [development and renewal] reinvestment agency, special improvement or taxing district, local district, special service district, an entity created by an interlocal agreement adopted under Title

SB0151S01 compared with SB0151

11, Chapter 13, Interlocal Cooperation Act, or other governmental subdivision or public corporation.

(b) Notwithstanding Subsection (5)(a), "political subdivision" does not mean a project entity, as defined in Section 11-13-103.

Section 12. Section **11-52-102** is amended to read:

11-52-102. Definitions.

As used in this chapter:

(1) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. Sec. 7501, that is reported as part of a single audit.

(2) "Political subdivision" means:

(a) a county, as defined in Section 17-50-101;

(b) a municipality, as defined in Section 10-1-104;

(c) a local district, as defined in Section 17B-1-102;

(d) a special service district, as defined in Section 17D-1-102;

(e) an interlocal entity, as defined in Section 11-13-103;

(f) a community [~~development and renewal~~] reinvestment agency created under Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act;

(g) a local building authority, as defined in Section 17D-2-102; or

(h) a conservation district, as defined in Section 17D-3-102.

(3) "Single audit" has the same meaning as defined in 31 U.S.C. Sec. 7501.

Section 13. Section **14-1-18** is amended to read:

14-1-18. Definitions -- Application of Procurement Code to payment and performance bonds.

(1) (a) For purposes of this chapter, "political subdivision" means any county, city, town, school district, local district, special service district, community [~~development and renewal~~] reinvestment agency, public corporation, institution of higher education of the state, public agency of any political subdivision, and, to the extent provided by law, any other entity which expends public funds for construction.

(b) For purposes of applying Section 63G-6a-1103 to a political subdivision, "state" includes "political subdivision."

SB0151S01 compared with SB0151

(2) Notwithstanding any provision of Title 63G, Chapter 6a, Utah Procurement Code, to the contrary, Section 63G-6a-1103 applies to all contracts for the construction, alteration, or repair of any public building or public work of the state or a political subdivision of the state.

Section 14. Section **15-7-2** is amended to read:

15-7-2. Definitions.

As used in this chapter:

(1) "Authorized officer" means any individual required or permitted by any law or by the issuing public entity to execute on behalf of the public entity, a certificated registered public obligation or a writing relating to an uncertificated registered public obligation.

(2) "Certificated registered public obligation" means a registered public obligation which is represented by an instrument.

(3) "Code" means the Internal Revenue Code of 1954.

(4) "Facsimile seal" means the reproduction by engraving, imprinting, stamping, or other means of the seal of the issuer, official, or official body.

(5) "Facsimile signature" means the reproduction by engraving, imprinting, stamping, or other means of a manual signature.

(6) "Financial intermediary" means a bank, broker, clearing corporation or other person, or the nominee of any of them, which in the ordinary course of its business maintains registered public obligation accounts for its customers.

(7) "Issuer" means a public entity which issues an obligation.

(8) "Obligation" means an agreement by a public entity to pay principal and any interest on the obligation, whether in the form of a contract to repay borrowed money, a lease, an installment purchase agreement, or otherwise, and includes a share, participation, or other interest in any such agreement.

~~[(10)]~~ (9) "Official" or "official body" means the person or group of persons that is empowered to provide for the original issuance of an obligation of the issuer, by defining the obligation and its terms, conditions, and other incidents, or to perform duties with respect to a registered public obligation and any successor of such person or group of persons.

~~[(9)]~~ (10) "Official actions" means the actions by statute, order, ordinance, resolution, contract, or other authorized means by which the issuer provides for issuance of a registered public obligation.

SB0151S01 compared with SB0151

(11) "Public entity" means any entity, department, or agency which is empowered under the laws of one or more states, territories, possessions of the United States or the District of Columbia, including this state, to issue obligations any interest with respect to which may, under any provision of law, be provided an exemption from the income tax referred to in the Code. The term "public entity" includes, without limitation, this state, an entity deriving powers from and acting pursuant to a state constitution or legislative act, a county, city, town, a municipal corporation, a quasi-municipal corporation, a state university or college, a school district, a special service district, a local district, a separate legal or administrative entity created under the Interlocal Cooperation Act or other joint agreement entity, a community [~~development and renewal~~] reinvestment agency, any other political subdivision, a public authority or public agency, a public trust, a nonprofit corporation, or other organizations.

(12) "Registered public obligation" means an obligation issued by a public entity which is issued pursuant to a system of registration.

(13) "System of registration" and its variants means a plan that provides:

(a) with respect to a certificated registered public obligation, that:

(i) the certificated registered public obligation specifies a person entitled to the registered public obligation and the rights it represents; and

(ii) transfer of the certificated registered public obligation and the rights it represents may be registered upon books maintained for that purpose by or on behalf of the issuer; and

(b) with respect to an uncertificated registered public obligation, that:

(i) books maintained by or on behalf of the issuer for the purpose of registration of the transfer of a registered public obligation specify a person entitled to the registered public obligation and the rights evidenced by it; and

(ii) transfer of the uncertificated registered public obligation and the rights evidenced by it be registered upon such books.

(14) "Uncertificated registered public obligation" means a registered public obligation which is not represented by an instrument.

Section 15. Section **17C-1-101** is amended to read:

TITLE 17C. LIMITED PURPOSE LOCAL GOVERNMENT ENTITIES - COMMUNITY REINVESTMENT AGENCY ACT

CHAPTER 1. AGENCY OPERATIONS

SB0151S01 compared with SB0151

Part 1. General Provisions

17C-1-101. Title.

(1) This title is known as the "Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act."

(2) This chapter is known as "Agency Operations."

(3) This part is known as "General Provisions."

Section 16. Section **17C-1-102** is amended to read:

17C-1-102. Definitions.

As used in this title:

(1) "Active project area" means a project area that has not been dissolved in accordance with Section 17C-1-702.

~~[(1)]~~ (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency is authorized to receive:

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

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

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

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

(c) under a project area budget approved by a taxing entity committee; or

(d) under an interlocal agreement that authorizes the agency to receive a taxing entity's tax increment.

~~[(2)]~~ (3) "Affordable housing" means housing [to be] owned or occupied by [persons and families of low or moderate income] a low or moderate income family, as determined by resolution of the agency.

~~[(3)]~~ (4) "Agency" or "community [~~development and renewal~~] reinvestment agency" means a separate body corporate and politic, created under Section [~~17C-1-201~~] 17C-1-201.5 or as a redevelopment agency or community development and renewal agency under previous law[;]:

SB0151S01 compared with SB0151

(a) that is a political subdivision of the state[;];

(b) that is created to undertake or promote [~~urban renewal, economic development, or community development, or any combination of them;~~] project area development as provided in this title[;]; and

(c) whose geographic boundaries are coterminous with:

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

~~(b)~~ (ii) for an agency created by a [~~city or town~~] municipality, the boundaries of the [~~city or town~~] municipality.

(5) "Agency funds" means money that an agency collects or receives for the ~~{purpose}~~ purposes of agency operations or implementing a project area plan, including:

(a) project area funds;

(b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development; or

(c) a contribution, loan, grant, or other financial assistance from any public or private source.

~~(4)~~ (6) "Annual income" [~~has the meaning as~~] means the same as that term is defined [~~under~~] in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

~~(5)~~ (7) "Assessment roll" [~~has the meaning as~~] means the same as that term is defined in Section 59-2-102.

~~(6)~~ (8) "Base taxable value" means[;], unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.

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

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

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

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

SB0151S01 compared with SB0151

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

~~[(f) the date the project area plan is adopted by the community legislative body; and]~~

~~[(H) the date the agency adopts the first project area budget;]~~

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

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

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

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

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

(9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:

~~{ — (a) unless otherwise designated by a taxing entity committee in accordance with provisions of this title:~~

~~{ (fi)a for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project area plan's effective date; ~~{ or }~~~~

~~(fii)b for a post-June 30, 1993, urban renewal or economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity committee:~~

~~(fA)i before the date on which the taxing entity committee approves the project area budget; or~~

~~(fB)ii if taxing entity committee approval is not required for the project area budget, before the date on which the community legislative body adopts the project area plan;~~

~~(fb)c for a project on an inactive airport site, after the later of:~~

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

~~or~~

~~(ii) the date on which the airport that operated on the inactive airport site ceased operations; or~~

SB0151S01 compared with SB0151

~~(f)(d)~~ for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.

~~(7)~~ (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy under Section 59-2-902.

~~(8)~~ (11) "Blight" or "blighted" means the condition of an area that meets the requirements ~~of~~ described in Subsection 17C-2-303(1) for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.

~~(9)~~ (12) "Blight hearing" means a public hearing regarding whether blight exists within a proposed:

(a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; ~~or [regarding the existence or nonexistence of blight within the proposed urban renewal project area.]~~

(b) community reinvestment project area under Section 17C-5-405.

~~(10)~~ (13) "Blight study" means a study to determine ~~[the existence or nonexistence of blight]~~ whether blight exists within a survey area as ~~[provided]~~ described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403 for a community reinvestment project area.

~~(11)~~ (14) "Board" means the governing body of an agency, as ~~[provided]~~ described in Section 17C-1-203.

~~(12)~~ (15) "Budget hearing" means the public hearing on a ~~[draft]~~ proposed project area budget required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget ~~[or]~~, Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection 17C-5-302(2)(e) for a community reinvestment project area budget.

~~(13)~~ (16) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has been sustained by the president of the United States and Congress.

~~(14)~~ (17) "Combined incremental value" means the combined total of all incremental values from all ~~[urban renewal]~~ project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under ~~[adopted]~~ project area plans and ~~[adopted]~~ project area budgets at the time that a project area budget for a

SB0151S01 compared with SB0151

new ~~[urban renewal]~~ project area is being considered.

~~[(15)]~~ (18) "Community" means a county ~~[, city, or town]~~ or municipality.

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

(19) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.

(20) "Community legislative body" means the legislative body of the community that created the agency.

(21) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.

~~[(17)]~~ (22) "Contest" means to file a written complaint in the district court of the county in which ~~[the person filing the complaint resides]~~ the agency is located.

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

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

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

(23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.

~~[(19)]~~ (24) "Fair share ratio" means the ratio derived by:

(a) for a ~~[city or town]~~ municipality, comparing the percentage of all housing units within the ~~[city or town]~~ municipality that are publicly subsidized income targeted housing units to the percentage of all housing units within the ~~[whole]~~ county in which the municipality is located that are publicly subsidized income targeted housing units; or

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

~~[(20)]~~ (25) "Family" ~~[has the meaning as]~~ means the same as that term is defined

SB0151S01 compared with SB0151

[~~under~~] in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.

[~~(21)~~] (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

[~~(22)~~] (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment, under state or federal law or regulation.

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

(28) "Housing allocation" means tax increment allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

(29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or 17C-1-412 that is comprised of:

(a) project area funds allocated for the purposes described in Section 17C-1-411; or

(b) an agency's housing allocation.

[~~(24)~~] (30) (a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

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

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

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

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

(iii) requires remediation because:

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

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

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in Subsection [~~(24)~~] (30)(a).

[~~(25)~~] (31) (a) "Inactive industrial site" means land that:

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

SB0151S01 compared with SB0151

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

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

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection ~~[(25)]~~ (31)(a).

~~[(26)]~~ (32) "Income targeted housing" means housing ~~[to be]~~ that is owned or occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.

~~[(27)]~~ (33) "Incremental value" means a figure derived by multiplying the marginal value of the property located within ~~[an urban renewal]~~ a project area on which tax increment is collected by a number that represents the ~~[percentage of]~~ adjusted tax increment from that project area that is paid to the agency.

~~[(28)]~~ (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

~~[(31)]~~ (35) (a) "~~[Municipal]~~ Local government building" means a building owned and operated by a ~~[municipality]~~ community for the primary purpose of providing one or more primary ~~[municipal]~~ community functions, including:

- (i) a fire station;
- (ii) a police station;
- (iii) a city hall; or
- (iv) a court or other judicial building.

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

~~[(29)]~~ (36) "Marginal value" means the difference between actual taxable value and base taxable value.

~~[(30)]~~ (37) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.

(38) "Municipality" means a city, town, or metro township as defined in Section 10-2a-403.

(39) "Participant" means one or more persons that enter into a participation agreement

SB0151S01 compared with SB0151

with an agency.

(40) "Participation agreement" means a written agreement between a person and an agency that:

(a) includes a description of:

(i) the project area development that the person will undertake;

(ii) the amount of project area funds the person may receive; and

(iii) the terms and conditions under which the person may receive project area funds;

and

(b) is approved by resolution of the board.

~~[(32)]~~ (41) "Plan hearing" means the public hearing on a ~~[draft]~~ proposed project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for an economic development project area plan, ~~[and]~~ Subsection 17C-4-102(1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project area plan.

~~[(33)]~~ (42) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to ~~[its]~~ the project area plan's adoption.

~~[(34)]~~ (43) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993, whether or not amended subsequent to ~~[its]~~ the project area plan's adoption.

~~[(35)]~~ (44) "Private," with respect to real property, means:

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

(b) not dedicated to public use.

~~[(36)]~~ (45) "Project area" means the geographic area described in a project area plan ~~[or draft project area plan where the urban renewal, economic development, or community development, as the case may be, set forth in the project area plan or draft project area plan takes place or is proposed to take place]~~ within which the project area development described in the project area plan takes place or is proposed to take place.

~~[(37)]~~ (46) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a ~~[urban renewal or economic~~

SB0151S01 compared with SB0151

development] project area prepared in accordance with:

(a) for an urban renewal project area, Section 17C-2-202;

(b) for an economic development project area, Section 17C-3-202;

(c) for a community development project area, Section 17C-4-204; or

(d) for a community reinvestment project area, Section 17C-5-302. [that includes:]

~~[(a) the base taxable value of property in the project area;]~~

~~[(b) the projected tax increment expected to be generated within the project area;]~~

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

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

~~[(e) the tax increment expected to be used to cover the cost of administering the project area plan;]~~

~~[(f) if the area from which tax increment is to be collected is less than the entire project area;]~~

~~[(i) the tax identification numbers of the parcels from which tax increment will be collected; or]~~

~~[(ii) a legal description of the portion of the project area from which tax increment will be collected;]~~

~~[(g) for property that the agency owns and expects to sell, the expected total cost of the property to the agency and the expected selling price; and]~~

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

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

(47) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:

(a) promoting, creating, or retaining public or private jobs within the state or a community;

SB0151S01 compared with SB0151

(b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;

(c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;

(d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;

(e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;

(f) providing open space, including streets or other public grounds or space around buildings;

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

(h) relocating a business;

(i) improving public or private recreation areas or other public grounds;

(j) eliminating blight or the causes of blight;

(k) redevelopment as defined under the law in effect before May 1, 2006; or

(l) any activity described in Subsections (47)(a) through (k) outside of a project area that the board determines to be a benefit to the project area.

(48) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.

(49) "Project area funds collection period" means the period of time that:

(a) begins the day on which ~~{an agency receives }~~the first payment of project area funds ~~{from a taxing entity}~~**is distributed to an agency** under a project area budget adopted by a taxing entity committee or an interlocal agreement; and

(b) ends the day on which ~~{an agency receives }~~the last payment of project area funds ~~{from a taxing entity}~~**is distributed to an agency** under a project area budget adopted by a taxing entity committee or an interlocal agreement.

~~[(38)]~~ (50) "Project area plan" means [a written plan under Chapter 2, Part 1, Urban Renewal Project Area Plan, Chapter 3, Part 1, Economic Development Project Area Plan, or Chapter 4, Part 1, Community Development Project Area Plan, as the case may be,] an urban renewal project area plan, an economic development project area plan, a community

SB0151S01 compared with SB0151

development project area plan, or a community reinvestment project area plan that, after [its] the project area plan's effective date, guides and controls the [~~urban renewal, economic development, or community development activities within a project area~~] project area development.

[~~(39)~~] (51) (a) "Property tax" [~~includes privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.~~] means each levy on an ad valorem basis on tangible or intangible personal or real property.

(b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.

[~~(40)~~] (52) "Public entity" means:

(a) the United States, including an agency of the United States;

[~~(a)~~] (b) the state, including any of [its] the state's departments or agencies; or

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

[~~(41)~~] (53) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, [~~and~~] natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, [~~and~~] or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.

[~~(42)~~] (54) "Record property owner" or "record owner of property" means [~~the owner of real property as shown on the records of the recorder of the county in which the property is located and includes a purchaser under a real estate contract if the contract is recorded in the office of the recorder of the county in which the property is located or the purchaser gives written notice of the real estate contract to the agency.~~] the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.

(55) "Sales and use tax revenue" means revenue that is:

(a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act;
and

(b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

SB0151S01 compared with SB0151

~~[(43)]~~ (56) "Superfund site":

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

(b) includes an area formerly included in the National Priorities List, as described in Subsection ~~[(43)]~~ (56)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.

~~[(44)]~~ (57) "Survey area" means ~~[an]~~ a geographic area designated for study by a survey area resolution ~~[for study]~~ to determine whether one or more ~~[urban renewal projects]~~ project areas within the survey area are feasible.

~~[(45)]~~ (58) "Survey area resolution" means a resolution adopted by ~~[the agency]~~ a board under Subsection ~~[17C-2-101(1)(a)]~~ 17C-2-101.5(1) or 17C-5-103(1) designating a survey area.

~~[(46)]~~ (59) "Taxable value" means ~~[the value of property as shown on the last equalized assessment roll as certified by the county assessor.]:~~

(a) the taxable value of all real property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, for the current year;

(b) the taxable value of all real and personal property the commission assesses in accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and

(c) the year end taxable value of all personal property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

~~[(47)(a) Except as provided in Subsection (47)(b);]~~

(60) (a) "Tax increment" means the difference between:

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

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

SB0151S01 compared with SB0151

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

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

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

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

~~[(48)]~~ (61) "Taxing entity" means a public entity that ~~{[levies]}~~ {is authorized to}:

(a) ~~{levy}~~ levies a tax on ~~[a parcel or parcels of]~~ property located within a ~~[community:]~~ project area; or

(b) ~~{impose}~~ imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

~~[(49)]~~ (62) "Taxing entity committee" means a committee representing the interests of taxing entities, created ~~[as provided]~~ in accordance with Section 17C-1-402.

~~[(50)]~~ (63) "Unincorporated" means not within a ~~[city or town]~~ municipality.

~~[(51)]~~ (a) "Urban renewal" means ~~the development activities under a project area plan within an urban renewal project area, including:~~

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

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

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

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

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

~~[(vi) providing improvements of public or private recreation areas and other public grounds;]~~

~~[(b) "Urban renewal" means "redevelopment," as defined under the law in effect before~~

SB0151S01 compared with SB0151

May 1, 2006, if the context requires.]

(64) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1, Urban Renewal Project Area Plan.

Section 17. Section **17C-1-102.5** is enacted to read:

17C-1-102.5. Project area created on or after May 10, 2016.

Beginning on May 10, 2016, an agency:

(1) may create a community reinvestment project area under Chapter 5, Community Reinvestment;

(2) except as provided in Subsection (3), may not create:

(a) an urban renewal project area under Chapter 2, Urban Renewal;

(b) an economic development project area under Chapter 3, Economic Development;

or

(c) a community development project area under Chapter 4, Community Development;

and

(3) may create an urban renewal project area, an economic development project area, or a community development project area if:

(a) before April 1, 2016, the agency adopts a resolution in accordance with:

(i) Section 17C-2-101.5 for an urban renewal project area;

(ii) Section 17C-3-101.5 for an economic development project area; or

(iii) Section ~~17C-4-102~~ 17C-4-101.5 for a community development project area; and

(b) the urban renewal project area, economic development project area, or community development project area is effective before September 1, 2016.

Section 18. Section **17C-1-103** is amended to read:

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

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

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

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

SB0151S01 compared with SB0151

- (i) was allowed by the law in effect immediately before an applicable amendment to this title;
 - (ii) is permitted or required under the project area plan adopted before the amendment;
- and
- (iii) is not explicitly prohibited under this title;
- (c) revive any right to challenge any action of the agency that had already expired; or
 - (d) require a project area plan to contain a provision that was not required by the law in effect at the time the project area plan was adopted.

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

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

Section 19. Section **17C-1-201.1** is enacted to read:

Part 2. Agency Creation, Powers, and Board

17C-1-201.1. Title.

This part is known as "Agency Creation, Powers, and Board."

Section 20. Section **17C-1-201.5**, which is renumbered from Section 17C-1-201 is renumbered and amended to read:

~~[17C-1-201].~~ 17C-1-201.5. Creation of agency -- Name change.

(1) A community [~~may, by ordinance adopted by its legislative body, approve the creation of a community development and renewal agency.~~] legislative body may, by ordinance, create a community reinvestment agency.

(2) (a) The community legislative body shall:

(i) after adopting an ordinance under Subsection (1), file with the lieutenant governor a copy of a notice, subject to Subsection (2)(b), of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

(ii) upon the lieutenant governor's issuance of a certificate of creation under Section 67-1a-6.5, submit to the recorder of the county in which the agency is located:

- (A) the original notice of an impending boundary action;
- (B) the original certificate of creation; and

SB0151S01 compared with SB0151

(C) a certified copy of the ordinance approving the creation of the community [~~development and renewal~~] reinvestment agency.

(b) The notice required under Subsection (2)(a)(i) shall state that the agency's boundaries are, and shall always be, coterminous with the boundaries of the community that created the agency.

(c) Upon the lieutenant governor's issuance of the certificate of creation under Section 67-1a-6.5, the agency is created and incorporated.

(d) Until the documents listed in Subsection (2)(a)(ii) are recorded in the office of the recorder of the county in which the [~~property~~] agency is located, an agency may not receive or spend [~~tax increment~~] agency funds.

(3) (a) An agency may [~~approve a~~] change [~~in its~~] the agency's name [~~whether to indicate it is a community development and renewal agency or otherwise,~~] by:

(i) adopting a resolution approving a name change; and

(ii) filing with the lieutenant governor a copy of a notice of an impending name change, as defined in Section 67-1a-6.7, that meets the requirements of Subsection 67-1a-6.7(3).

(b) (i) Upon the lieutenant governor's issuance of a certificate of name change under Section 67-1a-6.7, the agency shall file with the recorder of the county in which the agency is located:

(A) the original notice of an impending name change;

(B) the original certificate of name change; and

(C) a certified copy of the resolution approving a name change.

(ii) Until the documents listed in Subsection (3)(b)(i) are recorded in the office of the county recorder, the agency may not operate under the new name.

Section 21. Section **17C-1-202** is amended to read:

17C-1-202. Agency powers.

(1) [~~A community development and renewal~~] An agency may:

(a) sue and be sued;

(b) enter into contracts generally;

(c) buy, obtain an option upon, or otherwise acquire any interest in real or personal property;

SB0151S01 compared with SB0151

(d) sell, convey, grant, ~~[dispose of by]~~ gift, or otherwise dispose of any interest in real or personal property;

(e) enter into a lease agreement on real or personal property, either as lessee or lessor;

(f) provide for ~~[urban renewal, economic development, and community]~~ project area development as provided in this title;

(g) receive ~~[tax increment]~~ and use agency funds as provided in this title;

(h) if disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;

(i) accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds ~~[so received for any of the purposes of]~~ the agency receives for any purpose described in this title;

(j) borrow money or accept financial or other assistance from ~~[the federal government,]~~ a public entity, or any other source for any of the purposes of this title and comply with any conditions of ~~[the]~~ any loan or assistance;

(k) issue bonds to finance the undertaking of any ~~[urban renewal, economic development, or community]~~ project area development or for any of the agency's other purposes, including:

(i) reimbursing an advance made by the agency or by a public entity ~~[or the federal government]~~ to the agency;

(ii) refunding bonds to pay or retire bonds previously issued by the agency; and

(iii) refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with ~~[an urban renewal, economic development, or community development project; and]~~ project area development;

(l) pay an impact fee, exaction, or other fee imposed by a community in connection with land development; or

~~[(+)]~~ (m) transact other business and exercise all other powers ~~[provided for]~~ described in this title.

(2) The establishment of controls or restrictions and covenants under Subsection (1)(h) is a public purpose.

Section 22. Section **17C-1-203** is amended to read:

17C-1-203. Agency board -- Quorum.

SB0151S01 compared with SB0151

(1) The governing body of an agency is a board consisting of the current members of the community legislative body [~~of the community that created the agency~~].

(2) A majority of board members constitutes a quorum for the transaction of agency business.

(3) [~~An agency~~] A board may not adopt a resolution, pass a motion, or take any other official board action without the concurrence of at least a majority of the board members present at a meeting at which a quorum is present.

(4) (a) The mayor or the mayor's designee of a municipality operating under a council-mayor form of government, as defined in Section 10-3b-102:

~~[(a)]~~ (i) serves as the executive director of an agency created by the municipality; and

~~[(b)]~~ (ii) exercises the [~~executive powers of the agency~~] agency's executive powers.

(b) The county executive or the county executive's designee of a county operating under a county executive-council form of government, as described in Section 17-52-504:

(i) serves as the executive director of an agency created by the county; and

(ii) exercises the agency's executive powers.

Section 23. Section **17C-1-204** is amended to read:

17C-1-204. Project area development by an adjoining agency -- Requirements.

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

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

(1) (a) A community that has not created an agency may enter into an interlocal agreement with an agency located in the same or an abutting county that authorizes the agency to exercise all the powers granted to an agency under this title within the community.

(b) The agency and the community shall adopt an interlocal agreement described in Subsection (1)(a) by resolution.

SB0151S01 compared with SB0151

(2) If an agency and a community enter into an interlocal agreement under Subsection (1):

(a) the ~~[other]~~ agency may act in all respects as if ~~[the]~~ a project area ~~[were]~~ within the community were within ~~[its own]~~ the agency's boundaries;

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

(c) the ~~[other]~~ agency may be paid ~~[tax increment]~~ project area funds to the same extent as if ~~[the]~~ a project area ~~[were]~~ within the community were within ~~[its own]~~ the agency's boundaries~~[-]; and~~

(d) the community legislative body shall adopt, by ordinance, each project area plan within the community approved by the agency.

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

(3) If an agency's project area abuts another agency's project area, the agencies may coordinate with each other in order to assist and cooperate in the planning, undertaking, construction, or operation of project area development located within each agency's project area.

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

(i) "County agency" means an agency that ~~[was]~~ is created by a county.

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

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

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

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

(A) part of the inactive industrial site because ~~[it]~~ the site lies within the perimeter described in ~~[Subsection]~~ Section 17C-1-102~~[(24)(b)]~~; and

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

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

SB0151S01 compared with SB0151

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

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

(c) If a county agency undertakes [~~urban renewal, economic development, or community~~] project area development on industrial property:

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

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

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

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

Section 24. Section **17C-1-205** is amended to read:

17C-1-205. Transfer of project area from one community to another.

(1) [~~For purposes of~~] As used in this section:

(a) "New agency" means the agency created by the new community.

(b) "New community" means the community in which the relocated project area is located after the change in community boundaries takes place.

(c) "Original agency" means the agency created by the original community.

(d) "Original community" means the community that adopted the project area plan that created the project area that has been relocated.

(e) "Relocated" means that a project area under a project area plan adopted by the original community has ceased to be located within that community and has become part of a new community because of a change in community boundaries through:

(i) a county or municipal annexation;

(ii) the creation of a new county;

(iii) a municipal incorporation, consolidation, dissolution, or boundary adjustment; or

(iv) any other action resulting in a change in community boundaries.

SB0151S01 compared with SB0151

(2) ~~[If a] A relocated project area [under a project area plan adopted by a community becomes relocated, the project area]~~ shall, for purposes of this title, be considered to remain in the original community until ~~[(a) the new community has created an agency; (b) the original agency has transferred or assigned]~~ the original agency and the new agency enter into an interlocal agreement, adopted by resolution of the original agency's and the new agency's board, that authorizes the original agency to transfer or assign to the new agency the original agency's real property, rights, indebtedness, obligations, tax increment, ~~[and]~~ or other assets and liabilities ~~[related to]~~ resulting from the relocated project area~~;~~.

~~[(c) the new agency by resolution approves the original agency's project area plan as the project area plan of the new agency; and]~~

~~[(d) the new community by ordinance adopts the project area plan that was approved by the new agency.]~~

Section 25. Section **17C-1-207** is amended to read:

17C-1-207. Public entities may assist with project area development.

(1) In order to assist and cooperate in the planning, undertaking, construction, or operation of ~~[urban renewal, economic development, or community]~~ project area development within ~~[the]~~ an area in which ~~[it]~~ the public entity is authorized to act, a public entity may:

(a) (i) provide or cause to be furnished:

(A) parks, playgrounds, or other recreational facilities;

(B) community, educational, water, sewer, or drainage facilities; or

(C) any other works which the public entity is otherwise empowered to undertake;

(ii) provide, furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places;

(iii) in any part of the project area:

(A) (I) plan or replan any property within the project area;

(II) plat or replat any property within the project area;

(III) vacate a plat;

(IV) amend a plat; or

(V) zone or rezone any property within the project area; and

(B) make any legal exceptions from building regulations and ordinances;

(iv) purchase or legally invest in any of the bonds of an agency and exercise all of the

SB0151S01 compared with SB0151

rights of any holder of the bonds;

(v) enter into an agreement with another public entity concerning action to be taken pursuant to any of the powers granted in this title;

(vi) do ~~[any and all things]~~ anything necessary to aid or cooperate in the planning or ~~[carrying out]~~ implementation of the ~~[urban renewal, economic development, or community]~~ project area development;

(vii) in connection with the project area plan, become obligated to the extent authorized and funds have been made available to make required improvements or construct required structures; and

(viii) lend, grant, or contribute funds to an agency for ~~[an urban renewal, economic development, or community development project]~~ project area development or proposed project area development, including assigning revenue or taxes in support of an agency bond or obligation; and

(b) 15 days after posting public notice:

(i) purchase or otherwise acquire property or lease property from ~~[an]~~ the agency; or

(ii) sell, grant, convey, or otherwise dispose of the public entity's property or lease the public entity's property to ~~[an]~~ the agency.

(2) Notwithstanding any law to the contrary, an agreement under Subsection (1)(a)(v) may extend over any period.

(3) A grant or contribution of funds from a public entity to an agency, or from an agency under a project area plan or project area budget, is not subject to the requirements of Section 10-8-2.

Section 26. Section **17C-1-208** is amended to read:

17C-1-208. Agency funds.

(1) Agency funds shall be accounted for separately from the funds of the community that created the agency.

(2) An agency may accumulate retained earnings or fund balances, as appropriate, in any fund.

Section 27. Section **17C-1-209** is enacted to read:

17C-1-209. Agency records.

An agency shall maintain the agency's minutes, resolutions, and other records separate

SB0151S01 compared with SB0151

from those of the community that created the agency.

Section 28. Section **17C-1-301.1** is enacted to read:

17C-1-301.1. Title.

This part is known as "Agency Property."

Section 29. Section **17C-1-301.5**, which is renumbered from Section 17C-1-301 is renumbered and amended to read:

Part 3. Agency Property

[17C-1-301]. 17C-1-301.5. Agency property exempt from taxation --

Exception.

(1) Agency property acquired or held for purposes of this title is [~~declared to be~~] public property used for essential public and governmental purposes and, subject to Subsection (2), is exempt from [~~all taxes of a public~~] taxation by a taxing entity.

(2) The exemption in Subsection (1) does not apply to property that the agency leases to a lessee [~~that is not~~] unless the lessee is entitled to a tax exemption with respect to the property.

Section 30. Section **17C-1-302** is amended to read:

17C-1-302. Agency property exempt from levy and execution sale -- Judgment against community or agency.

(1) (a) (i) All agency property, including funds the agency owns or holds for purposes of this title, is exempt from levy and execution sale, and no execution or judicial process may issue against [~~agency~~] the property.

(ii) A judgment against an agency may not be a charge or lien upon agency property.

(b) Subsection (1)(a) does not apply to or limit the right of [~~obligees~~] an obligee to pursue any [~~remedies~~] remedy for the enforcement of any pledge or lien given by an agency on [~~its~~] the agency's funds or revenues.

(2) A judgment against the community that created the agency may not be a charge or lien upon agency property.

(3) A judgment against an agency may not be a charge or lien upon property of the community that created the agency.

Section 31. Section **17C-1-401.1** is enacted to read:

Part 4. Project Area Funds

SB0151S01 compared with SB0151

17C-1-401.1. Title.

This part is known as "Project Area Funds."

Section 32. Section **17C-1-401.5**, which is renumbered from Section 17C-1-401 is renumbered and amended to read:

~~[17C-1-401].~~ **17C-1-401.5. Agency receipt and use of project area funds -- Distribution of project area funds.**

(1) An agency may receive and use ~~[tax increment and sales tax, as provided in this part]~~ project area funds in accordance with this title.

(2) (a) A county that collects property tax on property located within a project area shall, in accordance with Section 59-12-1365, distribute to an agency any tax increment that the agency is authorized to receive.

(b) Tax increment distributed to an agency in accordance with Subsection (2)(a) is not revenue of the taxing entity.

~~[(2)]~~ (3) (a) The ~~[applicable length of time or number of years for which an agency is to be paid tax increment or sales tax under this part]~~ project area funds collection period shall be measured:

(i) for a pre-July 1, 1993, project area plan, from the first tax year regarding which the agency accepts tax increment from the project area;

(ii) for a post-June 30, 1993, urban renewal or economic development project area plan:

(A) with respect to tax increment, from the first tax year for which the agency receives tax increment under the project area budget; or

(B) with respect to sales and use tax revenue, as indicated in the interlocal agreement between the agency and the taxing entity that ~~[established the agency's right to receive sales tax; or]~~ authorizes the agency to receive the taxing entity's sales and use tax revenue;

(iii) for a community development project area plan, as indicated in the resolution or interlocal agreement of a taxing entity that ~~[establishes the agency's right to receive tax increment or sales tax;]~~ authorizes the agency to receive the taxing entity's project area funds;

(iv) for a community reinvestment project area plan that is subject to a taxing entity committee:

(A) with respect to tax increment, from the first tax year for which the agency receives

SB0151S01 compared with SB0151

tax increment under the project area budget; or

(B) with respect to sales and use tax revenue, in accordance with the interlocal agreement between the agency and the taxing entity that authorizes the agency to receive the taxing entity's sales and use tax revenue; or

(v) for a community reinvestment project area plan that is subject to an interlocal agreement, in accordance with the interlocal agreement between the agency and the taxing entity that authorizes the agency to receive the taxing entity's project area funds.

(b) Unless otherwise provided in a project area budget that is approved by a taxing entity committee, or in an interlocal agreement [~~or resolution~~] adopted by a taxing entity, tax increment may not be paid to an agency for a tax year [~~prior to~~] before the tax year following:

(i) for an urban renewal [~~or~~] project area plan, an economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity committee, the effective date of the project area plan; and

(ii) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, the effective date of the interlocal agreement that [~~establishes the agency's right~~] authorizes the agency to receive tax increment.

~~[(3)]~~ (4) With respect to a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement:

(a) a taxing entity [~~or public entity~~] may, [~~by resolution or~~] through interlocal agreement, authorize an agency to be paid any or all of [~~that taxing entity or public entity's tax increment or sales tax~~] the taxing entity's project area funds for any period of time; and

(b) the [~~resolution or~~] interlocal agreement authorizing the agency to be paid [~~tax increment or sales tax~~] project area funds shall specify:

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

(ii) the method of calculating the amount of [~~tax increment or sales tax~~] project area funds to be paid to the agency.

~~[(4)]~~ (5) (a) (i) The boundaries of one project area may overlap and include the boundaries of an existing project area.

(ii) If a taxing entity committee is required to approve the project area budget of an overlapping project area described in Subsection [~~(4)]~~ (5)(a)(i), the agency shall, before the first meeting of the taxing entity committee at which the project area budget will be considered,

SB0151S01 compared with SB0151

inform each taxing entity of the location of the overlapping boundaries.

(b) (i) Before an agency may ~~collect~~ receive tax increment from the newly created overlapping portion of a project area, the agency shall inform the county auditor regarding the respective amount of tax increment that the agency is authorized to receive from the overlapping portion of each of the project areas.

(ii) The combined amount of tax increment described in Subsection ~~[(4)]~~ (5)(b)(i) may not exceed 100% of the tax increment generated from a property located within the overlapping boundaries.

(c) Nothing in this Subsection ~~[(4) shall give]~~ (5) gives an agency a right to ~~collect or~~ receive ~~[tax increment or sales tax]~~ project area funds that ~~[an]~~ the agency is not otherwise ~~[entitled to collect]~~ authorized to receive under this title.

(d) The collection of ~~[tax increment or sales tax]~~ project area funds from an overlapping project area described in Subsection ~~[(4)]~~ (5)(a) does not affect ~~[in any way]~~ an agency's use of ~~[tax increment or sales tax]~~ project area funds within the other overlapping project area.

~~[(5)]~~ (6) With the written consent of a taxing entity, an agency may be paid tax increment, from ~~[that]~~ the taxing entity's property tax ~~[revenues]~~ revenue only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this title.

~~[(6)(a)]~~ (7) Subject to Section 17C-1-407, an agency is ~~[entitled]~~ authorized to receive tax increment as ~~[authorized by]~~ described in:

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

~~[(ii)]~~ (b) for a post-June 30, 1993, project area plan:

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

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

~~[(C)]~~ (iii) Section 17C-1-406; ~~[or]~~

~~[(iii)]~~ (c) a resolution or interlocal agreement entered into under Section 17C-2-207, 17C-3-206, 17C-4-201, or 17C-4-202[-];

(d) for a community reinvestment project area plan that is subject to a taxing entity committee, a project area budget approved by the taxing entity committee and adopted by the

SB0151S01 compared with SB0151

agency in accordance with this title; or

(e) for a community reinvestment project area plan that is subject to an interlocal agreement, an interlocal agreement entered into under Section 17C-5-204.

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

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

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

Section 33. Section **17C-1-402** is amended to read:

17C-1-402. Taxing entity committee.

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

(1) The provisions of this section apply to a taxing entity committee that is created by an agency for:

(a) a post-June 30, 1993, urban renewal project area plan or economic development project area plan;

(b) any other project area plan adopted before May 10, 2016, for which the agency created a taxing entity committee; and

(c) a community reinvestment project area plan that is subject to a taxing entity committee.

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

(A) two school district representatives appointed ~~[as provided in]~~ in accordance with Subsection (2)(a)(ii);

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

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

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

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

SB0151S01 compared with SB0151

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

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

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

(b) (i) Each taxing entity committee representative [~~under~~] described in Subsection (2)(a) shall be appointed within 30 days after the day on which the agency provides notice of the creation of the taxing entity committee.

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

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

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

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

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

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

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

(3) At [~~its~~] a taxing entity committee's first meeting, [~~a~~] the taxing entity committee shall adopt an organizing resolution that:

(a) [~~designating~~] designates a chair and a secretary of the taxing entity committee; and

SB0151S01 compared with SB0151

(b) if the taxing entity committee considers it appropriate, ~~[governing]~~ governs the use of electronic meetings under Section 52-4-207.

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

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

(ii) an economic development project area~~[-]~~ plan; or

(iii) a community reinvestment project area plan that is subject to a taxing entity committee.

(b) A taxing entity committee may:

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

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

(iii) approve or disapprove:

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

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

(C) for a community reinvestment project area plan that is subject to a taxing entity committee, a community reinvestment project area budget as described in Section 17C-5-302;

(iv) approve or disapprove ~~[amendments]~~ an amendment to a project area budget as ~~[provided in:]~~ described in Section 17C-2-206, 17C-3-205, or 17C-5-306;

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

~~[(B) Section 17C-3-205 for an economic development project area budget;]~~

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

(vi) approve:

(A) ~~[exceptions]~~ an exception to the percentage of tax increment to be paid to the agency;

(B) ~~[the period of time that tax increment is to be paid to the agency]~~ except for a project area funds collection period that is approved by an interlocal agreement, each project area funds collection period; and

(C) ~~[exceptions]~~ an exception to the requirement for an urban renewal ~~[or]~~ project area budget, an economic development project area budget, or a community reinvestment project

SB0151S01 compared with SB0151

area budget to include a maximum cumulative dollar amount of tax increment that the agency may receive;

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

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

(ix) subject to Subsection (4)(c), designate [~~in an approved urban renewal or economic development project area budget~~] the base taxable value for [~~that~~] a project area budget; and

(x) give other taxing entity committee approval or consent required or allowed under this title.

~~[(c) {} The {} Unless otherwise approved by a taxing entity committee or an interlocal agreement, the {}~~ base year used for calculation of the base taxable value in Subsection (4)(b)(ix) may not be a year that is earlier than ~~{.}]~~

~~{(i) } [the year during which the project area plan {} became {} becomes} effective {(.}]~~
or

~~—{(ii) }.]~~

(c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that is earlier than five years before the beginning of a project area funds collection period.

(ii) The taxing entity committee may approve a base year that is earlier than the year described in Subsection (4)(c)(i).

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

(a) if the project area is located within a [~~city or town~~] municipality, five members; or

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

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

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

committee meeting:

(i) at which a quorum is present; and

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

SB0151S01 compared with SB0151

- (A) an inactive industrial site;
- (B) an inactive airport site; or
- (C) a closed military base; or

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

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

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

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

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

(A) the project area plan or proposed project area plan;

(B) the project area budget or proposed project area budget;

(C) the analysis required under Subsection 17C-2-103(2) [~~or~~], 17C-3-103(2), or 17C-5-105(2);

(D) the blight study;

(E) the agency's resolution making a finding of blight under Subsection 17C-2-102(1)(a)(ii)(B) or Subsection 17C-5-402(1)(c)(ii); and

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

(c) (i) An agency may not schedule a taxing entity committee meeting [~~to meet~~] on a day on which the Legislature is in session.

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

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

(b) A second taxing entity committee meeting to consider a proposed project area budget or a proposed amendment to a project area budget may not be held within 14 days after

SB0151S01 compared with SB0151

the first meeting unless all members of the taxing entity committee present at the first meeting consent.

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

(b) A taxing entity committee is not required ~~[under Subsection (9)(a)]~~ to meet in accordance with Subsection (9)(a) if the agency ~~[submits]~~ prepares and distributes on or before November 1 of each year ~~[to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects tax increment, a report containing the following:]~~ a report as described in Section 17C-1-603.

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

~~[(A) the base year assessed value;]~~

~~[(B) the prior year's assessed value;]~~

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

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

~~[(ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:]~~

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

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

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

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

~~[(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and]~~

~~[(B) a narrative discussion regarding the status of any agreements for development within the project area;]~~

~~[(iv) a revised multi-year tax increment budget related to each active project area, including:]~~

SB0151S01 compared with SB0151

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

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

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

~~[(D) a description of private and public investment within the project area;]~~

~~[(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and]~~

~~[(vi) any other project highlights included by the agency.]~~

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

(11) A taxing entity committee's records shall be:

(a) considered the records of the agency that created the taxing entity committee; and

(b) maintained by the agency in accordance with Section 17C-1-209.

~~[(11)]~~ (12) Each time a school district representative or a representative of the State Board of Education votes as a member of a taxing entity committee to allow an agency to ~~[be paid]~~ receive tax increment ~~[or]~~, to increase the amount ~~[or length of time that an agency may be paid tax increment]~~ of tax increment the agency receives, or to extend a project area funds collection period, that representative shall, within 45 days after the vote, provide to the representative's respective school board an explanation in writing of the representative's vote and the reasons for the vote.

~~[(12)]~~ (13) (a) The auditor of each county in which ~~[the]~~ an agency is located shall provide a written report to the taxing entity committee stating, with respect to property within each ~~[urban renewal and economic development]~~ project area:

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

(ii) the assessed value.

(b) With respect to the information required under Subsection ~~[(12)]~~ (13)(a), the auditor shall provide:

(i) actual amounts for each year from the adoption of the project area plan to the time of the report; and

(ii) estimated amounts for each year beginning the year after the time of the report and ending the time that ~~[the agency expects no longer to be paid tax increment from property~~

SB0151S01 compared with SB0151

~~within the urban renewal and economic development project area]~~ each project area funds collection period ends.

(c) The auditor of the county in which the agency is located shall provide a report under this Subsection [~~(12)~~] (13):

(i) at least annually; and

(ii) upon request of the taxing entity committee, before a taxing entity committee meeting at which the committee [~~will consider~~] considers whether to allow the agency to [~~be paid~~] receive tax increment [~~or~~], to increase the amount of tax increment that the agency [~~may be paid or the length of time that the agency may be paid tax increment~~] receives, or to extend a project area funds collection period.

[~~(13)~~] (14) This section does not apply to:

(a) a community development project area plan[~~;~~]; or

(b) a community reinvestment project area plan that is subject to an interlocal agreement.

[~~(14)~~] (15) (a) A taxing entity committee resolution[~~, whether adopted before, on, or after May 10, 2011,~~] approving a blight finding, approving a project area budget, or approving an amendment to a project area budget:

[~~(a)~~] (i) is final; and

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

(b) The provisions of Subsection (15)(a) apply regardless of when the resolution is adopted.

Section 34. Section **17C-1-403** is amended to read:

17C-1-403. Tax increment under a pre-July 1, 1993, project area plan.

(1) Notwithstanding any other provision of law, this section applies retroactively to tax increment under all pre-July 1, 1993, project area plans, regardless of when the applicable project area was created or the applicable project area plan was adopted.

(2) (a) Beginning with the first tax year after April 1, 1983, for which an agency accepts tax increment, an agency is [~~entitled to be paid~~] authorized to receive:

(i) (A) for the first through the fifth tax years, 100% of tax increment;

(B) for the sixth through the tenth tax years, 80% of tax increment;

SB0151S01 compared with SB0151

(C) for the eleventh through the fifteenth tax years, 75% of tax increment;

(D) for the sixteenth through the twentieth tax years, 70% of tax increment; and

(E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or

(ii) for an agency that has caused a taxing entity committee to be created under Subsection 17C-1-402(1)(a), any percentage of tax increment up to 100% and for any length of time that the taxing entity committee approves.

(b) Notwithstanding any other provision of this section:

(i) an agency is ~~[entitled to be paid]~~ authorized to receive 100% of tax increment from a project area for 32 years after April 1, 1983, to pay principal and interest on agency indebtedness incurred before April 1, 1983, even though the size of the project area from which tax increment is paid to the agency exceeds 100 acres of privately owned property under a project area plan adopted on or before April 1, 1983; and

(ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983, may be refinanced and paid from 100% of tax increment if the principal amount of the debt is not increased in the refinancing.

(3) (a) For purposes of this Subsection (3), "additional tax increment" means the difference between 100% of tax increment for a tax year and the amount of tax increment an agency is paid for that tax year under the percentages and time periods specified in Subsection (2)(a).

(b) Notwithstanding the tax increment percentages and time periods in Subsection (2)(a), an agency is ~~[entitled to be paid]~~ authorized to receive additional tax increment for a period ending 32 years after the first tax year after April 1, 1983, for which the agency receives tax increment from the project area if:

(i) (A) the additional tax increment is used solely to pay all or part of the value of the land for and the cost of the installation and construction of a publicly or privately owned convention center or sports complex or any building, facility, structure, or other improvement related to the convention center or sports complex, including parking and infrastructure improvements;

(B) construction of the convention center or sports complex or related building, facility, structure, or other improvement is commenced on or before June 30, 2002;

(C) the additional tax increment is pledged to pay all or part of the value of the land for

SB0151S01 compared with SB0151

and the cost of the installation and construction of the convention center or sports complex or related building, facility, structure, or other improvement; and

(D) the [agency] board and the community legislative body have determined by resolution that the convention center or sports complex is:

(I) within and a benefit to a project area;

(II) not within but still a benefit to a project area; or

(III) within a project area in which substantially all of the land is publicly owned and a benefit to the community; or

(ii) (A) the additional tax increment is used to pay some or all of the cost of the land for and installation and construction of a recreational facility, as defined in Section 59-12-702, or a cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility, whether or not the facility is located within a project area;

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

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

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

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

Section 35. Section **17C-1-404** is amended to read:

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

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

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

(a) if 20% of the project area budget is allocated for housing under Section 17C-2-203:

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

SB0151S01 compared with SB0151

(ii) 75% of annual tax increment for 24 years; or
(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time; or

(b) if 20% of the project area budget is not allocated for housing under Section 17C-2-203:

(i) 100% of annual tax increment for 12 years;
(ii) 75% of annual tax increment for 20 years; or
(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time.

Section 36. Section **17C-1-405** is amended to read:

17C-1-405. Tax increment under a project area plan adopted on or after May 1, 2006.

(1) This section applies to tax increment under a project area plan adopted on or after May 1, 2006, and before May 10, 2016.

(2) Subject to the approval of the taxing entity committee, [~~an agency~~] a board may provide in the urban renewal or economic development project area budget for the agency to be paid:

(a) for an urban renewal project area plan that proposes development of an inactive industrial site or inactive airport site, at least 60% of tax increment for at least 20 years; or

(b) for each other project, any percentage of tax increment up to 100% or any specified dollar amount of tax increment for any period of time.

(3) A resolution or interlocal agreement relating to an agency's use of tax increment for a community development project area plan may provide for the agency to be paid any percentage of tax increment up to 100% or any specified dollar amount of tax increment for any period of time.

Section 37. Section **17C-1-406** is amended to read:

17C-1-406. Additional tax increment under certain post-June 30, 1993, project area plans.

(1) This section applies to a post-June 30, 1993, project area plan adopted before May 1, 2006.

(2) An agency may, without the approval of the taxing entity committee, elect to be

SB0151S01 compared with SB0151

paid 100% of annual tax increment for each year beyond the periods specified in Subsection 17C-1-404(2) to a maximum of 25 years, including the years the agency is paid tax increment under Subsection 17C-1-404(2), if:

(a) for an agency in a city in which is located all or a portion of an interchange on I-15 or that would directly benefit from an interchange on I-15:

(i) the tax increment paid to the agency during the additional years is used to pay some or all of the cost of the installation, construction, or reconstruction of:

(A) an interchange on I-15, whether or not the interchange is located within a project area; or

(B) frontage and other roads connecting to the interchange, as determined by the Department of Transportation created under Section 72-1-201 and the Transportation Commission created under Section 72-1-301, whether or not the frontage or other road is located within a project area; and

(ii) the installation, construction, or reconstruction of the interchange or frontage and other roads has begun on or before June 30, 2002; or

(b) for an agency in a city of the first or second class:

(i) the tax increment paid to the agency during the additional years is used to pay some or all of the cost of the land for and installation and construction of a recreational facility, as defined in Section 59-12-702, or a cultural facility, including parking and infrastructure improvements related to the recreational or cultural facility, whether or not the facility is located within a project area; and

(ii) the installation or construction of the recreational or cultural facility has begun on or before June 30, 2002.

(3) Notwithstanding any other provision of this section, an agency may use tax increment received under Subsection 17C-1-404(2) for any of the uses indicated in this section.

(4) Notwithstanding Subsection (2), a school district may not, without ~~its~~ the school district's consent, receive less tax increment because of application of Subsection (2) than it would have received without that subsection.

Section 38. Section **17C-1-407** is amended to read:

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

(1) (a) If the development of retail sales ~~of~~ of goods ~~is~~ is the primary objective of an

SB0151S01 compared with SB0151

urban renewal project area, tax increment from the urban renewal project area may not be paid to or used by an agency unless a finding of blight is made under Chapter 2, Part 3, Blight Determination in Urban Renewal Project Areas.

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

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

(2) (a) An agency may not be paid any portion of a taxing entity's taxes resulting from an increase in the taxing entity's tax rate that occurs after the taxing entity committee approves the project area budget unless, at the time the taxing entity committee approves the project area budget, the taxing entity committee approves payment of those increased taxes to the agency.

(b) If the taxing entity committee does not approve ~~[of]~~ payment of the increased taxes to the agency under Subsection (2)(a), the county shall distribute to the taxing entity the taxes attributable to the tax rate increase in the same manner as other property taxes.

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

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

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

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

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

SB0151S01 compared with SB0151

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

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

Section 39. Section **17C-1-408** is amended to read:

17C-1-408. Base taxable value to be adjusted to reflect other changes.

(1) (a) (i) As used in this Subsection (1), "qualifying decrease" means:

(A) a decrease of more than 20% from the previous tax year's levy; or

(B) a cumulative decrease over a consecutive five-year period of more than 100% from the levy in effect at the beginning of the five-year period.

(ii) The year in which a qualifying decrease under Subsection (1)(a)(i)(B) occurs is the fifth year of the five-year period.

(b) If there is a qualifying decrease in the minimum basic school levy under Section 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an agency:

(i) the base taxable value [~~of taxable property within the project area~~] shall be reduced in the year of the qualifying decrease to the extent necessary, even if below zero, to provide the agency with approximately the same amount of tax increment that would have been paid to the agency each year had the qualifying decrease not occurred; and

(ii) the amount of tax increment paid to the agency each year for the payment of bonds and indebtedness may not be less than what would have been paid to the agency if there had been no qualifying decrease.

(2) (a) The [~~amount of the~~] base taxable value to be used in determining tax increment shall be:

(i) increased or decreased by the amount of an increase or decrease that results from:

(A) a statute enacted by the Legislature or by the people through an initiative;

(B) a judicial decision;

(C) an order from the State Tax Commission to a county to adjust or factor [~~its~~] the county's assessment rate under Subsection 59-2-704(2);

(D) a change in exemption provided in Utah Constitution Article XIII, Section 2, or Section 59-2-103; or

(E) an increase or decrease in the percentage of fair market value, as defined under

SB0151S01 compared with SB0151

Section 59-2-102; and

(ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(A) in that year there is a decrease in the county's certified tax rate under Subsection 59-2-924.2(2) or (3)(a);

(B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.

(b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (2)(a).

Section 40. Section **17C-1-409** is amended to read:

17C-1-409. Allowable uses of agency funds.

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

(i) for any [~~of the purposes for which the use of tax increment is~~] purpose authorized under this title;

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

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

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

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

[~~(C) housing~~] (B) housing-related expenditures, projects, or programs as [~~provided~~]

SB0151S01 compared with SB0151

described in Section 17C-1-411 or 17C-1-412;

(C) an incentive or other consideration paid to a participant under a participation agreement;

(D) subject to Subsections (1)(c) and ~~[(6)]~~ (4), the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, landscaping, or other improvement within the project area from which the ~~[tax increment]~~ project area funds ~~[were]~~ are collected; ~~[and]~~ or

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

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

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

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

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

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

(c) An agency may not use ~~[tax increment or sales tax proceeds]~~ project area funds received from a taxing entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal ~~[or]~~ project area plan, an economic development project area plan, or a community reinvestment project area plan without ~~[the consent of]~~ the community legislative ~~[body]~~ body's consent.

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

~~[(e)]~~ (d) (i) Subject to Subsection (1)~~[(e)]~~(d)(ii), an agency may loan ~~[tax increment or~~

SB0151S01 compared with SB0151

~~sales tax proceeds, or a combination of tax increment and sales tax proceeds,] project area funds from a project area fund to another project area fund if:~~

~~(A) the [agency's] board approves; and~~

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

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

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

~~(iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.~~

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

~~(i) the Department of Transportation; or~~

~~(ii) a public transit district.~~

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

~~[(3)] (b) An agency may use [sales tax proceeds it] sales and use tax revenue that the agency receives under [a resolution or] an interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the [resolution or] interlocal agreement.~~

SB0151S01 compared with SB0151

~~[(4)]~~ (3) (a) An agency may contract with the community that created the agency or another public entity to use ~~[tax increment]~~ agency funds to reimburse the cost of items authorized by this title to be paid by the agency that ~~[have been or will be]~~ are paid by the community or other public entity.

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

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

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

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

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

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

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

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

SB0151S01 compared with SB0151

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

~~[(iii) to finance a telecommunication facility.]~~

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

(4) Notwithstanding any other provision of this title, an agency may not use project area funds to construct a local government building unless the taxing entity committee or each taxing entity party to ~~the~~an interlocal agreement with the agency consents.

Section 41. Section **17C-1-410** is amended to read:

17C-1-410. Agency may make payments to other taxing entities.

(1) Subject to Subsection (3), an agency may grant ~~[tax increment or other]~~ agency funds to a taxing entity to offset some or all of the tax ~~[revenues]~~ revenue that the taxing entity did not receive because of tax increment paid to the agency.

(2) (a) Subject to Subsection (3), an agency may use ~~[tax increment or other]~~ agency funds to pay to a school district an amount of money that the agency determines to be appropriate to alleviate a financial burden or detriment borne by the school district because of the ~~[urban renewal, economic development, or community]~~ project area development.

(b) Each agency that agrees to pay money to a school district under ~~[the authority of]~~ Subsection (2)(a) shall provide a copy of ~~[that]~~ the agreement to the State Board of Education.

(3) (a) If an agency intends to pay agency funds to one or more taxing entities under Subsection (1) or (2) but does not intend to pay funds to all taxing entities in proportionally equal amounts, the agency shall provide written notice to each taxing entity of ~~[its]~~ the agency's intent.

(b) (i) A taxing entity ~~[receiving]~~ that receives notice under Subsection (3)(a) may elect not to have ~~[its]~~ the taxing entity's tax increment collected and used to pay funds to other taxing entities under this section.

(ii) Each election under Subsection (3)(b)(i) shall be:

(A) in writing; and

(B) delivered to the agency within 30 days after the taxing entity's receipt of the notice under Subsection (3)(a).

(c) If a taxing entity makes an election under Subsection (3)(b), the portion of ~~[that]~~ the taxing entity's tax increment that would have been used by the agency to pay funds under this

SB0151S01 compared with SB0151

section to one or more other taxing entities may not be collected by the agency.

Section 42. Section 17C-1-411 is amended to read:

17C-1-411. Use of project area funds for housing-related improvements and for relocating mobile home park residents -- Funds to be held in separate accounts.

(1) An agency may use project area funds:

(a) [~~use tax increment from a project area~~] to pay all or part of the value of the land for and the cost of installation, construction, [~~and~~] or rehabilitation of any housing-related building, facility, structure, or other housing improvement, including infrastructure improvements related to housing, located in any project area within the agency's boundaries; [~~and~~]

(b) [~~use up to 20% of tax increment: (i)~~] outside of [~~project areas~~] a project area for the purpose of:

[~~(A)~~] (i) replacing housing units lost by [~~urban renewal, economic development, or community~~] project area development; or

[~~(B)~~] (ii) increasing, improving, [~~and~~] or preserving [~~generally~~] the affordable housing supply within the boundary of the agency; or

[~~(ii)~~] (c) for relocating mobile home park residents displaced by project area development, whether inside or outside a project area.

(2) (a) Each agency shall create a housing fund and separately account for [~~funds~~] project area funds allocated under this section.

(b) Interest earned by the housing fund described in Subsection (2)(a), and any payments or repayments made to the agency for loans, advances, or grants of any kind from the housing fund, shall accrue to the housing fund.

(c) [~~Each~~] An agency [~~designating~~] that designates a housing fund under this section shall use the housing fund for[~~:(i)~~] the purposes set forth in this section[;] or Section 17C-1-412.

[~~(ii) the purposes set forth in this title relating to the urban renewal, economic development, or community development project area from which the funds originated.~~]

(3) An agency may lend, grant, or contribute funds from the housing fund to a person, public entity, housing authority, private entity or business, or nonprofit corporation for affordable housing or homeless assistance.

SB0151S01 compared with SB0151

Section 43. Section 17C-1-412 is amended to read:

17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance of bonds for housing -- Action to compel agency to provide housing allocation.

(1) (a) ~~[Each]~~ An agency shall use ~~[all funds allocated for housing under Section 17C-2-203 or 17C-3-202]~~ the agency's housing allocation, if applicable, to:

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

(ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;

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

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

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

(vi) replace housing units lost as a result of the ~~[urban renewal, economic development, or community]~~ project area development;

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

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

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

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

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

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

(ix) relocate mobile home park residents displaced by ~~[an urban renewal, economic~~

SB0151S01 compared with SB0151

~~development, or community development project]~~ project area development.

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

(i) the community for use as ~~[provided under]~~ described in Subsection (1)(a);

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

(iii) a housing authority established by the county in which the agency is located for providing:

(A) income targeted housing within the county;

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

(C) homeless assistance within the county; or

~~[(iii)]~~ (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within the community.

(2) The agency ~~[or community]~~ shall create a housing fund and separately account for the agency's housing [funds] allocation, together with all interest earned by the housing ~~[funds]~~ allocation and all payments or repayments for loans, advances, or grants from the housing ~~[funds]~~ allocation.

(3) An agency may:

(a) issue bonds ~~[from time to time]~~ to finance a ~~[housing undertaking]~~ housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

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

~~[(4) An agency:]~~

(4) (a) Except as provided in Subsection (4)(b), an agency shall allocate [housing funds] money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget[; and].

(b) ~~[is relieved, to the extent tax increment is insufficient in a year, of an obligation to allocate housing funds for the year]~~ Subsection (4)(a) does not apply in a year in which tax

SB0151S01 compared with SB0151

increment is insufficient.

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

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

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

(ii) may not award the agency [its] the agency's attorney fees, unless the court finds that the action was frivolous.

Section 44. Section **17C-1-413** is amended to read:

17C-1-413. Base taxable value for new tax.

For purposes of calculating tax increment with respect to a tax that a taxing entity levies for the first time after the effective date of [the] a project area plan, the base taxable value shall be used, subject to any adjustments under Section 17C-1-408.

Section 45. Section **17C-1-501.1** is enacted to read:

Part 5. Agency Bonds

17C-1-501.1. Title.

This part is known as "Agency Bonds."

Section 46. Section **17C-1-501.5**, which is renumbered from Section 17C-1-501 is renumbered and amended to read:

~~[17C-1-501].~~ **17C-1-501.5. Resolution authorizing issuance of agency bonds -- Characteristics of bonds.**

(1) An agency may not issue [bonds] a bond under this part unless the [agency] board first adopts a resolution authorizing [their] the bond issuance.

(2) (a) As provided in the agency resolution authorizing the issuance of [bonds] a bond under this part or the trust indenture under which the [bonds-are] bond is issued, [bonds] a bond issued under this part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.

(b) [Bonds] A bond issued by an agency under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the

SB0151S01 compared with SB0151

conversion or registration privileges, have the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the agency resolution authorizing [~~their~~] the bond issuance or the trust indenture under which [~~they are~~] the bond is issued.

Section 47. Section **17C-1-502** is amended to read:

17C-1-502. Sources from which bonds may be made payable -- Agency powers regarding bonds.

(1) The principal and interest on [~~bonds~~] a bond issued by an agency may be [~~made payable~~] paid from:

(a) the income and revenues of the [~~projects~~] project area development financed with the proceeds of the [~~bonds~~] bond;

(b) the income and [~~revenues~~] revenue of certain designated [~~projects whether or not they were~~] project area development regardless of whether the project area development is financed in whole or in part with the proceeds of the [~~bonds~~] bond;

(c) the income, proceeds, [~~revenues~~] revenue, property, [~~and funds of the~~] or agency funds derived from or held in connection with [~~its~~] the agency's undertaking and [~~carrying out urban renewal, economic development, or community~~] implementation of project area development;

(d) [~~tax increment~~] project area funds;

(e) agency revenues generally;

(f) a contribution, loan, grant, or other financial assistance from [~~the federal government or~~] a public entity in aid of [~~urban renewal, economic development, or community~~] project area development. including the assignment of revenue or taxes in support of an agency bond; or

(g) funds derived from any combination of the methods listed in Subsections (1)(a) through (f).

(2) In connection with the issuance of [~~agency bonds~~] an agency bond, an agency may:

(a) pledge all or any part of [~~its~~] the agency's gross or net rents, fees, or revenues to which [~~its~~] the agency's right then exists or may thereafter come into existence;

(b) encumber by mortgage, deed of trust, or otherwise all or any part of [~~its~~] the

SB0151S01 compared with SB0151

agency's real or personal property, then owned or thereafter acquired; and

(c) make the covenants and take the action that:

(i) may be necessary, convenient, or desirable to secure [~~its bonds, or,~~] the bond; or

(ii) except as otherwise provided in this chapter, [~~that~~] will tend to make the [~~bonds~~] bond more marketable, even though such covenants or actions are not specifically enumerated in this chapter.

Section 48. Section **17C-1-504** is amended to read:

17C-1-504. Contesting the legality of resolution authorizing bonds -- Time limit -- Presumption.

(1) Any person may contest the legality of the resolution authorizing issuance of the [~~bonds~~] bond or any provisions for the security and payment of the [~~bonds~~] bond for a period of 30 days after:

(a) publication of the resolution authorizing the [~~bonds~~] bond; or

(b) publication of a notice of [~~bonds~~] bond containing substantially the items required under Subsection 11-14-316(2).

(2) After the 30-day period [~~under~~] described in Subsection (1), no person may bring a lawsuit or other proceeding [~~may be brought~~] contesting the regularity, formality, or legality of the [~~bonds~~] bond for any reason.

(3) In a lawsuit or other proceeding involving the question of whether a bond issued under this part is valid or enforceable or involving the security for a bond, if a bond recites that the agency issued the bond in connection with [~~an urban renewal, economic development, or community development project~~] project area development:

(a) the bond shall be conclusively presumed to have been issued for that purpose; and

(b) the project area plan and project area shall be conclusively presumed to have been properly formed, adopted, planned, located, and [~~carried out~~] implemented in accordance with this title.

Section 49. Section **17C-1-505** is amended to read:

17C-1-505. Authority to purchase agency bonds.

(1) Any person, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase [~~bonds~~] a bond issued by an agency under this part with funds owned or controlled by the purchaser.

SB0151S01 compared with SB0151

(2) Nothing in this section may be construed to relieve a purchaser of [~~agency bonds~~]
an agency bond of any duty to exercise reasonable care in selecting securities.

Section 50. Section **17C-1-506** is amended to read:

17C-1-506. Those executing bonds not personally liable -- Limitation of obligations under bonds -- Negotiability.

(1) A member of [~~an agency~~] a board or other person executing an agency bond is not liable personally on the bond.

(2) (a) A bond issued by an agency is not a general obligation or liability of the community, the state, or any of [~~its~~] the state's political subdivisions and does not constitute a charge against their general credit or taxing powers.

(b) A bond issued by an agency is not payable out of any funds or properties other than those of the agency.

(c) The community, the state, and [~~its~~] the state's political subdivisions may not be liable on a bond issued by an agency.

(d) A bond issued by an agency does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

(3) A bond issued by an agency under this part is fully negotiable.

Section 51. Section **17C-1-507** is amended to read:

17C-1-507. Obligee rights -- Board may confer other rights.

(1) In addition to all other rights that are conferred on an obligee of a bond issued by an agency under this part and subject to contractual restrictions binding on the obligee, an obligee may:

(a) by mandamus, suit, action, or other proceeding, compel an agency and [~~its~~] the agency's board, officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and require the agency to carry out the covenants and agreements of the agency and to fulfill all duties imposed on the agency by this part; and

(b) by suit, action, or other proceeding [~~in equity~~], enjoin any acts or things that may be unlawful or violate the rights of the obligee.

(2) (a) In a board resolution authorizing the issuance of [~~bonds~~] a bond or in a trust indenture, mortgage, lease, or other contract, [~~an agency~~] a board may confer upon an obligee

SB0151S01 compared with SB0151

holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.

(b) (i) The rights that the board may confer under Subsection (2)(a) are the rights to:

(A) cause possession of all or part of [~~an urban renewal, economic development, or community development project~~] the project area development to be surrendered to an obligee;

(B) obtain the appointment of a receiver of all or part of an agency's [~~urban renewal, economic development, or community development project~~] project area development and of the rents and profits from [~~it~~] the project area development; and

(C) require the agency and [~~its~~] the board and employees to account as if the agency and the board and employees were the trustees of an express trust.

(ii) If a receiver is appointed through the exercise of a right granted under Subsection (2)(b)(i)(B), the receiver:

(A) may enter and take possession of the [~~urban renewal, economic development, or community development project~~] project area development or any part of [~~it~~] the project area development, operate and maintain [~~it~~] the project area development, and collect and receive all fees, rents, revenues, or other charges arising from [~~it~~] the project area development after the receiver's appointment; and

(B) shall keep money collected as receiver for the agency in [~~separate accounts~~] a separate account and apply [~~it~~] the money pursuant to the agency obligations as the court directs.

Section 52. Section **17C-1-508** is amended to read:

17C-1-508. Bonds exempt from taxes -- Agency may purchase an agency's own bonds.

(1) A bond issued by an agency under this part is issued for an essential public and governmental purpose and is, together with interest on the bond and income from it, exempt from all state taxes except the corporate franchise tax.

(2) An agency may purchase [~~its~~] the agency's own bonds at a price that [~~its~~] the board determines.

(3) Nothing in this section may be construed to limit the right of an obligee to pursue a

SB0151S01 compared with SB0151

remedy for the enforcement of a pledge or lien given under this part by an agency on ~~[its]~~ the agency's rents, fees, grants, properties, or revenues.

Section 53. Section **17C-1-601.1** is enacted to read:

Part 6. Agency Annual Report, Budget, and Audit Requirements

17C-1-601.1. Title.

This part is known as "Agency Annual Report, Budget, and Audit Requirements."

Section 54. Section **17C-1-601.5**, which is renumbered from Section 17C-1-601 is renumbered and amended to read:

~~[17C-1-601].~~ **17C-1-601.5. Annual agency budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file form.**

(1) Each agency shall prepare ~~[and its board adopt]~~ an annual budget of the agency's revenues and expenditures ~~[for the agency]~~ for each fiscal year.

(2) ~~[Each annual agency budget shall be adopted]~~ The board shall adopt each agency budget:

(a) for an agency created by a ~~[city or town]~~ municipality, before June 22; or

(b) for an agency created by a county, before December 15.

(3) The agency's fiscal year shall be the same as the fiscal year of the community that created the agency.

(4) (a) Before adopting an annual budget, each ~~[agency]~~ board shall hold a public hearing on the annual budget.

(b) Each agency shall provide notice of the public hearing on the annual budget by:

(i) (A) publishing at least one notice in a newspaper of general circulation within the agency boundaries, one week before the public hearing; or

(B) if there is no newspaper of general circulation within the agency boundaries, posting a notice of the public hearing in at least three public places within the agency boundaries; and

(ii) publishing notice on the Utah Public Notice Website created in Section 63F-1-701, at least one week before the public hearing.

(c) Each agency shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained

SB0151S01 compared with SB0151

in each [agency] annual budget, including:

- (a) revenues and expenditures for the budget year;
- (b) legal fees; and
- (c) administrative costs, including rent, supplies, and other materials, and salaries of agency personnel.

(6) (a) Within 90 days after adopting an annual budget, each [agency] board shall file a copy of the annual budget with the auditor of the county in which the agency is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity [that levies a tax on property] from which the agency [collects tax increment] receives project area funds.

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

Section 55. Section **17C-1-602** is amended to read:

17C-1-602. Amending the agency annual budget.

(1) [~~An agency~~] A board may by resolution amend an annual [agency] budget.

(2) An amendment [~~of the~~] to an annual [agency] budget that would increase the total expenditures may be made only after a public hearing [~~by notice published as required for initial adoption of the annual budget~~] is held in accordance with Subsection 17C-1-601.5(4).

(3) An agency may not make expenditures in excess of the total expenditures established in the annual budget as [it] the annual budget is adopted or amended.

Section 56. Section **17C-1-603** is amended to read:

17C-1-603. Annual report.

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

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

SB0151S01 compared with SB0151

auditor:]

~~[(2) Each report under Subsection (1) shall contain:]~~

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

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

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

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

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

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

~~[(g) any other information included by the agency.]~~

(1) Beginning in 2016, on or before November 1 of each year, an agency shall:

(a) prepare an annual report as described in Subsection (2); and

(b) submit the annual report electronically to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity from which the agency receives project area funds.

(2) The annual report shall, for each active project area whose project area funds collection period has not expired, contain the following information:

(a) an assessment of the change in marginal value, including:

(i) the base taxable value;

(ii) the prior year's assessed value;

(iii) the estimated current assessed value; and

(iv) a narrative description of the relative growth in assessed value;

(b) the amount of project area funds the agency received, including:

(i) a comparison of the actual project area funds received for the previous year to the amount of project area funds forecasted when the project area was created, if available;

(ii) (A) the agency's historical receipts of project area funds, including the tax year for which the agency first received project area funds from the project area; or

(B) if the agency has not yet received project area funds from the project area, the year

SB0151S01 compared with SB0151

in which the agency expects each project area funds collection period to begin;

(iii) a list of each taxing entity that levies or imposes a tax within the project area and a description of the benefits that each taxing entity receives from the project area; and

(iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;

(c) a description of current and anticipated project area development, including:

(i) a narrative of any significant project area development, including infrastructure development, site development, participation agreements, or vertical construction; and

(ii) other details of development within the project area, including total developed acreage and total undeveloped acreage;

(d) the project area budget, if applicable, or other project area funds analysis,

including:

(i) each project area funds collection period;

(ii) the number of years remaining in each project area funds collection period;

(iii) the total amount of project area funds the agency is authorized to receive from the project area cumulatively and from each taxing entity; and

(iv) the remaining amount of project area funds the agency is authorized to receive from the project area cumulatively and from each taxing entity;

(e) the estimated amount of project area funds that the agency is authorized to receive from the project area for the current calendar year;

(f) the estimated amount of project area funds to be paid to the agency for the next calendar year;

(g) a map of the project area; and

(h) any other relevant information the agency elects to provide.

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

(a) is for informational purposes only; and

(b) does not alter the amount of [~~tax increment~~] project area funds that an agency is [~~entitled to collect~~] authorized to receive from a project area.

(4) The provisions of this section apply regardless of when the agency ~~or project area~~ is created.

Section 57. Section **17C-1-605** is amended to read:

17C-1-605. Audit report.

SB0151S01 compared with SB0151

(1) Each agency required to be audited under Section 17C-1-604 shall, within 180 days after the end of the agency's fiscal year, file a copy of the audit report with the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity [~~that levies a tax on property~~] from which the agency [~~collects~~] receives tax increment.

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

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

(b) the amount of tax increment paid to each taxing entity under Section 17C-1-410;

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

(d) the actual amount expended for:

(i) acquisition of property;

(ii) site improvements or site preparation costs;

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

(iv) administrative costs of the agency.

Section 58. Section **17C-1-606** is amended to read:

17C-1-606. County auditor report on project areas.

(1) (a) On or before March 31 of each year, the auditor of each county in which an agency is located shall prepare a report on the project areas within each agency.

(b) The county auditor shall send a copy of each report under Subsection (1)(a) to the agency that is the subject of the report, the State Tax Commission, the State Board of Education, and each taxing entity [~~that levies a tax on property~~] from which the agency [~~collects~~] receives tax increment.

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

(a) the total assessed property value within each project area for the previous tax year;

(b) the base taxable value of [~~property within~~] each project area for the previous tax year;

(c) the tax increment available to be paid to the agency for the previous tax year;

(d) the tax increment requested by the agency for the previous tax year; and

(e) the tax increment paid to the agency for the previous tax year.

(3) Within 30 days after a request by an agency, the State Tax Commission, the State Board of Education, or any taxing entity [~~that levies a tax on property~~] from which the agency

SB0151S01 compared with SB0151

receives tax increment, the county auditor or the county assessor shall provide access to:

(a) the county auditor's method and calculations used to make adjustments under Section 17C-1-408;

(b) the unequalized assessed valuation of an existing or proposed project area, or any parcel or parcels within an existing or proposed project area, if the equalized assessed valuation has not yet been determined for that year;

(c) the most recent equalized assessed valuation of an existing or proposed project area or any parcel or parcels within an existing or proposed project area; and

(d) the tax rate of each taxing entity adopted as of November 1 for the previous tax year.

(4) Each report described in Subsection (1)(a) shall include:

(a) sufficient detail regarding the calculations performed by a county auditor so that an agency or other interested party could repeat and verify the calculations; and

(b) a detailed explanation of any adjustments made to the base taxable value of each project area.

Section 59. Section **17C-1-607** is amended to read:

17C-1-607. State Tax Commission and county assessor required to account for new growth.

Upon the expiration of a project area funds collection period, the State Tax Commission and the assessor of each county in which [~~an urban renewal, economic development, or community development~~] a project area is located shall count as new growth the assessed value of property with respect to which the taxing entity is receiving taxes or increased taxes for the first time.

Section 60. Section **17C-1-701.1** is enacted to read:

Part 7. Agency and Project Area Dissolution

17C-1-701.1. Title.

This part is known as "Agency and Project Area Dissolution."

Section 61. Section **17C-1-701.5**, which is renumbered from Section 17C-1-701 is renumbered and amended to read:

~~[17C-1-701].~~ **17C-1-701.5. Agency dissolution -- Restrictions -- Notice -- Recording requirements -- Agency records -- Dissolution expenses.**

SB0151S01 compared with SB0151

(1) (a) Subject to Subsection (1)(b), the community legislative body [~~of the community that created an agency~~] may, by ordinance, [~~approve the deactivation and dissolution of the~~] dissolve an agency.

(b) [~~An~~] A community legislative body may adopt an ordinance [~~under~~] described in Subsection (1)(a) [~~approving the deactivation and dissolution of an agency may not be adopted unless~~] only if the agency has no outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual obligations with [~~persons or entities~~] a person other than the community.

(2) (a) The community legislative body shall:

(i) within 10 days after adopting an ordinance [~~under~~] described in Subsection (1), file with the lieutenant governor a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and

(ii) upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5, submit to the recorder of the county in which the agency is located:

(A) the original notice of an impending boundary action;

(B) the original certificate of dissolution; and

(C) a certified copy of the ordinance [~~approving the deactivation and dissolution of~~] that dissolves the agency.

(b) Upon the lieutenant governor's issuance of the certificate of dissolution under Section 67-1a-6.5, the agency is dissolved.

(c) Within 10 days after receiving the certificate of dissolution from the lieutenant governor under Section 67-1a-6.5, the community legislative body shall send a copy of the certificate of dissolution and the ordinance adopted under Subsection (1) to the State Board of Education, and each taxing entity.

(d) The community legislative body shall publish a notice of dissolution in a newspaper of general circulation in the county in which the dissolved agency is located.

(3) The books, documents, records, papers, and seal of each dissolved agency shall be deposited for safekeeping and reference with the recorder of the community that dissolved the agency.

(4) The agency shall pay all expenses of the [~~deactivation and~~] dissolution.

Section 62. Section **17C-1-702** is enacted to read:

SB0151S01 compared with SB0151

17C-1-702. Project area dissolution.

(1) Regardless of when a project area funds collection period ends, the project area remains in existence until:

- (a) the agency adopts a resolution dissolving the project area; and
- (b) the community legislative body adopts an ordinance dissolving the project area.

(2) The ordinance described in Subsection (1)(b) shall include:

- (a) the name of the project area; and
- (b) a project area map or boundary description.

(3) Within 30 days after the day on which the community legislative body adopts an ordinance described in Subsection (1)(b), the community legislative body shall:

(a) submit a copy of the ordinance to the county recorder of the county in which the dissolved project area is located; and

(b) mail or electronically submit a copy of the ordinance to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity that levies or imposes a tax on property within the dissolved project area.

Section 63. Section **17C-1-801** is enacted to read:

Part 8. Hearing and Notice Requirements

17C-1-801. Title.

This part is known as "Hearing and Notice Requirements."

Section 64. Section **17C-1-802**, which is renumbered from Section 17C-2-401 is renumbered and amended to read:

~~[17C-2-401].~~ 17C-1-802. Combining hearings.

A board may combine any combination of a blight hearing, a plan hearing, and a budget hearing.

Section 65. Section **17C-1-803**, which is renumbered from Section 17C-2-402 is renumbered and amended to read:

~~[17C-2-402].~~ 17C-1-803. Continuing a hearing.

Subject to Section ~~[17C-2-403]~~ 17C-1-804, the board may continue ~~[from time to time~~
a]:

- (1) a blight hearing;
- (2) a plan hearing;

SB0151S01 compared with SB0151

- (3) a budget hearing; or
- (4) a combined hearing under Section [~~17C-2-401~~] 17C-1-802.

Section 66. Section **17C-1-804**, which is renumbered from Section 17C-2-403 is renumbered and amended to read:

~~[17C-2-403]~~. **17C-1-804**. Notice required for continued hearing.

The board shall give notice of a hearing continued under Section [~~17C-2-402~~] 17C-1-802 by announcing at the hearing:

- (1) the date, time, and place the hearing will be resumed; or
- (2) (a) that [it] the hearing is being continued to a later time; and [causing]
(b) that the board will cause a notice of the continued hearing to be [:(a) (i) ~~published once in a newspaper of general circulation within the agency boundaries at least seven days before the hearing is scheduled to resume; or (ii) if there is no newspaper of general circulation, posted in at least three conspicuous places within the boundaries of the agency in which the project area or proposed project area is located; and (b)] published on the Utah Public Notice Website created in Section 63F-1-701, at least seven days before the day on which the hearing is [~~schedule~~] scheduled to resume.~~

Section 67. Section **17C-1-805**, which is renumbered from Section 17C-2-501 is renumbered and amended to read:

~~[17C-2-501]~~. **17C-1-805**. Agency to provide notice of hearings.

(1) Each agency shall provide notice, [~~as provided~~] in accordance with this part, of each:

- (a) blight hearing;
 - (b) plan hearing; [~~and~~] or
 - (c) budget hearing.
- (2) The notice required under Subsection (1) [~~for any of the hearings listed in that subsection~~] may be combined with the notice required for any of the other hearings if the hearings are combined under Section [~~17C-2-401~~] 17C-1-802.

Section 68. Section **17C-1-806**, which is renumbered from Section 17C-2-502 is renumbered and amended to read:

~~[17C-2-502]~~. **17C-1-806**. Requirements for notice provided by agency.

- (1) The notice required by Section [~~17C-2-501~~] 17C-1-805 shall be given by:

SB0151S01 compared with SB0151

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

(ii) if there is no newspaper of general circulation, posting notice at least 14 days before the day of the hearing in at least three conspicuous places within the county in which the project area or proposed project area is located; or

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

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

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

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

(i) [~~mailing notice to~~] each record owner of property located within the project area or proposed project area; [~~and~~]

[~~(ii) mailing notice to~~];

[~~(A)~~] (ii) the State Tax Commission;

[~~(B)~~] (iii) the assessor and auditor of the county in which the project area or proposed project area is located; and

[~~(C)~~]~~(H)~~ (iv) (A) each member of the taxing entity committee, if applicable; or

[~~(H)~~] (B) if a taxing entity committee has not [~~yet~~] been formed, the State Board of Education and the legislative body or governing board of each taxing entity.

(2) The mailing of the notice to record property owners required under Subsection (1)(b)(i) shall be conclusively considered to have been properly completed if:

(a) the agency mails the notice to the property owners as shown in the records, including an electronic database, of the county recorder's office and at the addresses shown in those records; and

(b) the county recorder's office records used by the agency in identifying owners to whom the notice is mailed and their addresses were obtained or accessed from the county recorder's office no earlier than 30 days before the mailing.

(3) The agency shall include in each notice required under Section [~~17C-2-501~~]
17C-1-805:

SB0151S01 compared with SB0151

(a) (i) a [~~specific description of the boundaries~~] boundary description of the project area or proposed project area; or

(ii) (A) a mailing address or telephone number where a person may request that a copy of the boundary description be sent at no cost to the person by mail, email, or facsimile transmission; and

(B) if the agency or community has an Internet website, an Internet address where a person may gain access to an electronic, printable copy of the boundary description and other related information;

(b) a map of the boundaries of the project area or proposed project area;

(c) an explanation of the purpose of the hearing; and

(d) a statement of the date, time, and location of the hearing.

(4) The agency shall include in each notice under Subsection (1)(b)(~~iii~~):

(a) a statement that property tax revenues resulting from an increase in valuation of property within the project area or proposed project area will be paid to the agency for [~~urban renewal purposes~~] project area development rather than to the taxing entity to which the tax revenues would otherwise have been paid if:

(i) the taxing entity committee consents to the project area budget; and

(ii) the project area plan provides for the agency to receive tax increment; and

(b) an invitation to the recipient of the notice to submit to the agency comments concerning the subject matter of the hearing before the date of the hearing.

(5) An agency may include in a notice under Subsection (1) any other information the agency considers necessary or advisable, including the public purpose [~~served~~] achieved by the project area development and any future tax benefits expected to result from the project area development.

Section 69. Section **17C-1-807**, which is renumbered from Section 17C-2-503 is renumbered and amended to read:

~~[17C-2-503]~~. **17C-1-807. Additional requirements for notice of a blight hearing.**

Each notice under Section [~~17C-2-502~~] 17C-1-806 for a blight hearing shall also include:

(1) a statement that:

SB0151S01 compared with SB0151

- (a) ~~[an urban renewal]~~ a project area is being proposed;
- (b) the proposed ~~[urban renewal]~~ project area may be declared to have blight;
- (c) the record owner of property within the proposed project area has the right to present evidence at the blight hearing contesting the existence of blight;
- (d) except for a hearing continued under Section ~~[17C-2-402]~~ 17C-1-803, the agency will notify the record owner of property ~~[owners]~~ referred to in Subsection ~~[17C-2-502]~~ 17C-1-806(1)(b)(i) of each additional public hearing held by the agency concerning the ~~[urban renewal project prior to]~~ proposed project area before the adoption of the ~~[urban renewal]~~ project area plan; and

(e) ~~[persons]~~ a person contesting the existence of blight in the proposed ~~[urban renewal]~~ project area may appear before the ~~[agency]~~ board and show cause why the proposed ~~[urban renewal]~~ project area should not be designated as ~~[an urban renewal]~~ a project area; and

(2) if the agency anticipates acquiring property in an urban renewal project area or a community reinvestment project area by eminent domain, a clear and plain statement that:

- (a) the project area plan may require the agency to use eminent domain; and
- (b) the proposed use of eminent domain will be discussed at the blight hearing.

Section 70. Section **17C-1-808**, which is renumbered from Section 17C-2-504 is renumbered and amended to read:

~~[17C-2-504].~~ **17C-1-808**. **Additional requirements for notice of a plan hearing.**

Each notice under Section ~~[17C-2-502]~~ 17C-1-806 of a plan hearing shall also include:

(1) a statement that any person objecting to the ~~[draft]~~ proposed project area plan or contesting the regularity of any of the proceedings to adopt ~~[it]~~ the proposed project area plan may appear before the ~~[agency]~~ board at the hearing to show cause why the ~~[draft]~~ proposed project area plan should not be adopted; and

(2) a statement that the proposed project area plan is available for inspection at the agency offices.

Section 71. Section **17C-1-809**, which is renumbered from Section 17C-2-505 is renumbered and amended to read:

~~[17C-2-505].~~ **17C-1-809**. **Additional requirements for notice of a budget hearing.**

SB0151S01 compared with SB0151

Each notice under Section ~~[17C-2-502]~~ 17C-1-806 of a budget hearing shall contain:

(1) the following statement:

"The (name of agency) has requested \$ _____ in property tax revenues that will be generated by development within the (name of project area) to fund a portion of project costs within the (name of project area). These property tax revenues will be used for the following: (list major budget categories and amounts). These property taxes will be taxes levied by the following governmental entities, and, assuming current tax rates, the taxes paid to the agency for this project area from each taxing entity will be as follows: (list each taxing entity levying taxes and the amount of total taxes that would be paid from each taxing entity). All of the property taxes to be paid to the agency for the development in the project area are taxes that will be generated only if the project area is developed.

All concerned citizens are invited to attend the project area budget hearing scheduled for (date, time, and place of hearing). A copy of the (name of project area) project area budget is available at the offices of (name of agency and office address)."; and

(2) other information that the agency considers appropriate.

Section 72. Section **17C-1-901** is enacted to read:

Part 9. Eminent Domain

17C-1-901. Title.

This part is known as "Eminent Domain."

Section 73. Section **17C-1-902**, which is renumbered from Section 17C-1-206 is renumbered and amended to read:

~~[17C-1-206].~~ **17C-1-902. Use of eminent domain -- Conditions.**

(1) Except as provided in Subsection (2), an agency may not use eminent domain to acquire property.

(2) ~~[An]~~ Subject to the provisions of this part, an agency may, in accordance with Title 78B, Chapter 6, Part 5, Eminent Domain, use eminent domain to acquire an interest in property:

(a) ~~[any interest in property]~~ within an urban renewal project area~~[, subject to Chapter 2, Part 6, Eminent Domain in an Urban Renewal Project Area, and] if:~~

(i) the board makes a finding of blight under Chapter 2, Part 3, Blight Determination in Urban Renewal Project Areas; and

SB0151S01 compared with SB0151

(ii) the urban renewal project area plan provides for the use of eminent domain;

~~{f}~~(b) [any interest in property] that is owned by an agency board member or officer and located within a project area, if the board member or officer consents~~[-]~~;

~~{f}~~c within a community reinvestment project area if:

(i) the board makes a finding of blight under Section 17C-5-405;

(ii) the community reinvestment project area plan provides for the use of eminent domain; and

(iii) the agency creates a taxing entity committee in accordance with Section 17C-1-402;~~{or}~~

~~{f}~~d that~~[-]~~ subject to Subsection (3):

(i) is owned by a participant or a property owner that is entitled to receive tax increment or other assistance from the agency;

(ii) is within a project area, ~~regardless of when the project area is created,~~ for which the agency made a finding of blight under Section 17C-2-102 or 17C-5-405; and

(iii) (A) the participant or property owner described in Subsection (2)~~{f}~~d(i) fails to develop or improve in accordance with the participation agreement or the project area plan; or

(B) for a period of 36 months does not generate the amount of tax increment that the agency projected to receive under the project area budget~~[-]~~; or

~~{3}~~e ~~{An}~~if a property owner requests in writing that the agency ~~{may use}~~exercise eminent domain to acquire ~~{an interest in}~~the property ~~{described in Subsection (2)(c) only if the conditions that formed the basis for the finding of blight exist at the time the agency exercises eminent domain.~~

~~——~~ ~~{4}~~owner's property within a project area.

(3) An agency shall, ~~in accordance with the provisions of this part,~~ commence the acquisition of property ~~described in Subsections (2)(a) through (c)~~ by eminent domain within five years after the day on which the project area plan is effective.

Section 74. Section **17C-1-903**, which is renumbered from Section 17C-2-602 is renumbered and amended to read:

~~[17C-2-602].~~ **17C-1-903. Prerequisites to the acquisition of property by eminent domain -- Civil action authorized -- Record of good faith negotiations to be retained.**

SB0151S01 compared with SB0151

(1) Before an agency may ~~acquire~~ initiate an action in district court to property by eminent domain, the agency shall:

- (a) negotiate in good faith with the affected record property owner;
- (b) provide to each affected record property owner a written declaration that includes:
 - (i) an explanation of the eminent domain process and the reasons for using it,

including:

(A) the need for the agency to obtain an independent appraisal that indicates the fair market value of the property and how the fair market value was determined;

(B) a statement that the agency may adopt a resolution authorizing the agency to make an offer to the record property owner to purchase the property for the fair market value amount determined by the appraiser and that, if the offer is rejected, the agency has the right to acquire the property through an eminent domain proceeding; and

(C) a statement that the agency will prepare an offer that will include the price the agency is offering for the property, an explanation of how the agency determined the price being offered, the legal description of the property, conditions of the offer, and the time at which the offer will expire;

(ii) an explanation of the record property owner's relocation rights under Title 57, Chapter 12, Utah Relocation Assistance Act, and how to receive relocation assistance; and

(iii) a statement that the owner has the right to receive just compensation and an explanation of how to obtain it; and

(c) provide to the affected record property owner or the owner's designated representative a notice that is printed in a type size of at least ten-point type that contains:

- (i) a description of the property to be acquired;
- (ii) the name of the agency acquiring the property and the agency's contact person and telephone number; and
- (iii) a copy of Title 57, Chapter 12, Utah Relocation Assistance Act.

(2) A person may bring a civil action against an agency for a violation of Subsection (1)(b) that results in damage to that person.

(3) Each agency shall keep a record and evidence of the good faith negotiations required under Subsection (1)(a) and retain the record and evidence as provided in:

- (a) Title 63G, Chapter 2, Government Records Access and Management Act; or

SB0151S01 compared with SB0151

(b) an ordinance or policy that the agency had adopted under Section 63G-2-701.

(4) A record property owner whose property is being taken by an agency through the exercise of eminent domain may elect to receive for the real property being taken:

(a) fair market value; or

(b) replacement property under Section 57-12-7.

Section 75. Section **17C-1-904**, which is renumbered from Section 17C-2-601 is renumbered and amended to read:

~~[17C-2-601].~~ **17C-1-904. Acquiring single family owner occupied residential property or commercial property -- Acquiring property already devoted to a public use -- Relocation assistance requirement.**

~~[(1) Subject to Section 17C-2-602, an agency may use eminent domain to acquire property:]~~

~~[(a) within an urban renewal project area if:]~~

~~[(i) the agency board makes a finding of blight under Part 3, Blight Determination in Urban Renewal Project Areas;]~~

~~[(ii) the urban renewal project area plan provides for the use of eminent domain; and]~~

~~[(iii) the agency commences the acquisition of the property within five years after the effective date of the urban renewal project area plan; or]~~

~~[(b) within a project area established after December 31, 2001 but before April 30, 2007 if:]~~

~~[(i) the agency board made a finding of blight with respect to the project area as provided under the law in effect at the time of the finding;]~~

~~[(ii) the project area plan provides for the use of eminent domain; and]~~

~~[(iii) the agency commences the acquisition of the property before January 1, 2010;]~~

~~[(2)(a) As used in this Subsection (2):]~~

~~[(i) "Commercial property" means a property used, in whole or in part, by the owner or possessor of the property for a commercial, industrial, retail, or other business purpose, regardless of the identity of the property owner;]~~

~~[(ii) "Owner occupied property" means private real property:]~~

~~[(A) whose use is single-family residential or commercial; and]~~

~~[(B) that is occupied by the owner of the property;]~~

SB0151S01 compared with SB0151

~~[(iii) "Relevant area" means:]~~

~~[(A) except as provided in Subsection (2)(a)(iii)(B), the project area; or]~~

~~[(B) the area included within a phase of a project under a project area plan if the phase and the area included within the phase are described in the project area plan.]~~

~~[(b) For purposes of each provision of this Subsection (2) relating to the submission of a petition by the owners of property, a parcel of real property is included in the calculation of the applicable percentage if the petition is signed by:]~~

~~[(i) except as provided in Subsection (2)(b)(ii), owners representing a majority ownership interest in that parcel; or]~~

~~[(ii) if the parcel is owned by joint tenants or tenants by the entirety, 50% of the number of owners of that parcel.]~~

~~[(c) An agency may not acquire by eminent domain single-family residential owner occupied property unless:]~~

~~[(i) the owner consents; or]~~

~~[(ii) (A) a written petition requesting the agency to use eminent domain to acquire the property is submitted by the owners of at least 80% of the owner occupied property within the relevant area representing at least 70% of the value of owner occupied property within the relevant area; and]~~

~~[(B) 2/3 of all agency board members vote in favor of using eminent domain to acquire the property.]~~

~~[(d) An agency may not acquire commercial property by eminent domain unless:]~~

~~[(i) the owner consents; or]~~

~~[(ii) (A) a written petition requesting the agency to use eminent domain to acquire the property is submitted by the owners of at least 75% of the commercial property within the relevant area representing at least 60% of the value of commercial property within the relevant area; and]~~

~~[(B) 2/3 of all agency board members vote in favor of using eminent domain to acquire the property.]~~

~~[(3) An agency may not acquire any real property on which an existing building is to be continued on its present site and in its present form and use unless:]~~

~~[(a) the owner consents; or]~~

SB0151S01 compared with SB0151

~~[(b) (i) the building requires structural alteration, improvement, modernization, or rehabilitation;]~~

~~[(ii) the site or lot on which the building is situated requires modification in size, shape, or use; or]~~

~~[(iii) (A) it is necessary to impose upon the property any of the standards, restrictions, and controls of the project area plan; and]~~

~~[(B) the owner fails or refuses to agree to participate in the project area plan.]~~

~~[(4) (a) Subject to Subsection (4)(b), an agency may acquire by eminent domain property that is already devoted to a public use and located in:]~~

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

~~[(ii) a project area described in Subsection (1)(b).]~~

~~[(b) An agency may not acquire property of a public entity under Subsection (4)(a) without the public entity's consent.]~~

(1) As used in this section:

(a) "Commercial property" means real property used, in whole or in part, by the owner or possessor of the property for a commercial, industrial, retail, or other business purpose, regardless of the identity of the property owner.

(b) "Owner occupied property" means private real property that is:

(i) used for a single-family residential or commercial purpose; and

(ii) occupied by the owner of the property.

(c) "Relevant area" means:

(i) except as provided in Subsection (1)(c)(ii), the project area; or

(ii) the area included within a phase of a project under a project area plan if the phase and the area included within the phase are described in the project area plan.

(2) An agency may not **initiate an action in district court** acquire by eminent domain a residential owner occupied property unless:

(a) (i) a written petition requesting the agency to use eminent domain to acquire the property is submitted by the owners of at least 80% of the residential owner occupied property within the relevant area representing at least 70% of the value of residential owner occupied property within the relevant area; or

(ii) a written petition of 90% of the owners of real property, including property owned

SB0151S01 compared with SB0151

by the agency or a public entity within the project area is submitted to the agency, requesting the use of eminent domain to acquire the property; and

(b) at least two-thirds of all board members vote in favor of using eminent domain to acquire the property.

(3) An agency may not **initiate an action in district court to** acquire commercial owner occupied property by eminent domain unless:

(a) a written petition requesting the agency to use eminent domain to acquire the property is submitted by the owners of at least 75% of the commercial property within the relevant area representing at least 60% of the value of commercial property within the relevant area; and

(b) at least two-thirds of all board members vote in favor of using eminent domain to acquire the property.

(4) For purposes of this section an owner is considered to have signed a petition if:

(a) owners representing a majority ownership interest in the property sign the petition;

or

(b) if the property is owned by joint tenants or tenants by the entirety, 50% of the number of owners of the property sign the petition.

(5) An agency may not acquire by eminent domain any real property on which an existing building is to be continued on the building's present site and in the building's present form and use unless:

(a) the building requires structural alteration, improvement, modernization, or rehabilitation;

(b) the site or lot on which the building is situated requires modification in size, shape, or use; or

(c) (i) it is necessary to impose upon the property a standard, restriction, or control of the project area plan; and

(ii) the owner fails or refuses to agree to participate in the project area plan.

~~[(5) Each]~~ (6) An agency that acquires property by eminent domain shall comply with Title 57, Chapter 12, Utah Relocation Assistance Act.

Section 76. Section **17C-1-905**, which is renumbered from Section 17C-2-603 is renumbered and amended to read:

SB0151S01 compared with SB0151

~~[17C-2-603].~~ **17C-1-905.** Court award for court costs and attorney fees, relocation expenses, and damage to fixtures or personal property.

~~[If a property owner brings an action in district court contesting an agency's exercise of]~~
In an eminent domain [against that owner's property] action under this part, the court may award:

(1) ~~[award court] costs and [a] reasonable attorney [fee, as determined by the court, to the owner,]~~ fees to the condemnee if the amount of the court or jury award for the property exceeds the amount offered by the agency;

(2) ~~[award]~~ a reasonable sum, as determined by the court or jury, as compensation for any costs ~~[and] or~~ expenses [of] relating to relocating:

(a) an owner who occupied the acquired property[;];

(b) a party conducting a business on the acquired property[;]; or

(c) a person displaced from the property, as permitted by Title 57, Chapter 12, Utah Relocation Assistance Act; and

(3) ~~[award] an amount[; as determined by the court or jury,]~~ to compensate for any fixtures or personal property that is:

(a) owned by the owner of the acquired property or by a person conducting a business on the acquired property; and

(b) damaged as a result of the acquisition or relocation.

Section 77. Section **17C-2-101.1** is enacted to read:

CHAPTER 2. URBAN RENEWAL

17C-2-101.1. Title.

This chapter is known as "Urban Renewal."

Section 78. Section **17C-2-101.2** is enacted to read:

17C-2-101.2. Applicability of chapter.

This chapter applies to an urban renewal project area that is effective:

(1) before May 10, 2016; or

(2) before September 1, 2016, if an agency adopted a resolution in accordance with

Section 17C-2-101.5 before April 1, 2016.

Section 79. Section **17C-2-101.5**, which is renumbered from Section 17C-2-101 is renumbered and amended to read:

SB0151S01 compared with SB0151

~~[17C-2-101].~~ 17C-2-101.5. **Resolution designating survey area -- Request to adopt resolution.**

(1) ~~[An agency]~~ A board may begin the process of adopting an urban renewal project area plan by adopting a resolution that:

- (a) designates an area located within the agency's boundaries as a survey area;
- (b) contains a statement that the survey area requires study to determine whether:
 - (i) one or more urban renewal ~~[projects]~~ project areas within the survey area are feasible; and
 - (ii) blight exists within the survey area; and
- (c) contains a boundary description or map ~~[of the boundaries]~~ of the survey area.

(2) (a) Any person or any group, association, corporation, or other entity may submit a written request to the board to adopt a resolution under Subsection (1).

(b) A request under Subsection (2)(a) may include plans showing the ~~[urban renewal]~~ project area development proposed for an area within the agency's boundaries.

(c) The board may, in ~~[its]~~ the board's sole discretion, grant or deny a request under Subsection (2)(a).

Section 80. Section ~~17C-2-102~~ is amended to read:

17C-2-102. Process for adopting urban renewal project area plan -- Prerequisites -- Restrictions.

(1) (a) In order to adopt an urban renewal project area plan, after adopting a resolution under Subsection ~~[17C-2-101]~~ 17C-2-101.5(1) the agency shall:

(i) unless a finding of blight is based on a finding made under Subsection 17C-2-303(1)(b) relating to an inactive industrial site or inactive airport site:

(A) cause a blight study to be conducted within the survey area as provided in Section 17C-2-301;

(B) provide notice of a blight hearing as required under ~~[Part 5, Urban Renewal]~~ Chapter 1, Part 8, Hearing and Notice Requirements; and

(C) hold a blight hearing as ~~[provided]~~ described in Section 17C-2-302;

(ii) after the blight hearing has been held or, if no blight hearing is required under Subsection (1)(a)(i), after adopting a resolution under Subsection ~~[17C-2-101]~~ 17C-2-101.5(1), hold a board meeting at which the board shall:

SB0151S01 compared with SB0151

(A) consider:

(I) the issue of blight and the evidence and information relating to the existence or nonexistence of blight; and

(II) whether adoption of one or more urban renewal project area plans should be pursued; and

(B) by resolution:

(I) make a finding regarding the existence of blight in the proposed urban renewal project area;

(II) select one or more project areas comprising part or all of the survey area; and

(III) authorize the preparation of a [~~draft~~] proposed project area plan for each project area;

(iii) prepare a [~~draft of a~~] proposed project area plan and conduct any examination, investigation, and negotiation regarding the project area plan that the agency considers appropriate;

(iv) make the [~~draft~~] proposed project area plan available to the public at the agency's offices during normal business hours;

(v) provide notice of the plan hearing [~~as provided~~] in accordance with Sections [~~17C-2-502 and 17C-2-504~~] 17C-1-806 and 17C-1-808;

(vi) hold a [~~public~~] plan hearing on the [~~draft~~] proposed project area plan and, at [~~that public~~] the plan hearing:

(A) allow public comment on:

(I) the [~~draft~~] proposed project area plan; and

(II) whether the [~~draft~~] proposed project area plan should be revised, approved, or rejected; and

(B) receive all written and hear all oral objections to the [~~draft~~] proposed project area plan;

(vii) before holding the plan hearing, provide an opportunity for the State Board of Education and each taxing entity that levies a tax on property within the proposed project area to consult with the agency regarding the [~~draft~~] proposed project area plan;

(viii) if applicable, hold the election required under Subsection 17C-2-105(3);

(ix) after holding the plan hearing, at the same meeting or at a subsequent meeting

SB0151S01 compared with SB0151

consider:

(A) the oral and written objections to the [draft] proposed project area plan and evidence and testimony for and against adoption of the [draft] proposed project area plan; and

(B) whether to revise, approve, or reject the [draft] proposed project area plan;

(x) approve the [draft] proposed project area plan, with or without revisions, as the project area plan by a resolution that complies with Section 17C-2-106; and

(xi) submit the project area plan to the community legislative body for adoption.

(b) (i) If an agency makes a finding under Subsection (1)(a)(ii)(B) that blight exists in the proposed urban renewal project area, the agency may not adopt the project area plan until the taxing entity committee approves the finding of blight.

(ii) (A) A taxing entity committee may not disapprove an agency's finding of blight unless the committee demonstrates that the conditions the agency found to exist in the urban renewal project area that support the agency's finding of blight under Section 17C-2-303:

(I) do not exist; or

(II) do not constitute blight.

(B) (I) If the taxing entity committee questions or disputes the existence of some or all of the blight conditions that the agency found to exist in the urban renewal project area or that those conditions constitute blight, the taxing entity committee may hire a consultant, mutually agreed upon by the taxing entity committee and the agency, with the necessary expertise to assist the taxing entity committee to make a determination as to the existence of the questioned or disputed blight conditions.

(II) The agency shall pay the fees and expenses of each consultant hired under Subsection (1)(b)(ii)(B)(I).

(III) The findings of a consultant under this Subsection (1)(b)(ii)(B) shall be binding on the taxing entity committee and the agency.

(2) An agency may not propose a project area plan under Subsection (1) unless the community in which the proposed project area is located:

(a) has a planning commission; and

(b) has adopted a general plan under:

(i) if the community is a [~~city or town~~] municipality, Title 10, Chapter 9a, Part 4, General Plan; or

SB0151S01 compared with SB0151

(ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.

(3) (a) Subject to Subsection (3)(b), ~~[an agency]~~ a board may not approve a project area plan more than one year after adoption of a resolution making a finding of blight under Subsection (1)(a)(ii)(B).

(b) If a project area plan is submitted to an election under Subsection 17C-2-105(3), the time between the plan hearing and the date of the election does not count for purposes of calculating the year period under Subsection (3)(a).

(4) (a) Except as provided in Subsection (4)(b), a ~~[draft]~~ proposed project area plan may not be modified to add real property to the proposed project area unless the board holds a plan hearing to consider the addition and gives notice of the plan hearing as required under Sections ~~[17C-2-502 and 17C-2-504]~~ 17C-1-806 and 17C-1-808.

(b) The notice and hearing requirements under Subsection (4)(a) do not apply to a ~~[draft]~~ proposed project area plan being modified to add real property to the proposed project area if:

(i) the property is contiguous to the property already included in the proposed project area under the ~~[draft]~~ proposed project area plan;

(ii) the record owner of the property consents to adding the real property to the proposed project area; and

(iii) the property is located within the survey area.

Section 81. Section **17C-2-103** is amended to read:

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

(1) Each urban renewal project area plan and ~~[draft]~~ proposed project area plan shall:

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

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

(c) state the standards that will guide the ~~[urban renewal]~~ project area development;

(d) show how the purposes of this title will be attained by the ~~[urban renewal]~~ project area development;

(e) be consistent with the general plan of the community in which the project area is

SB0151S01 compared with SB0151

located and show that the [~~urban renewal~~] project area development will conform to the community's general plan;

(f) describe how the [~~urban renewal~~] project area development will reduce or eliminate blight in the project area;

(g) describe any specific project or projects that are the object of the proposed [~~urban renewal~~] project area development;

(h) identify how [~~private developers, if any;~~] a participant will be selected to undertake the [~~urban renewal~~] project area development and identify each [~~private developer~~] participant currently involved in the [~~urban renewal process~~] project area development;

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

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

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

(l) include the analysis described in Subsection (2);

(m) if any of the existing buildings or uses in the project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, state that the agency shall comply with Section 9-8-404 as though the agency were a state agency; and

(n) include other information that the agency determines to be necessary or advisable.

(2) Each analysis under Subsection (1)(l) shall consider:

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

(i) an evaluation of the reasonableness of the costs of the [~~urban renewal~~] project area development;

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

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

(iv) an estimate of the total amount of tax increment that will be expended in undertaking [~~urban renewal~~] project area development and the [~~length of time for which it will be expended~~] project area funds collection period; and

SB0151S01 compared with SB0151

(b) the anticipated public benefit to be derived from the [~~urban renewal~~] project area development, including:

- (i) the beneficial influences upon the tax base of the community;
- (ii) the associated business and economic activity likely to be stimulated; and
- (iii) whether adoption of the project area plan is necessary and appropriate to reduce or eliminate blight.

Section 82. Section **17C-2-105** is amended to read:

17C-2-105. Objections to urban renewal project area plan -- Owners' alternative project area plan -- Election if 40% of property owners object.

(1) At any time before the plan hearing, any person may file with the agency a written statement of objections to the [~~draft~~] proposed urban renewal project area plan.

(2) If the record owners of property of a majority of the private real property included within the proposed urban renewal project area file a written petition before or at the plan hearing, proposing an alternative project area plan, the agency shall consider that proposed plan in conjunction with the project area plan proposed by the agency.

(3) (a) If the record property owners of at least 40% of the private land area within the most recently proposed urban renewal project area object ~~{}~~in writing~~{}~~ to the [~~draft~~] proposed project area plan before or at the plan hearing, ~~{either in writing or}~~or object orally at the plan hearing, and do not withdraw their objections, an agency may not approve the project area plan until approved by voters within the boundaries of the agency in which the proposed project area is located at an election as provided in Subsection (3)(b).

(b) (i) Except as provided in this section, each election required under Subsection (3)(a) shall comply with Title 20A, Election Code.

(ii) An election under Subsection (3)(a) may be held on the same day and with the same election officials as an election held by the community in which the proposed project area is located.

(iii) If a majority of those voting on the proposed project area plan vote in favor of it, the project area plan shall be considered approved and the agency shall confirm the approval by resolution.

(4) If the record property owners of 2/3 of the private land area within the proposed project area object in writing to the [~~draft~~] proposed project area plan before or at the plan

SB0151S01 compared with SB0151

hearing and do not withdraw their objections, the project area plan may not be adopted and the agency may not reconsider the project area plan for three years.

Section 83. Section **17C-2-106** is amended to read:

17C-2-106. Board resolution approving urban renewal project area plan --

Requirements.

Each board resolution approving a [~~draft~~] proposed urban renewal project area plan as the project area plan under Subsection 17C-2-102(1)(a)(x) shall contain:

- (1) a [~~legal~~] boundary description of the boundaries of the project area that is the subject of the project area plan;
- (2) the agency's purposes and intent with respect to the project area;
- (3) the project area plan incorporated by reference;
- (4) a statement that the board previously made a finding of blight within the project area and the date of the board's finding of blight; and
- (5) the board findings and determinations that:
 - (a) there is a need to effectuate a public purpose;
 - (b) there is a public benefit under the analysis described in Subsection 17C-2-103(2);
 - (c) it is economically sound and feasible to adopt and carry out the project area plan;
 - (d) the project area plan conforms to the community's general plan; and
 - (e) carrying out the project area plan will promote the public peace, health, safety, and welfare of the community in which the project area is located.

Section 84. Section **17C-2-108** is amended to read:

17C-2-108. Notice of urban renewal project area plan adoption -- Effective date of plan -- Contesting the formation of the plan.

(1) (a) Upon the community legislative body's adoption of an urban renewal project area plan, or an amendment to a project area plan under Section 17C-2-110, the community legislative body shall provide notice as provided in Subsection (1)(b) by:

(i) (A) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or

(B) if there is no newspaper of general circulation within the agency's boundaries, causing a notice to be posted in at least three public places within the agency's boundaries; and

(ii) posting a notice on the Utah Public Notice Website described in Section

SB0151S01 compared with SB0151

63F-1-701.

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

(i) set forth the community legislative body's ordinance adopting the project area plan or a summary of the ordinance; and

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

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

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

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

(3) (a) For a period of 30 days after the effective date of the project area plan under Subsection (2), any person [~~in interest~~] may contest the project area plan or the procedure used to adopt the project area plan if the plan or procedure fails to comply with applicable statutory requirements.

(b) After the 30-day period under Subsection (3)(a) expires, [~~no~~] a person may not contest the project area plan or procedure used to adopt the project area plan for any cause.

(4) Upon adoption of the project area plan by the [~~community's~~] community legislative body, the agency may carry out the project area plan.

(5) Each agency shall make the [~~adopted~~] project area plan available to the general public at [~~its offices~~] the agency's office during normal business hours.

Section 85. Section **17C-2-109** is amended to read:

17C-2-109. Agency required to transmit and record documents after adoption of an urban renewal project area plan.

Within 30 days after the community legislative body adopts, under Section 17C-2-107, an urban renewal project area plan, the agency shall:

(1) record with the recorder of the county in which the project area is located a document containing:

(a) a description of the land within the project area;

(b) a statement that the project area plan for the project area has been adopted; and

(c) the date of adoption;

(2) transmit a copy of the description of the land within the project area and an accurate map or plat indicating the boundaries of the project area to the Automated Geographic

SB0151S01 compared with SB0151

Reference Center created under Section 63F-1-506; and

(3) for a project area plan that provides for ~~the payment of tax increment to~~ the agency to receive tax increment, transmit a copy of the description of the land within the project area, a copy of the community legislative body ordinance adopting the project area plan, and a map or plat indicating the boundaries of the project area to:

(a) the auditor, recorder, attorney, surveyor, and assessor of each county in which any part of the project area is located;

(b) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect ~~its~~ the taxing entity's taxes through the county;

(c) the legislative body or governing board of each taxing entity;

(d) the State Tax Commission; and

(e) the State Board of Education.

Section 86. Section **17C-2-110** is amended to read:

17C-2-110. Amending an urban renewal project area plan.

(1) An ~~adopted~~ urban renewal project area plan may be amended as provided in this section.

(2) If an agency proposes to amend ~~an adopted~~ an urban renewal project area plan to enlarge the project area:

(a) subject to Subsection (2)(e), the requirements under this part that apply to adopting a project area plan apply equally to the proposed amendment as if it were a proposed project area plan;

(b) for a pre-July 1, 1993 project area plan, the base year ~~taxable value~~ for the new area added to the project area shall be determined under Subsection 17C-1-102~~(6)~~(9)(a)(i) using the effective date of the amended project area plan;

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

(i) the base year ~~taxable value~~ for the new area added to the project area shall be determined under Subsection 17C-1-102~~(6)~~(9)(a)(ii) using the date of the taxing entity committee's consent referred to in Subsection (2)(c)(ii); and

(ii) the agency shall obtain the consent of the taxing entity committee before the agency may collect tax increment from the area added to the project area by the amendment;

SB0151S01 compared with SB0151

(d) the agency shall make a finding regarding the existence of blight in the area proposed to be added to the project area by following the procedure set forth in Subsections 17C-2-102(1)(a)(i) and (ii); and

(e) the agency need not make a finding regarding the existence of blight in the project area as described in the original project area plan, if the agency made a finding of the existence of blight regarding that project area in connection with adoption of the original project area plan.

(3) If a proposed amendment does not propose to enlarge an urban renewal project area, ~~an agency~~ a board may adopt a resolution approving an amendment to ~~an adopted~~ a project area plan after:

(a) the agency gives notice, as provided in Section ~~[17C-2-502]~~ 17C-1-806, of the proposed amendment and of the public hearing required by Subsection (3)(b);

(b) the ~~agency~~ board holds a public hearing on the proposed amendment that meets the requirements of a plan hearing;

(c) the agency obtains the taxing entity committee's consent to the amendment, if the amendment proposes:

(i) to enlarge the area within the project area from which tax increment is collected;

(ii) to permit the agency to receive a greater percentage of tax increment or to ~~[receive tax increment for a longer period of time]~~ extend the project area funds collection period, or both, than allowed under the adopted project area plan; or

(iii) for an amendment to a project area plan that was adopted before April 1, 1983, to expand the area from which tax increment is collected to exceed 100 acres of private property; and

(d) the agency obtains the consent of the legislative body or governing board of each taxing entity affected, if the amendment proposes to permit the agency to receive, from less than all taxing entities, a greater percentage of tax increment or to ~~[receive tax increment for a longer period of time]~~ extend the project area funds collection period, or both, than allowed under the adopted project area plan.

(4) (a) An ~~adopted~~ urban renewal project area plan may be amended without complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and (b) and without obtaining taxing entity committee approval under Subsection (3)(c) if the

SB0151S01 compared with SB0151

amendment:

(i) makes a minor adjustment in the [legal] boundary description of a project area boundary requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(ii) subject to Subsection (4)(b), removes a parcel [~~of real property~~] from a project area because the agency determines that the parcel is:

~~[(A) the parcel is no longer blighted; or]~~

~~[(B) inclusion of the parcel is no longer necessary or desirable to the project area.]~~

~~{~~ ~~(A) no longer blighted;~~

~~}~~ ~~(B)~~ (A) tax exempt;

(B) no longer blighted; or

(C) no longer necessary or desirable to the project area.

(b) An amendment removing a parcel [~~of real property~~] from a project area under Subsection (4)(a)(ii) may [not] be made without the consent of the record property owner of the parcel being removed.

(5) (a) An amendment approved by board resolution under this section may not take effect until adopted by ordinance of the legislative body of the community in which the project area that is the subject of the project area plan being amended is located.

(b) Upon a community legislative body passing an ordinance adopting an amendment to a project area plan, the agency whose project area plan was amended shall comply with the requirements of Sections 17C-2-108 and 17C-2-109 to the same extent as if the amendment were a project area plan.

(6) (a) Within 30 days after the day on which an amendment to a project area plan becomes effective, a person may contest the amendment to the project area plan or the procedure used to adopt the amendment to the project area plan if the amendment or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (6)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 87. Section **17C-2-201** is amended to read:

17C-2-201. Project area budget -- Requirements for adopting -- Contesting the

SB0151S01 compared with SB0151

budget or procedure -- Time limit.

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

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

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

(A) the ~~[number of tax years for which the agency will be allowed to receive tax increment from the project area]~~ project area funds collection period; and

(B) the percentage of tax increment the agency is ~~[entitled]~~ authorized to receive from the project area under the project area budget; and

(ii) for a project area budget adopted on or after March 30, 2013, unless approval is obtained under Subsection 17C-1-402(4)(b)(vi)(C), the maximum cumulative dollar amount of tax increment that the agency may receive from the project area under the project area budget.

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

(a) prepare a ~~[draft of a]~~ proposed project area budget;

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

(c) provide notice of the budget hearing as required by ~~[Part 5, Urban Renewal Notice Requirements]~~ Chapter 1, Part 8, Hearing and Notice Requirements;

(d) hold a public hearing on the ~~[draft]~~ proposed project area budget and, at that public hearing, allow public comment on:

(i) the ~~[draft]~~ proposed project area budget; and

(ii) whether the ~~[draft]~~ proposed project area budget should be revised, adopted, or rejected;

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

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

(f) if approval of the taxing entity committee is required under Subsection (2)(e)(i), obtain a written certification, signed by an attorney licensed to practice law in this state, stating

SB0151S01 compared with SB0151

that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

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

(i) consider comments made and information presented at the public hearing relating to the ~~[draft]~~ proposed project area budget; and

(ii) adopt by resolution the ~~[draft]~~ proposed project area budget, with any revisions, as the project area budget.

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

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

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

(ii) a ~~[payment]~~ distribution of tax increment to the agency under the project area budget; or

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

Section 88. Section **17C-2-203** is amended to read:

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

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

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

(2) An urban renewal project area budget not required under Subsection (1)(a) to

SB0151S01 compared with SB0151

allocate tax increment for housing may allocate 20% of tax increment ~~[payable to]~~ received by the agency over the life of the project area for housing as provided in Section 17C-1-412 if the project area budget is under a project area plan that is adopted on or after July 1, 1998.

Section 89. Section **17C-2-204** is amended to read:

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

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

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

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

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

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

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

(2) (a) Before a taxing entity committee may consent to an urban renewal project area budget adopted on or after May 1, 2000 that is required under Subsection 17C-2-203(1)(a) to allocate 20% of tax increment for housing, the agency shall:

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

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

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

Section 90. Section **17C-2-206** is amended to read:

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

SB0151S01 compared with SB0151

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

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

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

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee to the same extent that the agency was required to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

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

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

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

(4) If the removal of a parcel under Subsection 17C-2-110(4)(a)(ii) reduces the base taxable value of the project area, an agency may amend the project area budget to conform with the new base taxable value without:

(a) complying with Subsections (2)(a) and (3); and

(b) if applicable, obtaining taxing entity committee approval described in Subsection (2)(b).

~~(4)~~ (5) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted project area budget without the proposed amendment.

~~(5)~~ (6) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

(b) A person who fails to contest a budget amendment under Subsection ~~(5)~~ (6)(a):

SB0151S01 compared with SB0151

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

(ii) may not contest:

(A) a ~~[payment]~~ distribution of tax increment to the agency under the budget amendment; or

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

Section 91. Section **17C-2-207** is amended to read:

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

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

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

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

(ii) following the procedures outlined in this section.

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

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

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

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

(ii) provide notice of the hearing:

(A) as required by ~~[Part 5, Urban Renewal]~~ Chapter 1, Part 8, Hearing and Notice Requirements; and

(B) including the proposed ~~[period of extension of the project area budget]~~ project area budget's extension period; and

(c) after obtaining the ~~[approval of the taxing entity]~~ taxing entity's approval in accordance with Subsection (3)(a), at or after the public hearing, adopt a resolution approving

SB0151S01 compared with SB0151

the extension.

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

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

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

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

(ii) may not contest:

(A) a [~~payment~~] distribution of tax increment to the agency under the budget, as extended; or

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

Section 92. Section **17C-2-303** is amended to read:

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

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

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

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

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

(iv) the present condition or use of the proposed project area substantially impairs the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic liability or is detrimental to the public health, safety, or welfare, as shown by the existence within the proposed project area of at least four of the following factors:

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

SB0151S01 compared with SB0151

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

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

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

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

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

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

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

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

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

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

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

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

(3) (a) For purposes of Subsection (1), if a [~~developer~~] participant involved in the [~~urban renewal~~] project area development has caused a condition listed in Subsection (1)(a)(iv) within the proposed project area, that condition may not be used in the determination of blight.

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

Section 93. Section **17C-3-101.1** is enacted to read:

SB0151S01 compared with SB0151

CHAPTER 3. ECONOMIC DEVELOPMENT

17C-3-101.1. Title.

This chapter is known as "Economic Development."

Section 94. Section **17C-3-101.2** is enacted to read:

17C-3-101.2. Applicability of chapter.

This chapter applies to an economic development project area that is effective:

(1) before May 10, 2016; or

(2) before September 1, 2016, if an agency adopted a resolution in accordance with

Section 17C-3-101.5 before April 1, 2016.

Section 95. Section **17C-3-101.5**, which is renumbered from Section 17C-3-101 is renumbered and amended to read:

~~[17C-3-101].~~ **17C-3-101.5. Resolution authorizing the preparation of a proposed economic development project area plan -- Request to adopt resolution.**

(1) ~~[An agency]~~ A board may begin the process of adopting an economic development project area plan by adopting a resolution that authorizes the preparation of a ~~[draft]~~ proposed project area plan.

(2) (a) Any person or any group, association, corporation, or other entity may submit a written request to the board to adopt a resolution under Subsection (1).

(b) A request under Subsection (2)(a) may include plans showing the ~~[economic]~~ project area development proposed for an area within the agency's boundaries.

(c) The board may, in ~~[its]~~ the board's sole discretion, grant or deny a request under Subsection (2)(a).

Section 96. Section **17C-3-102** is amended to read:

17C-3-102. Process for adopting an economic development project area plan -- Prerequisites -- Restrictions.

(1) In order to adopt an economic development project area plan, after adopting a resolution under Subsection ~~[17C-3-101]~~ 17C-3-101.5(1) the agency shall:

(a) prepare a ~~[draft of an]~~ proposed economic development project area plan and conduct any examination, investigation, and negotiation regarding the project area plan that the agency considers appropriate;

(b) make the ~~[draft]~~ proposed project area plan available to the public at the agency's

SB0151S01 compared with SB0151

offices during normal business hours;

(c) provide notice of the plan hearing as provided in [~~Part 4, Economic Development Notice Requirements~~] Chapter 1, Part 8, Hearing and Notice Requirements;

(d) hold a public hearing on the [~~draft~~] proposed project area plan and, at that public hearing:

(i) allow public comment on:

(A) the [~~draft~~] proposed project area plan; and

(B) whether the [~~draft~~] proposed project area plan should be revised, approved, or rejected; and

(ii) receive all written and hear all oral objections to the [~~draft~~] proposed project area plan;

(e) before holding the plan hearing, provide an opportunity for the State Board of Education and each taxing entity [~~that levies a tax on property~~] within the proposed project area to consult with the agency regarding the [~~draft~~] proposed project area plan;

(f) after holding the plan hearing, at the same meeting or at a subsequent meeting consider:

(i) the oral and written objections to the [~~draft~~] proposed project area plan and evidence and testimony for or against adoption of the [~~draft~~] proposed project area plan; and

(ii) whether to revise, approve, or reject the [~~draft~~] proposed project area plan;

(g) approve the [~~draft~~] proposed project area plan, with or without revisions, as the project area plan by a resolution that complies with Section 17C-3-105; and

(h) submit the project area plan to the community legislative body for adoption.

(2) An agency may not propose a project area plan under Subsection (1) unless the community in which the proposed project area is located:

(a) has a planning commission; and

(b) has adopted a general plan under:

(i) if the community is a [~~city or town~~] municipality, Title 10, Chapter 9a, Part 4, General Plan; or

(ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.

(3) [~~An agency~~] A board may not approve a project area plan more than one year after the date of the plan hearing.

SB0151S01 compared with SB0151

(4) (a) Except as provided in Subsection (4)(b), a ~~[draft]~~ proposed project area plan may not be modified to add ~~[real property]~~ one or more parcels to the proposed project area unless the board holds a plan hearing to consider the addition and gives notice of the plan hearing as required under ~~[Part 4, Economic Development]~~ Chapter 1, Part 8, Hearing and Notice Requirements.

(b) The notice and hearing requirements under Subsection (4)(a) do not apply to a ~~[draft]~~ proposed project area plan being modified to add ~~[real property]~~ one or more parcels to the proposed project area if:

(i) the ~~[property]~~ parcel is contiguous to the ~~[property]~~ parcels already included in the proposed project area under the ~~[draft]~~ proposed project area plan; and

(ii) the record owner of the property consents to adding the ~~[real property]~~ parcel to the proposed project area.

Section 97. Section **17C-3-103** is amended to read:

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

(1) Each economic development project area plan and ~~[draft]~~ proposed project area plan shall:

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

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

(c) state the standards that will guide the ~~[economic]~~ project area development;

(d) show how the purposes of this title will be attained by the ~~[economic]~~ project area development;

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

(f) describe how the ~~[economic]~~ project area development will create additional jobs;

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

(h) identify how ~~[private developers, if any;]~~ a participant will be selected to undertake

SB0151S01 compared with SB0151

the [economic] project area development and identify each [~~private developer~~] participant currently involved in the [economic] project area development [process];

- (i) state the reasons for the selection of the project area;
- (j) describe the physical, social, and economic conditions existing in the project area;
- (k) describe any tax incentives offered private entities for facilities located in the

project area;

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

(m) if any of the existing buildings or uses in the project area are included in or eligible for inclusion in the National Register of Historic Places or the State Register, state that the agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and

(n) include other information that the agency determines to be necessary or advisable.

(2) Each analysis under Subsection (1)(l) shall consider:

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

(i) an evaluation of the reasonableness of the costs of [economic] project area development;

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

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

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

(b) the anticipated public benefit to be derived from the [economic] project area development, including:

- (i) the beneficial influences upon the tax base of the community;
- (ii) the associated business and economic activity likely to be stimulated; and
- (iii) the number of jobs or employment anticipated to be generated or preserved.

Section 98. Section **17C-3-105** is amended to read:

SB0151S01 compared with SB0151

17C-3-105. Board resolution approving an economic development project area plan -- Requirements.

Each board resolution approving a [~~draft~~] proposed economic development project area plan as the project area plan under Subsection 17C-3-102(1)(g) shall contain:

- (1) a [~~legal~~] boundary description of the boundaries of the project area that is the subject of the project area plan;
- (2) the agency's purposes and intent with respect to the project area;
- (3) the project area plan incorporated by reference; and
- (4) the board findings and determinations that:
 - (a) there is a need to effectuate a public purpose;
 - (b) there is a public benefit under the analysis described in Subsection 17C-3-103(2);
 - (c) it is economically sound and feasible to adopt and carry out the project area plan;
 - (d) the project area plan conforms to the community's general plan; and
 - (e) carrying out the project area plan will promote the public peace, health, safety, and welfare of the community in which the project area is located.

Section 99. Section **17C-3-107** is amended to read:

17C-3-107. Notice of economic development project area plan adoption -- Effective date of plan -- Contesting the formation of the plan.

- (1) (a) Upon the community legislative body's adoption of an economic development project area plan, or an amendment to the project area plan under Section 17C-3-109 that requires notice, the legislative body shall provide notice as provided in Subsection (1)(b) by:
 - (i) publishing or causing to be published a notice:
 - (A) in a newspaper of general circulation within the agency's boundaries; or
 - (B) if there is no newspaper of general circulation within the agency's boundaries, causing a notice to be posted in at least three public places within the agency's boundaries; and
 - (ii) on the Utah Public Notice Website described in Section 63F-1-701.
- (b) Each notice under Subsection (1)(a) shall:
 - (i) set forth the community legislative body's ordinance adopting the project area plan or a summary of the ordinance; and
 - (ii) include a statement that the project area plan is available for [~~general~~] public inspection and the hours for inspection.

SB0151S01 compared with SB0151

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

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

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

(3) (a) For a period of 30 days after the effective date of the project area plan under Subsection (2), any person [~~in interest~~] may contest the project area plan or the procedure used to adopt the project area plan if the plan or procedure fails to comply with applicable statutory requirements.

(b) After the 30-day period under Subsection (3)(a) expires, [~~no~~] a person may not contest the project area plan or procedure used to adopt the project area plan for any cause.

(4) Upon adoption of the economic development project area plan by the [~~community's~~] community legislative body, the agency may [~~carry out~~] implement the project area plan.

(5) Each agency shall make the [~~adopted~~] economic development project area plan available to the general public at [~~its offices~~] the agency's office during normal business hours.

Section 100. Section **17C-3-108** is amended to read:

17C-3-108. Agency required to transmit and record documents after adoption of economic development project area plan.

Within 30 days after the community legislative body adopts, under Section 17C-3-106, an economic development project area plan, the agency shall:

(1) record with the recorder of the county in which the economic development project area is located a document containing:

(a) a description of the land within the project area;

(b) a statement that the project area plan for the project area has been adopted; and

(c) the date of adoption;

(2) transmit a copy of the description of the land within the project area and an accurate map or plat indicating the boundaries of the project area to the Automated Geographic Reference Center created under Section 63F-1-506; and

(3) for a project area plan that provides for [~~the payment of tax increment to~~] the agency to receive tax increment, transmit a copy of the description of the land within the project area, a copy of the community legislative body ordinance adopting the project area plan, and a map or plat indicating the boundaries of the project area to:

SB0151S01 compared with SB0151

(a) the auditor, recorder, attorney, surveyor, and assessor of each county in which any part of the project area is located;

(b) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect ~~[its]~~ the taxing entity's taxes through the county;

(c) the legislative body or governing board of each taxing entity;

(d) the State Tax Commission; and

(e) the State Board of Education.

Section 101. Section **17C-3-109** is amended to read:

17C-3-109. Amending an economic development project area plan.

(1) An ~~[adopted]~~ economic development project area plan may be amended as provided in this section.

(2) If an agency proposes to amend an ~~[adopted]~~ economic development project area plan to enlarge the project area:

(a) the requirements under this part that apply to adopting a project area plan apply equally to the proposed amendment as if it were a proposed project area plan;

(b) the base year ~~[taxable value]~~ for the new area added to the project area shall be determined under Subsection 17C-1-102~~[(6)]~~(9)(a)(ii) using the date of the taxing entity committee's consent referred to in Subsection (2)(c); and

(c) the agency shall obtain the consent of the taxing entity committee before the agency may collect tax increment from the area added to the project area by the amendment.

(3) If a proposed amendment does not propose to enlarge an economic development project area, ~~[an agency]~~ a board may adopt a resolution approving an amendment to an ~~[adopted]~~ economic development project area plan after:

(a) the agency gives notice, as provided in ~~[Section 17C-3-402]~~ Chapter 1, Part 8, Hearing and Notice Requirement, of the proposed amendment and of the public hearing required by Subsection (3)(b);

(b) the ~~[agency]~~ board holds a public hearing on the proposed amendment that meets the requirements of a plan hearing;

(c) the agency obtains the taxing entity committee's consent to the amendment, if the amendment proposes:

SB0151S01 compared with SB0151

(i) to enlarge the area within the project area from which tax increment is ~~collected~~ received; or

(ii) to permit the agency to receive a greater percentage of tax increment or to ~~receive tax increment for a longer period of time than allowed~~ extend the project area funds collection period under the ~~adopted~~ economic development project area plan; and

(d) the agency obtains the consent of the legislative body or governing board of each taxing entity affected, if the amendment proposes to permit the agency to receive, from less than all taxing entities, a greater percentage of tax increment or to ~~receive tax increment for a longer period of time~~ extend the project area funds collection period, or both, than allowed under the ~~adopted~~ economic development project area plan.

(4) (a) An ~~adopted~~ economic development project area plan may be amended without complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and (b) and without obtaining taxing entity committee approval under Subsection (3)(c) if the amendment:

(i) makes a minor adjustment in the ~~legal~~ boundary description of a project area boundary requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(ii) subject to Subsection (4)(b), removes a parcel ~~of real property~~ from a project area because the agency determines that ~~inclusion of the parcel is no longer necessary or desirable to the project area~~ the parcel is:

(A) tax exempt; or

(B) no longer necessary or desirable to the project area.

(b) An amendment removing a parcel ~~of real property~~ from a project area under Subsection (4)(a) may ~~not~~ be made without the consent of the record property owner of the parcel being removed.

(5) (a) An amendment approved by board resolution under this section may not take effect until adopted by ordinance of the legislative body of the community in which the project area that is the subject of the project area plan being amended is located.

(b) Upon a community legislative body passing an ordinance adopting an amendment to a project area plan, the agency whose project area plan was amended shall comply with the requirements of Sections 17C-3-107 and 17C-3-108 to the same extent as if the amendment

SB0151S01 compared with SB0151

were a project area plan.

(6) (a) Within 30 days after the day on which an amendment to a project area plan becomes effective, a person may contest the amendment to the project area plan or the procedure used to adopt the amendment to the project area plan if the amendment or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (6)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 102. Section 17C-3-201 is amended to read:

17C-3-201. Economic development project area budget -- Requirements for adopting -- Contesting the budget or procedure -- Time limit.

(1) (a) If an agency anticipates funding all or a portion of a post-June 30, 1993 economic development project area plan with tax increment, the agency shall, subject to Section 17C-3-202, adopt a project area budget as provided in this part.

(b) An economic development project area budget adopted on or after March 30, 2009 shall specify:

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

(A) the [~~number of tax years for which the agency will be allowed to receive tax increment from the project area~~] project area funds collection period; and

(B) the percentage of tax increment the agency is [~~entitled~~] authorized to receive from the project area under the project area budget; and

(ii) for a project area budget adopted on or after March 30, 2013, unless approval is obtained under Subsection 17C-1-402(4)(b)(vi)(C), the maximum cumulative dollar amount of tax increment that the agency may receive from the project area under the project area budget.

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

(a) prepare a [~~draft of an~~] proposed economic development project area budget;

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

(c) provide notice of the budget hearing as required by [~~Part 4, Economic Development~~] Chapter 1, Part 8, Hearing and Notice Requirements;

(d) hold a public hearing on the [~~draft~~] proposed project area budget and, at that public

SB0151S01 compared with SB0151

hearing, allow public comment on:

(i) the [draft] proposed project area budget; and

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

(e) (i) if required under Subsection 17C-3-203(1), obtain the approval of the taxing entity committee on the [draft] proposed project area budget or a revised version of the [draft] proposed project area budget; or

(ii) if applicable, comply with the requirements of Subsection 17C-3-203(2);

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

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

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

(ii) adopt by resolution the [draft] proposed project area budget, with any revisions, as the project area budget.

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

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

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

(ii) a [~~payment~~] distribution of tax increment to the agency under the project area budget; or

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

Section 103. Section **17C-3-203** is amended to read:

17C-3-203. Consent of taxing entity committee required for economic

SB0151S01 compared with SB0151

development project area budget -- Exception.

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

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

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

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

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

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

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

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

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

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

Section 104. Section **17C-3-205** is amended to read:

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

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

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

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

SB0151S01 compared with SB0151

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee to the same extent that the agency was required to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

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

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

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

(4) If the removal of a parcel under Subsection 17C-3-109(4)(a)(ii) reduces the base taxable value of the project area, an agency may amend the project area budget to conform with the new base taxable value without:

(a) complying with Subsections (2)(a) and (3); and

(b) if applicable, obtaining taxing entity committee approval described in Subsection (2)(b).

~~[(4)]~~ (5) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted economic development project area budget without the proposed amendment.

~~[(5)]~~ (6) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

(b) A person who fails to contest a budget amendment under Subsection ~~[(5)]~~ (6)(a):

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

(ii) may not contest:

(A) a ~~[payment]~~ distribution of tax increment to the agency under the budget amendment; or

SB0151S01 compared with SB0151

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

Section 105. Section **17C-3-206** is amended to read:

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

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

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

(i) following the project area budget amendment procedures outlined in Section 17C-3-205; or

(ii) following the procedures outlined in this section.

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

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

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

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

(ii) provide notice of the hearing:

(A) as required by ~~[Part 4, Economic Development]~~ Chapter 1, Part 8, Hearing and Notice Requirements; and

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

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

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

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

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

SB0151S01 compared with SB0151

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

(ii) may not contest:

(A) a ~~[payment]~~ distribution of tax increment to the agency under the budget, as extended; or

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

Section 106. Section **17C-4-101.1** is enacted to read:

CHAPTER 4. COMMUNITY DEVELOPMENT

17C-4-101.1. Title.

This chapter is known as "Community Development."

Section 107. Section **17C-4-101.2** is enacted to read:

17C-4-101.2. Applicability of chapter.

This chapter applies to a community development project area that is effective:

(1) before May 10, 2016; or

(2) before September 1, 2016, if an agency adopted a resolution in accordance with

Section ~~{17C-4-102}~~ 17C-4-101.5 before April 1, 2016.

Section 108. Section **17C-4-101.5**, which is renumbered from Section 17C-4-101 is renumbered and amended to read:

~~[17C-4-101].~~ **17C-4-101.5. Resolution authorizing the preparation of a community development proposed project area plan -- Request to adopt resolution.**

(1) ~~[An agency]~~ A board may begin the process of adopting a community development project area plan by adopting a resolution that authorizes the preparation of a ~~[draft]~~ proposed community development project area plan.

(2) (a) Any person or any group, association, corporation, or other entity may submit a written request to the board to adopt a resolution under Subsection (1).

(b) A request under Subsection (2)(a) may include plans showing the ~~[community]~~ project area development proposed for an area within the agency's boundaries.

(c) The board may, in ~~[its]~~ the board's sole discretion, grant or deny a request under Subsection (2)(a).

Section 109. Section **17C-4-102** is amended to read:

17C-4-102. Process for adopting a community development project area plan -- Prerequisites -- Restrictions.

SB0151S01 compared with SB0151

(1) In order to adopt a community development project area plan, after adopting a resolution under Subsection [~~17C-4-101~~] 17C-4-101.5(1) the agency shall:

(a) prepare a [~~draft of a~~] proposed community development project area plan and conduct any examination, investigation, and negotiation regarding the project area plan that the agency considers appropriate;

(b) make the [~~draft~~] proposed project area plan available to the public at the agency's offices during normal business hours;

(c) provide notice of the plan hearing as [~~provided in Section 17C-4-402~~] described in Chapter 1, Part 8, Hearing and Notice Requirements;

(d) hold a public hearing on the [~~draft~~] proposed project area plan and, at that public hearing:

(i) allow public comment on:

(A) the [~~draft~~] proposed project area plan; and

(B) whether the [~~draft~~] proposed project area plan should be revised, approved, or rejected; and

(ii) receive all written and hear all oral objections to the [~~draft~~] proposed project area plan;

(e) after holding the plan hearing, at the same meeting or at one or more subsequent meetings consider:

(i) the oral and written objections to the [~~draft~~] proposed project area plan and evidence and testimony for or against adoption of the [~~draft~~] proposed project area plan; and

(ii) whether to revise, approve, or reject the [~~draft~~] proposed project area plan;

(f) approve the [~~draft~~] proposed project area plan, with or without revisions, as the project area plan by a resolution that complies with Section 17C-4-104; and

(g) submit the project area plan to the community legislative body for adoption.

(2) An agency may not propose a community development project area plan under Subsection (1) unless the community in which the proposed project area is located:

(a) has a planning commission; and

(b) has adopted a general plan under:

(i) if the community is a [~~city or town~~] municipality, Title 10, Chapter 9a, Part 4, General Plan; or

SB0151S01 compared with SB0151

(ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.

(3) (a) Except as provided in Subsection (3)(b), a ~~[draft]~~ proposed project area plan may not be modified to add ~~[real property]~~ a parcel to the proposed project area unless the board holds a plan hearing to consider the addition and gives notice of the plan hearing as required under ~~[Section 17C-4-402]~~ Chapter 1, Part 8, Hearing and Notice Requirements.

(b) The notice and hearing requirements under Subsection (3)(a) do not apply to a ~~[draft]~~ proposed project area plan being modified to add ~~[real property]~~ a parcel to the proposed project area if:

(i) the ~~[property]~~ parcel is contiguous to ~~[the property]~~ one or more parcels already included in the proposed project area under the ~~[draft]~~ proposed project area plan; and

(ii) the record owner of the property consents to adding the ~~[real property]~~ parcel to the proposed project area.

Section 110. Section **17C-4-103** is amended to read:

17C-4-103. Community development project area plan requirements.

Each community development project area plan and ~~[draft]~~ proposed project area plan shall:

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

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

(3) state the standards that will guide the ~~[community]~~ project area development;

(4) show how the purposes of this title will be attained by the ~~[community]~~ project area development;

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

(6) describe any specific project or projects that are the object of the proposed ~~[community]~~ project area development;

(7) identify how ~~[private developers, if any,]~~ a participant will be selected to undertake the ~~[community]~~ project area development and identify each ~~[private developer]~~ participant

SB0151S01 compared with SB0151

currently involved in the [community] project area development [process];

- (8) state the reasons for the selection of the project area;
- (9) describe the physical, social, and economic conditions existing in the project area;
- (10) describe any tax incentives offered private entities for facilities located in the

project area;

(11) include an analysis or description of the anticipated public benefit to be derived from the [community] project area development, including:

- (a) the beneficial influences upon the tax base of the community; and
- (b) the associated business and economic activity likely to be stimulated; and
- (12) include other information that the agency determines to be necessary or advisable.

Section 111. Section **17C-4-104** is amended to read:

17C-4-104. Board resolution approving a community development project area plan -- Requirements.

Each board resolution approving a [draft] proposed community development project area plan as the project area plan under Subsection 17C-4-102(1)(f) shall contain:

- (1) a [legal] boundary description of the boundaries of the project area that is the subject of the project area plan;
- (2) the agency's purposes and intent with respect to the project area;
- (3) the project area plan incorporated by reference; and
- (4) the board findings and determinations that adoption of the community development project area plan will:

- (a) satisfy a public purpose;
- (b) provide a public benefit as shown by the analysis described in Subsection 17C-4-103(11);
- (c) be economically sound and feasible;
- (d) conform to the community's general plan; and
- (e) promote the public peace, health, safety, and welfare of the community in which the project area is located.

Section 112. Section **17C-4-106** is amended to read:

17C-4-106. Notice of community development project area plan adoption -- Effective date of plan -- Contesting the formation of the plan.

SB0151S01 compared with SB0151

(1) (a) Upon the community legislative body's adoption of a community development project area plan, the community legislative body shall provide notice as provided in Subsection (1)(b) by:

(i) (A) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or

(B) if there is no newspaper of general circulation within the agency's boundaries, causing a notice to be posted in at least three public places within the agency's boundaries; and

(ii) publishing or causing to be published in accordance with Section 45-1-101.

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

(i) set forth the community legislative body's ordinance adopting the community development project area plan or a summary of the ordinance; and

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

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

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

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

(3) (a) For a period of 30 days after the effective date of the community development project area plan under Subsection (2), any person [~~in interest~~] may contest the project area plan or the procedure used to adopt the project area plan if the plan or procedure fails to comply with applicable statutory requirements.

(b) After the 30-day period under Subsection (3)(a) expires, [~~no~~] a person may not contest the community development project area plan or procedure used to adopt the project area plan for any cause.

(4) Upon adoption of the community development project area plan by the [~~community's~~] community legislative body, the agency may carry out the project area plan.

(5) Each agency shall make the adopted project area plan available to the [~~general~~] public at [~~its offices~~] the agency's office during normal business hours.

Section 113. Section **17C-4-107** is amended to read:

17C-4-107. Agency required to transmit and record documents after adoption of community development project area plan.

SB0151S01 compared with SB0151

Within 30 days after the community legislative body adopts, under Section 17C-4-105, a community development project area plan, the agency shall:

- (1) record with the recorder of the county in which the project area is located a document containing:
 - (a) a description of the land within the project area;
 - (b) a statement that the project area plan for the project area has been adopted; and
 - (c) the date of adoption;
- (2) transmit a copy of the description of the land within the project area and an accurate map or plat indicating the boundaries of the project area to the Automated Geographic Reference Center created under Section 63F-1-506; and
- (3) for a project area plan that provides for ~~the payment of tax increment to~~ the agency to receive tax increment, transmit a copy of the description of the land within the project area, a copy of the community legislative body ordinance adopting the project area plan, and a map or plat indicating the boundaries of the project area to:
 - (a) the auditor, recorder, attorney, surveyor, and assessor of each county in which any part of the project area is located;
 - (b) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect ~~its~~ the taxing entity's taxes through the county;
 - (c) the legislative body or governing board of each taxing entity;
 - (d) the State Tax Commission; and
 - (e) the State Board of Education.

Section 114. Section **17C-4-108** is amended to read:

17C-4-108. Amending a community development project area plan.

(1) Except as provided in Subsection (2) and Section 17C-4-109, the requirements under this part that apply to adopting a community development project area plan apply equally to a proposed amendment of a community development project area plan as though the amendment were a proposed project area plan.

(2) (a) Notwithstanding Subsection (1), ~~an adopted~~ a community development project area plan may be amended without complying with the ~~notice and public hearing~~ requirements of ~~this part~~ Chapter 1, Part 8, Hearing and Notice Requirements, if the proposed

SB0151S01 compared with SB0151

amendment:

(i) makes a minor adjustment in the [legal] boundary description of a project area boundary requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(ii) subject to Subsection (2)(b), removes a parcel [~~of real property~~] from a project area because the agency determines that [~~inclusion of the parcel is no longer necessary or desirable to the project area.~~] the parcel is:

(A) tax exempt; or

(B) no longer necessary or desirable to the project area.

(b) An amendment removing a parcel [~~of real property~~] from a community development project area under Subsection (2)(a)(ii) may [not] be made without the consent of the record property owner of the parcel being removed.

(3) (a) An amendment approved by board resolution under this section may not take effect until adopted by ordinance of the legislative body of the community in which the project area that is the subject of the project area plan being amended is located.

(b) Upon a community legislative body passing an ordinance adopting an amendment to a community development project area plan, the agency whose project area plan was amended shall comply with the requirements of Sections 17C-4-106 and 17C-4-107 to the same extent as if the amendment were a project area plan.

(4) (a) Within 30 days after the day on which an amendment to a project area plan becomes effective, a person may contest the amendment to the project area plan or the procedure used to adopt the amendment to the project area plan if the amendment or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (4)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 115. Section **17C-4-109** is amended to read:

17C-4-109. Expedited community development project area plan.

(1) As used in this section, "tax increment incentive" means the portion of tax increment awarded to an industry or business.

(2) A community development project area plan may be adopted or amended without

SB0151S01 compared with SB0151

complying with the notice and public hearing requirements of this part and [~~Section 17C-4-402~~] Chapter 1, Part 8, Hearing and Notice Requirements, if the following requirements are met:

(a) the agency determines by resolution adopted in an open and public meeting the need to create or amend a project area plan on an expedited basis, which resolution shall include a description of why expedited action is needed;

(b) a public hearing on the amendment or adoption of the project area plan is held by the agency;

(c) notice of the public hearing is published at least 14 days before the public hearing on:

(i) the website of the community that created the agency; and

(ii) the Utah Public Notice Website created in Section 63F-1-701;

(d) written consent to the amendment or adoption of the project area plan is given by all record property owners within the existing or proposed project area;

(e) each taxing entity [~~and public entity~~] that will be affected by the tax increment incentive [~~enter~~] enters into or [~~amend~~] amends an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, and Sections 17C-4-201, 17C-4-203, and 17C-4-204;

(f) the primary market for the goods or services that will be created by the industry or business entity that will receive a tax increment incentive from the amendment or adoption of the project area plan is outside of the state;

(g) the industry or business entity that will receive a tax increment incentive from the amendment or adoption of the project area plan is not primarily engaged in retail trade; and

(h) a tax increment incentive is only provided to an industry or business entity:

(i) on a postperformance basis as described in Subsection (3); and

(ii) on an annual basis after the tax increment is received by the agency.

(3) An industry or business entity may only receive a tax increment incentive under this section after entering into an agreement with the agency that sets postperformance targets that shall be met before the industry or business entity may receive the tax increment incentive, including annual targets for:

(a) capital investment in the project area;

SB0151S01 compared with SB0151

- (b) the increase in the taxable value of the project area;
- (c) the number of new jobs created in the project area;
- (d) the average wages of the jobs created, which shall be at least 110% of the prevailing wage of the county where the project area is located; and
- (e) the amount of local vendor opportunity generated by the industry or business entity.

Section 116. Section **17C-4-201** is amended to read:

17C-4-201. Consent of a taxing entity to an agency receiving tax increment or sales tax funds for community development project.

(1) An agency may negotiate with a taxing entity [~~and public entity~~] for the taxing entity's [~~or public entity's~~] consent to the agency receiving the taxing entity's [~~or public entity's tax increment or sales tax revenues, or both,~~] project area funds for the purpose of providing [~~funds~~] money to carry out a proposed or adopted community development project area plan.

(2) The consent of a taxing entity [~~or public entity~~] under Subsection (1) may be expressed in:

- (a) a resolution adopted by the taxing entity [~~or public entity~~]; or
- (b) an interlocal agreement, under Title 11, Chapter 13, Interlocal Cooperation Act, between the taxing entity [~~or public entity~~] and the agency.

(3) Before an agency may use [~~tax increment or sales tax revenues collected~~] project area funds received under a resolution or interlocal agreement adopted for the purpose of providing [~~funds~~] money to [~~carry out~~] implement a proposed or adopted community development project area plan, the agency shall:

(a) obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the agency and the taxing entity have each followed all legal requirements relating to the adoption of the resolution or interlocal agreement, respectively; and

(b) provide a signed copy of the certification described in Subsection (3)(a) to the appropriate taxing entity.

(4) A resolution adopted or interlocal agreement entered under Subsection (2) on or after March 30, 2009 shall specify:

(a) if the resolution or interlocal agreement provides for the agency to be paid tax increment:

- (i) the method of calculating the amount of the taxing entity's tax increment from the

SB0151S01 compared with SB0151

project area that will be paid to the agency, including the agreed base year and agreed base taxable value;

(ii) the ~~[number of tax years that the agency will be paid the taxing entity's tax increment from the project area]~~ project area funds collection period; and

(iii) the percentage of the taxing entity's tax increment or maximum cumulative dollar amount of the taxing entity's tax increment that the agency will be paid; and

(b) if the resolution or interlocal agreement provides for the agency to be paid a ~~[public]~~ taxing entity's sales and use tax revenue:

(i) the method of calculating the amount of the ~~[public]~~ taxing entity's sales and use tax revenue that the agency will be paid;

(ii) ~~[the number of tax years that the agency will be paid the sales tax revenue]~~ the project area funds collection period; and

(iii) the percentage of sales tax revenue or the maximum cumulative dollar amount of sales and use tax revenue that the agency will be paid.

(5) (a) Unless the taxing entity otherwise agrees, an agency may not be paid a taxing entity's tax increment:

(i) that exceeds the percentage or maximum cumulative dollar amount of tax increment specified in the resolution or interlocal agreement under Subsection (2); or

(ii) for more tax years than specified in the resolution or interlocal agreement under Subsection (2).

(b) Unless the ~~[public]~~ taxing entity otherwise agrees, an agency may not be paid a ~~[public]~~ taxing entity's sales and use tax revenue:

(i) that exceeds the percentage or maximum cumulative dollar amount of sales and use tax revenue specified in the resolution or interlocal agreement under Subsection (2); or

(ii) for more tax years than specified in the resolution or interlocal agreement under Subsection (2).

(6) A school district may consent to an agency receiving tax increment from the school district's basic levy only to the extent that the school district also consents to the agency receiving tax increment from the school district's local levy.

(7) (a) A resolution or interlocal agreement under this section may be amended from time to time.

SB0151S01 compared with SB0151

(b) Each amendment of a resolution or interlocal agreement shall be subject to and receive the benefits of the provisions of this part to the same extent as if the amendment were an original resolution or interlocal agreement.

(8) A taxing entity's [~~or public entity's~~] consent to an agency receiving funds under this section is not subject to the requirements of Section 10-8-2.

(9) (a) For purposes of this Subsection (9), "successor taxing entity" means any taxing entity that:

(i) is created after the date of adoption of a resolution or execution of an interlocal agreement under this section; and

(ii) levies a tax on any parcel of property located within the project area that is the subject of the resolution or the interlocal agreement described in Subsection (9)(a)(i).

(b) A resolution or interlocal agreement executed by a taxing entity under this section may be enforced by or against any successor taxing entity.

Section 117. Section **17C-4-202** is amended to read:

17C-4-202. Resolution or interlocal agreement to provide project area funds for the community development project area plan -- Notice -- Effective date of resolution or interlocal agreement -- Time to contest resolution or interlocal agreement -- Availability of resolution or interlocal agreement.

(1) The approval and adoption of each resolution or interlocal agreement under Subsection 17C-4-201(2) shall be in an open and public meeting.

(2) (a) Upon the adoption of a resolution or interlocal agreement under Section 17C-4-201, the agency shall provide notice as provided in Subsection (2)(b) by:

(i) (A) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or

(B) if there is no newspaper of general circulation within the agency's boundaries, causing a notice to be posted in at least three public places within the agency's boundaries; and

(ii) publishing or causing to be published a notice on the Utah Public Notice Website created in Section 63F-1-701.

(b) Each notice under Subsection (2)(a) shall:

(i) set forth a summary of the resolution or interlocal agreement; and

(ii) include a statement that the resolution or interlocal agreement is available for

SB0151S01 compared with SB0151

[~~general~~] public inspection and the hours of inspection.

(3) The resolution or interlocal agreement shall become effective on the date of:

(a) if notice was published under Subsection (2)(a)(i)(A) or (2)(a)(ii), publication of the notice; or

(b) if notice was posted under Subsection (2)(a)(i)(B), posting of the notice.

(4) (a) For a period of 30 days after the effective date of the resolution or interlocal agreement under Subsection (3), any person [~~in interest~~] may contest the resolution or interlocal agreement or the procedure used to adopt the resolution or interlocal agreement if the resolution or interlocal agreement or procedure fails to comply with applicable statutory requirements.

(b) After the 30-day period under Subsection (4)(a) expires, a person may not [~~for any cause,~~] contest:

(i) the resolution or interlocal agreement;

(ii) a [~~payment~~] distribution of tax increment to the agency under the resolution or interlocal agreement; or

(iii) the agency's use of [~~tax increment~~] project area funds under the resolution or interlocal agreement.

(5) Each agency that is to receive project area funds under a resolution or interlocal agreement under Section 17C-4-201 and each taxing entity [~~or public entity~~] that approves a resolution or enters into an interlocal agreement under Section 17C-4-201 shall make the resolution or interlocal agreement, as the case may be, available at [~~its~~] the taxing entity's offices to the [~~general~~] public for inspection and copying during normal business hours.

Section 118. Section **17C-4-203** is amended to read:

17C-4-203. Requirement to file a copy of the resolution or interlocal agreement -- County payment of tax increment to the agency.

(1) Each agency that is to receive funds under a resolution or interlocal agreement under Section 17C-4-201 shall, within 30 days after the effective date of the resolution or interlocal agreement, file a copy of it with:

(a) the State Tax Commission, the State Board of Education, and the state auditor; and

(b) the auditor of the county in which the project area is located, if the resolution or interlocal agreement provides for the agency to receive tax increment from the taxing entity [~~or~~

SB0151S01 compared with SB0151

~~public entity~~] that adopted the resolution or entered into the interlocal agreement.

(2) Each county that collects property tax on property within a community development project area shall, in the manner and at the time provided in Section 59-2-1365, pay and distribute to the agency the tax increment that the agency is ~~[entitled]~~ authorized to receive under a resolution approved or an interlocal agreement adopted under Section 17C-4-201.

Section 119. Section **17C-4-204** is amended to read:

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

(1) An agency may prepare and, by resolution adopted at a regular or special meeting of the ~~[agency]~~ board, adopt a community development project area budget setting forth:

(a) the anticipated costs, including administrative costs, of implementing the community development project area plan; and

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

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

(3) Each resolution to adopt or amend a budget under this section shall appear as an item on the agenda for the regular or special ~~[agency]~~ board meeting at which the resolution is adopted without additional required notice.

(4) An agency is not required to obtain ~~[approval of the]~~ taxing entity or taxing entity committee ~~[for]~~ approval to adopt or amend a community development project area budget.

Section 120. Section **17C-5-101** is enacted to read:

CHAPTER 5. COMMUNITY REINVESTMENT

Part 1. Community Reinvestment Project Area Plan

17C-5-101. Title.

(1) This chapter is known as "Community Reinvestment."

(2) This part is known as "Community Reinvestment Project Area Plan."

Section 121. Section **17C-5-102** is enacted to read:

17C-5-102. Applicability of chapter.

This chapter applies to a community reinvestment project area created on or after May

SB0151S01 compared with SB0151

10, 2016.

Section 122. Section **17C-5-103** is enacted to read:

17C-5-103. Initiating a community reinvestment project area plan.

(1) A board shall initiate the process of adopting a community reinvestment project area plan by adopting a survey area resolution that:

(a) designates a geographic area located within the agency's boundaries as a survey area;

(b) contains a description or map of the boundaries of the survey area;

(c) contains a statement that the survey area requires study to determine whether project area development is feasible within one or more proposed community reinvestment project areas within the survey area; and

(d) authorizes the agency to:

(i) prepare a proposed community reinvestment project area plan for each proposed community reinvestment project area; and

(ii) conduct any examination, investigation, or negotiation regarding the proposed community reinvestment project area that the agency considers appropriate.

(2) If an agency anticipates an activity described in Subsection 17C-5-402(1) within the survey area, the resolution described in Subsection (1) shall include:

(a) a statement that the survey area requires study to determine whether blight exists within the survey area; and

(b) authorization for the agency to conduct a blight study in accordance with Section 17C-5-403.

Section 123. Section **17C-5-104** is enacted to read:

17C-5-104. Process for adopting a community reinvestment project area plan -- Prerequisites -- Restrictions.

(1) An agency may not propose a community reinvestment project area plan unless the community in which the proposed community reinvestment project area plan is located:

(a) has a planning commission; and

(b) has adopted a general plan under:

(i) if the community is a municipality, Title 10, Chapter 9a, Part 4, General Plan; or

(ii) if the community is a county, Title 17, Chapter 27a, Part 4, General Plan.

SB0151S01 compared with SB0151

(2) (a) Before an agency may adopt a proposed community reinvestment project area plan, the agency shall make a blight determination in accordance with Section 17C-5-402 if the agency anticipates an activity described in Subsection 17C-5-402(1) for which a blight determination is required.

(b) If applicable, an agency may not approve a community reinvestment project area plan more than one year after the adoption of a resolution making a finding of blight under Section 17C-5-402.

(3) To adopt a community reinvestment project area plan, an agency shall:

(a) prepare a proposed community reinvestment project area plan in accordance with Section 17C-5-105;

(b) make the proposed community reinvestment project area plan available to the public at the agency's office during normal business hours for at least 30 days before the plan hearing described in Subsection (3)(e);

(c) before holding the plan hearing described in Subsection (3)(e), provide an opportunity for the State Board of Education and each taxing entity that levies or imposes a tax within the proposed community reinvestment project area to consult with the agency regarding the proposed community reinvestment project area plan;

(d) provide notice of the plan hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements;

(e) hold a plan hearing on the proposed community reinvestment project area plan and, at the plan hearing:

(i) allow public comment on:

(A) the proposed community reinvestment project area plan; and

(B) whether the agency should revise, approve, or reject the proposed community reinvestment project area plan; and

(ii) receive all written and oral objections to the proposed community reinvestment project area plan; and

(f) following the plan hearing described in Subsection (3)(e), or at a subsequent agency meeting:

(i) consider:

(A) the oral and written objections to the proposed community reinvestment project

SB0151S01 compared with SB0151

area plan and evidence and testimony for and against adoption of the proposed community reinvestment project area plan; and

(B) whether to revise, approve, or reject the proposed community reinvestment project area plan;

(ii) adopt a resolution in accordance with Section 17C-5-108 that approves the proposed community reinvestment project area plan, with or without revisions, as the community reinvestment project area plan; and

(iii) submit the community reinvestment project area plan to the community legislative body for adoption.

(4) (a) Except as provided in Subsection (4)(b), an agency may not modify a proposed community reinvestment project area plan to add a parcel to the proposed community reinvestment project area unless the agency holds a plan hearing to consider the addition and gives notice of the plan hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements.

(b) The notice and hearing requirements described in Subsection (4)(a) do not apply to a proposed community reinvestment project area plan being modified to add a parcel to the proposed community reinvestment project area if:

(i) the parcel is contiguous to one or more parcels already included in the proposed community reinvestment project area under the proposed community reinvestment project area plan;

(ii) the record owner of the parcel consents to adding the parcel to the proposed community reinvestment project area; and

(iii) the parcel is located within the survey area.

Section 124. Section **17C-5-105** is enacted to read:

17C-5-105. Community reinvestment project area plan requirements.

(1) Each community reinvestment project area plan and proposed community reinvestment project area plan shall:

(a) subject to Section 17C-1-414, if applicable, include a boundary description and a map of the community reinvestment project area;

(b) contain a general statement of the existing land uses, layout of principal streets, population densities, and building intensities of the community reinvestment project area and

SB0151S01 compared with SB0151

how each will be affected by the project area development;

(c) state the standards that will guide the project area development;

(d) show how the project area development will further purposes of this title;

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

(f) if applicable, describe how project area development will eliminate or reduce blight in the community reinvestment project area;

(g) describe any specific project area development that is the object of the community reinvestment project area plan;

(h) if applicable, explain how the agency plans to select a participant;

(i) state each reason the agency selected the community reinvestment project area;

(j) describe the physical, social, and economic conditions that exist in the community reinvestment project area;

(k) describe each type of financial assistance that the agency anticipates offering a participant;

(l) report the results of the public benefit analysis described in Subsection (2);

(m) if applicable, state that the agency shall comply with Section 9-8-404 as required under Section 17C-5-106;

(n) state whether the community reinvestment project area plan or proposed community reinvestment project area plan is subject to a taxing entity committee or an interlocal agreement; and

(o) include other information that the agency determines to be necessary or advisable.

(2) (a) An agency shall conduct an analysis in accordance with Subsection (2)(b) to determine whether the proposed community reinvestment project area plan will provide a public benefit.

(b) The analysis described in Subsection (2)(a) shall consider:

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

(A) an evaluation of the reasonableness of the costs of the proposed project area development;

SB0151S01 compared with SB0151

(B) efforts that have been, or will be made, to maximize private investment;

(C) the rationale for use of project area funds, including an analysis of whether the proposed project area development might reasonably be expected to occur in the foreseeable future solely through private investment; and

(D) an estimate of the total amount of project area funds that the agency intends to spend on project area development and the length of time over which the project area funds will be spent; and

(ii) the anticipated public benefit derived from the proposed project area development, including:

(A) the beneficial influences on the community's tax base;

(B) the associated business and economic activity the proposed project area development will likely stimulate; and

(C) whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area development.

Section 125. Section **17C-5-106** is enacted to read:

17C-5-106. Existing and historic buildings and uses in a community reinvestment project area.

An agency shall comply with Section 9-8-404 as though the agency is a state agency if:

(1) any of the existing buildings or uses in a community reinvestment project area are included in, or eligible for inclusion in, the National Register of Historic Places or the State Register; and

(2) the agency spends agency funds on the demolition or rehabilitation of existing buildings described in Subsection (1).

Section 126. Section **17C-5-107** is enacted to read:

17C-5-107. Objections to a community reinvestment project area plan.

(1) ~~At any time before or during a plan hearing, a~~ ^A person may object ~~in writing or orally~~ to a proposed community reinvestment project area plan:

~~(a) in writing at any time before or during a plan hearing; or~~

~~(b) orally during a plan hearing.~~

(2) An agency may not approve a proposed community reinvestment project area plan if, after receiving public comment at a plan hearing in accordance with Subsection

SB0151S01 compared with SB0151

17C-5-104(3)(e)(i), the record property owners of at least 51% of the private land area within the **most recently** proposed community reinvestment project area object to the proposed community reinvestment project area plan.

Section 127. Section **17C-5-108** is enacted to read:

17C-5-108. Board resolution approving a community reinvestment project area plan ~~with~~ Requirements.

A board resolution approving a proposed community reinvestment area plan as the community reinvestment project area plan under Section 17C-5-104 shall contain:

(1) a boundary description of the community reinvestment project area that is the subject of the community reinvestment project area plan;

(2) the agency's purposes and intent with respect to the community reinvestment project area;

(3) the proposed community reinvestment project area plan incorporated by reference;

(4) the board findings and determinations that the proposed community reinvestment project area plan:

(a) serves a public purpose;

(b) produces a public benefit as demonstrated by the analysis described in Subsection 17C-5-105(2);

(c) is economically sound and feasible;

(d) conforms to the community's general plan; and

(e) promotes the public peace, health, safety, and welfare of the community in which the proposed community reinvestment project area is located; and

(5) if the board made a finding of blight under Section 17C-5-402, a statement that the board made a finding of blight within the proposed community reinvestment project area and the date on which the board made the finding of blight.

Section 128. Section **17C-5-109** is enacted to read:

17C-5-109. Community reinvestment project area plan to be adopted by community legislative body.

(1) A proposed community reinvestment project area plan approved by board resolution under Section 17C-5-104 may not take effect until the community legislative body:

(a) by ordinance, adopts the proposed community reinvestment project area plan; and

SB0151S01 compared with SB0151

(b) provides notice in accordance with Section 17C-5-110.

(2) An ordinance described in Subsection (1)(a) shall designate the community reinvestment project area plan as the official plan of the community reinvestment project area.

Section 129. Section 17C-5-110 is enacted to read:

17C-5-110. Notice of community reinvestment project area plan adoption ~~{--}~~==

Effective date of plan ~~{--}~~== Contesting the formation of the plan.

(1) (a) Upon a community legislative body's adoption of a community reinvestment project area plan in accordance with Section 17C-5-109, or an amendment to a community reinvestment project area plan in accordance with Section 17C-5-112, the community legislative body shall provide notice of the adoption or amendment in accordance with Subsection (1)(b) by:

(i) (A) causing a notice to be published in a newspaper of general circulation within the community; or

(B) if there is no newspaper of general circulation within the community, causing a notice to be posted in at least three public places within the community; and

(ii) posting a notice on the Utah Public Notice Website described in Section 63F-1-701.

(b) A notice described in Subsection (1)(a) shall include:

(i) a copy of the community legislative body's ordinance, or a summary of the ordinance, that adopts the community reinvestment project area plan; and

(ii) a statement that the community reinvestment project area plan is available for public inspection and the hours for inspection.

(2) A community reinvestment project area plan is effective on the day on which notice of adoption is published or posted in accordance with Subsection (1)(a).

(3) A community reinvestment project area is considered created the day on which the community reinvestment project area plan becomes effective as described in Subsection (2).

(4) (a) Within 30 days after the day on which a community reinvestment project area plan is effective, a person may contest the community reinvestment project area plan or the procedure used to adopt the community reinvestment project area plan if the community reinvestment project area plan or the procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (4)(a) expires, a person may not

SB0151S01 compared with SB0151

contest the community reinvestment project area plan or the procedure used to adopt the community reinvestment project area plan.

(5) Upon adoption of a community reinvestment project area plan by the community legislative body, the agency may implement the community reinvestment project area plan.

(6) The agency shall make the community reinvestment project area plan available to the public at the agency's office during normal business hours.

Section 130. Section **17C-5-111** is enacted to read:

17C-5-111. Agency required to transmit and record documentation after adoption of community reinvestment project area plan.

Within 30 days after the day on which a community legislative body adopts a community reinvestment project area plan under Section 17C-5-109, the agency shall:

(1) record with the recorder of the county in which the community reinvestment project area is located a document containing:

(a) the name of the community reinvestment project area;

(b) a boundary description of the community reinvestment project area; and

(c) (i) a statement that the community legislative body adopted the community reinvestment project area plan; and

(ii) the day on which the community legislative body adopted the community reinvestment project area plan;

(2) transmit a copy of a description of the land within the community reinvestment project area and an accurate map or plat indicating the boundaries of the community reinvestment project area to the Automated Geographic Reference Center created in Section 63F-1-506; and

(3) for a community reinvestment project area plan that provides for the ~~payment of~~ ~~agency to receive~~ tax increment ~~to the agency~~, transmit a copy of a description of the land within the community reinvestment project area, a copy of the community legislative body ordinance adopting the community reinvestment project area plan, and an accurate map or plat indicating the boundaries of the community reinvestment project area to:

(a) the auditor, recorder, county or district attorney, surveyor, and assessor of each county in which any part of the community reinvestment project area is located;

(b) the officer or officers performing the function of auditor or assessor for each taxing

SB0151S01 compared with SB0151

entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;

(c) the legislative body or governing board of each taxing entity;

(d) the State Tax Commission; and

(e) the State Board of Education.

Section 131. Section **17C-5-112** is enacted to read:

17C-5-112. Amending a community reinvestment area plan.

(1) An agency may amend a community reinvestment project area plan in accordance with this section.

(2) (a) If an amendment proposes to enlarge a community reinvestment project area's geographic area, the agency shall:

(i) comply with this part as though the agency were creating a community reinvestment project area;

(ii) if the agency anticipates receiving project area funds from the area proposed to be added to the community reinvestment project area, before the agency may collect project area funds:

(A) for a community reinvestment project area plan that is subject to a taxing entity committee, obtain approval to receive tax increment from the taxing entity committee; or

(B) for a community reinvestment project area plan that is subject to an interlocal agreement, obtain the approval of the taxing entity that is a party to the interlocal agreement; and

(iii) if the agency anticipates activity within the area proposed to be added to the community reinvestment project area that requires a finding of blight under Subsection 17C-5-402(2), follow the procedures described in Section 17C-5-402.

(b) The base year for the area proposed to be added to the community reinvestment project area shall be determined using the date of:

(i) the taxing entity committee's consent as described in Subsection (2)(a)(ii)(A); or

(ii) the taxing entity's consent as described in Subsection (2)(a)(ii)(B).

(3) If an amendment does not propose to enlarge a community reinvestment project area's geographic area, the board may adopt a resolution approving the amendment after the agency:

SB0151S01 compared with SB0151

(a) if the amendment does not propose to allow the agency to receive a greater amount of project area funds or to extend a project area funds collection period:

(i) gives notice in accordance with Section 17C-1-806; and

(ii) holds a public hearing on the proposed amendment that meets the requirements described in Subsection 17C-5-104(2); or

(b) if the amendment proposes to also allow the agency to receive a greater amount of project area funds or to extend a project area funds collection period:

(i) complies with Subsection (3)(a)(i) and (ii); and

(ii) (A) for a community reinvestment project area plan that is subject to a taxing entity committee, obtains approval from the taxing entity committee; or

(B) for a community reinvestment project area plan that is subject to an interlocal agreement, obtains approval to receive project area funds from the taxing entity that is a party to the interlocal agreement.

(4) An agency may amend a community reinvestment project area plan without obtaining the consent of a taxing entity or a taxing entity committee and without providing notice or holding a public hearing if the amendment:

(a) makes a minor adjustment in the community reinvestment project area boundary that is requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(b) removes a parcel from a community reinvestment project area because the agency determines that the parcel is:

~~{ (i) no longer blighted;~~

~~{ (iii) tax exempt;~~

(ii) no longer blighted; or

(iii) no longer necessary or desirable to the project area.

(5) (a) An amendment approved by board resolution under this section may not take effect until the community legislative body adopts an ordinance approving the amendment.

(b) Upon the community legislative body adopting an ordinance approving an amendment under Subsection (5)(a), the agency shall comply with the requirements described in Sections 17C-5-110 and 17C-5-111 as if the amendment were a community reinvestment project area plan.

SB0151S01 compared with SB0151

(6) (a) Within 30 days after the day on which an amendment to a project area plan becomes effective, a person may contest the amendment to the project area plan or the procedure used to adopt the amendment to the project area plan if the amendment or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (6)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 132. Section **17C-5-113** is enacted to read:

17C-5-113. Expedited community reinvestment project area plan.

(1) As used in this section:

(a) "Qualified business entity" means a business entity that:

(i) has a primary market for the qualified business entity's goods or services outside of the state; and

(ii) is not primarily engaged in retail sales.

(b) "Tax increment incentive" means the portion of an agency's tax increment that is paid to a qualified business entity for the purpose of implementing a community reinvestment project area plan.

(2) An agency and a qualified business entity may, in accordance with Subsection (3), enter into an agreement that allows the qualified business entity to receive a tax increment incentive.

(3) An agreement described in Subsection (2) shall set annual postperformance targets for:

(a) capital investment within the community reinvestment project area;

(b) the number of new jobs created within the community reinvestment project area;

(c) the average wage of the jobs described in Subsection (3)(b) that is at least 110% of the prevailing wage of the county within which the community reinvestment project area is located; and

(d) the amount of local vendor opportunity generated by the qualified business entity.

(4) A qualified business entity may only receive a tax increment incentive:

(a) if the qualified business entity complies with the agreement described in Subsection (3);

SB0151S01 compared with SB0151

(b) on a postperformance basis; and

(c) on an annual basis after the agency receives tax increment from a taxing entity.

(5) An agency may create or amend a community reinvestment project area plan for the purpose of providing a tax increment incentive without complying with the requirements described in Chapter 1, Part 8, Hearing and Notice Requirements, if:

(a) the agency:

(i) holds a public hearing to consider the need to create or amend a community reinvestment project area plan on an expedited basis;

(ii) posts notice at least 14 days before the day on which the public hearing described in Subsection (5)(a)(i) is held on:

(A) the community's website; and

(B) the Utah Public Notice Website as described in Section 63F-1-701; and

(iii) at the hearing described in Subsection (5)(a)(i), adopts a resolution to create or amend the community reinvestment project area plan on an expedited basis;

(b) all record property owners within the existing or proposed community reinvestment project area plan give written consent; and

(c) each taxing entity affected by the tax increment incentive consents and enters into an interlocal agreement with the agency authorizing the agency to pay a tax increment incentive to the qualified business entity.

Section 133. Section **17C-5-201** is enacted to read:

Part 2. Community Reinvestment Project Area Funds

17C-5-201. Title.

This part is known as "Community Reinvestment Project Area Funds."

Section 134. Section **17C-5-202** is enacted to read:

17C-5-202. Community reinvestment project area funding options.

(1) (a) Except as provided in Subsection (1)(b), for the purpose of ~~funding~~receiving project area ~~development~~funds for use within a community reinvestment project area, an agency shall negotiate and enter into an interlocal agreement with a taxing entity in accordance with Section 17C-5-204 to receive all or a portion of the taxing entity's tax increment or sales and use tax revenue in accordance with the interlocal agreement.

(b) If an agency plans to use eminent domain to acquire property within a community

SB0151S01 compared with SB0151

reinvestment project area, the agency shall create a taxing entity committee as described in Section 17C-1-402 and receive tax increment in accordance with Section 17C-5-203.

(2) An agency shall comply with Chapter 5, Part 3, Community Reinvestment Project Area Budget, regardless of whether an agency enters into an interlocal agreement under Subsection (1)(a) or creates a taxing entity committee under Subsection (1)(b).

Section 135. Section **17C-5-203** is enacted to read:

17C-5-203. Community reinvestment project area subject to taxing entity committee -- Tax increment.

(1) This section applies to a community reinvestment project area that is subject to a taxing entity committee under Subsection 17C-5-202(1)(b).

(2) Subject to the taxing entity committee's approval of a community reinvestment project area budget under Section 17C-5-304, and for the purpose of implementing a community reinvestment project area plan, an agency may receive up to 100% of a taxing entity's tax increment, or any specified dollar amount of tax increment, for any period of time.

(3) Notwithstanding Subsection (2), an agency that adopts a community reinvestment project area plan that is subject to a taxing entity committee may negotiate and enter into an interlocal agreement with a taxing entity and receive all or a portion of the taxing entity's sales and use tax revenue for any period of time.

Section 136. Section **17C-5-204** is enacted to read:

17C-5-204. Community reinvestment project area subject to interlocal agreement -- Consent of a taxing entity to an agency receiving project area funds.

(1) As used in this section, "successor taxing entity" means a taxing entity that:

(a) is created after the day on which an interlocal agreement is executed to allow an agency to receive a taxing entity's project area funds; and

(b) levies or imposes a tax within the community reinvestment project area.

(2) This section applies to a community reinvestment project area that is subject to an interlocal agreement under Subsection 17C-5-202(1)(a).

(3) For the purpose of implementing a community reinvestment project area plan, an agency may negotiate with a taxing entity for all or a portion of the taxing entity's project area funds.

(4) A taxing entity may agree to ~~pay~~ allow an agency to receive the taxing entity's

SB0151S01 compared with SB0151

project area funds by executing an interlocal agreement with the agency in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

(5) Before an agency may use project area funds received under an interlocal agreement described in Subsection (4), the agency shall:

(a) obtain a written certification, signed by an attorney licensed to practice law in the state, stating that the agency and the taxing entity have each followed all legal requirements relating to the adoption of the interlocal agreement; and

(b) provide a signed copy of the certification described in Subsection (5)(a) to the taxing entity.

(6) An interlocal agreement described in Subsection (4) shall:

(a) if the interlocal agreement provides for the ~~{taxing entity to pay the }~~agency to receive tax increment, state:

(i) the method of calculating the amount of the taxing entity's tax increment from the community reinvestment project area that the ~~{taxing entity will pay to the }~~agency receives, including the base year and base taxable value;

(ii) the project area funds collection period; and

(iii) the percentage of the taxing entity's tax increment or the maximum cumulative dollar amount of the taxing entity's tax increment that the ~~{taxing entity will pay the }~~agency receives;

(b) if the interlocal agreement provides for the ~~{taxing entity to pay the }~~agency to receive the taxing entity's sales and use tax revenue, state:

(i) the method of calculating the amount of the taxing entity's sales and use tax revenue that the ~~{taxing entity will pay the }~~agency receives;

(ii) the project area funds collection period; and

(iii) the percentage of sales tax revenue or the maximum cumulative dollar amount of sales and use tax revenue that the ~~{taxing entity will pay the }~~agency receives; and

(c) include a copy of the community reinvestment project area budget.

(7) A school district may consent to ~~{pay}~~allow an agency to receive tax increment from the school district's basic levy only to the extent that the school district also consents to ~~{pay}~~allow the agency to receive tax increment from the school district's local levy.

(8) The parties may amend an interlocal agreement under this section by mutual

SB0151S01 compared with SB0151

consent.

(9) A taxing entity's consent to ~~pay~~ allow an agency to receive project area funds under this section is not subject to the requirements of Section 10-8-2.

(10) An interlocal agreement executed by a taxing entity under this section may be enforced by or against any successor taxing entity.

Section 137. Section **17C-5-205** is enacted to read:

17C-5-205. Interlocal agreement to provide project area funds for the community reinvestment project area subject to interlocal agreement -- Notice -- Effective date of interlocal agreement -- Time to contest interlocal agreement -- Availability of interlocal agreement.

(1) The agency shall approve and adopt an interlocal agreement described in Section 17C-5-204 at an open and public meeting.

(2) (a) Upon the execution of an interlocal agreement described in Section 17C-5-204, the agency shall provide notice of the execution by:

(i) (A) publishing or causing to be published a notice in a newspaper of general circulation within the agency's boundaries; or

(B) if there is no newspaper of general circulation within the agency's boundaries, causing the notice to be posted in at least three public places within the agency's boundaries; and

(ii) publishing or causing the notice to be published on the Utah Public Notice Website created in Section 63F-1-701.

(b) A notice described in Subsection (2)(a) shall include:

(i) a summary of the interlocal agreement; and

(ii) a statement that the interlocal agreement is available for public inspection and the hours for inspection.

(3) An interlocal agreement described in Section 17C-5-204 is effective the day on which the notice described in Subsection (2) is published or posted in accordance with Subsection (2)(a).

(4) (a) Within 30 days after the day on which the interlocal agreement is effective, a person may contest the interlocal agreement or the procedure used to adopt the interlocal agreement if the interlocal agreement or procedure fails to comply with a provision of this title.

SB0151S01 compared with SB0151

(b) After the 30-day period described in Subsection (4)(a) expires, a person may not contest:

(i) the interlocal agreement;

(ii) a ~~payment~~ distribution of tax increment to the agency under the interlocal agreement; or

(iii) the agency's use of project area funds under the interlocal agreement.

(5) A taxing entity that enters into an interlocal agreement under Section 17C-5-204 shall make a copy of the interlocal agreement available to the public at the taxing entity's office for inspection and copying during normal business hours.

Section 138. Section **17C-5-206** is enacted to read:

17C-5-206. Requirement to file a copy of the interlocal agreement -- County payment of tax increment.

(1) An agency that receives project area funds under an interlocal agreement shall, within 30 days after the day on which the interlocal agreement is effective, file a copy of the interlocal agreement with:

(a) the State Tax Commission, the State Board of Education, and the state auditor; and

(b) the auditor of the county in which the community reinvestment project area is located, if the interlocal agreement authorizes the agency to receive tax increment.

(2) A county that collects property tax on property within a community reinvestment project area that is subject to an interlocal agreement shall, in accordance with Section 59-2-1365, pay and distribute to the agency the tax increment that the agency is authorized to receive under the interlocal agreement.

Section 139. Section **17C-5-301** is enacted to read:

Part 3. Community Reinvestment Project Area Budget

17C-5-301. Title.

This part is known as "Community Reinvestment Project Area Budget."

Section 140. Section **17C-5-302** is enacted to read:

17C-5-302. Procedure for adopting a community reinvestment project area budget -- Contesting the budget -- Time limit.

(1) An agency shall adopt a community reinvestment project area budget in accordance with this part.

SB0151S01 compared with SB0151

(2) To adopt a community reinvestment project area budget, an agency shall:

(a) prepare a proposed community reinvestment project area budget in accordance with Section 17C-5-303;

(b) obtain the consent of the taxing entity committee or taxing entity in accordance with Section 17C-5-304;

(c) make a copy of the proposed community reinvestment project area budget available to the public at the agency's office during normal business hours for at least 30 days before the budget hearing described in Subsection (2)(e);

(d) provide notice of the budget hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements;

(e) hold a budget hearing on the proposed community reinvestment project area budget and, at the budget hearing, allow public comment on:

(i) the proposed community reinvestment project area budget; and

(ii) whether the agency should revise, adopt, or reject the proposed community reinvestment project area budget; and

(f) after the budget hearing described in Subsection (2)(e), or at a subsequent meeting:

(i) consider the comments and information from the budget hearing relating to the proposed community reinvestment project area budget; and

(ii) reject or adopt by resolution the proposed community reinvestment project area budget, with any revisions, as the community reinvestment project area budget.

(3) (a) Within 30 days after the day on which the agency adopts a community reinvestment project area budget, a person may contest the community reinvestment project area budget or the procedure used to adopt the community reinvestment project area budget if the community reinvestment project area budget or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (3)(a) expires, a person may not contest:

(i) the community reinvestment project area budget or the procedure used by the taxing entity, the taxing entity committee, or the agency to adopt the community reinvestment project area budget;

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

SB0151S01 compared with SB0151

(iii) the agency's use of project area funds under the community reinvestment project area budget.

Section 141. Section **17C-5-303** is enacted to read:

17C-5-303. Community reinvestment project area budget -- Requirements.

A community reinvestment project area budget shall include:

(1) if the agency receives tax increment:

(a) the base taxable value;

(b) the projected amount of tax increment to be generated within the community reinvestment project area;

(c) each project area funds collection period;

(d) if applicable, the projected amount of tax increment to be paid to other taxing entities in accordance with Section 17C-1-410;

(e) if the area from which tax increment is collected is less than the entire community reinvestment project area:

(i) a boundary description of the portion or portions of the community reinvestment project area from which the agency receives tax increment; and

(ii) for each portion described in Subsection (1)(e)(i), the period of time during which tax increment is collected;

(f) the percentage of tax increment the agency is authorized to receive from the community reinvestment project area; and

(g) the maximum cumulative dollar amount of tax increment the agency is authorized to receive from the community reinvestment project area;

(2) if the agency receives sales and use tax revenue:

(a) the percentage and total amount of sales and use tax revenue to be paid to the agency; and

(b) each project area funds collection period;

(3) the amount of project area funds the agency will use to implement the community reinvestment project area plan, including the estimated amount of project area funds that will be used for land acquisition, public improvements, infrastructure improvements, or any loans, grants, or other incentives to private or public entities;

(4) the agency's combined incremental value;

SB0151S01 compared with SB0151

(5) the amount of project area funds that will be used to cover the cost of administering the community reinvestment project area plan; and

(6) for property that the agency owns and expects to sell, the expected total cost of the property to the agency and the expected sale price.

Section 142. Section **17C-5-304** is enacted to read:

17C-5-304. Consent of each taxing entity or taxing entity committee required for community reinvestment project area budget.

Before an agency may collect any project area funds from a community reinvestment project area, the agency shall obtain consent for each community reinvestment project area budget from:

(1) for a community reinvestment project area that is subject to an interlocal agreement, each taxing entity that is a party to an interlocal agreement; or

(2) for a community reinvestment project area that is subject to a taxing entity committee, the taxing entity committee.

Section 143. Section **17C-5-305** is enacted to read:

17C-5-305. Filing a copy of the community reinvestment project area budget.

Within 30 days after the day on which an agency adopts a community reinvestment project area budget, the agency shall file a copy of the community reinvestment project area budget with:

(1) the State Tax Commission;

(2) the State Board of Education;

(3) the state auditor;

(4) the auditor of the county in which the community reinvestment project area is located; and

(5) each taxing entity affected by the agency's collection of project area funds under the community reinvestment project area budget.

Section 144. Section **17C-5-306** is enacted to read:

17C-5-306. Amending a community reinvestment project area budget.

(1) Before a project area funds collection period ends, an agency may amend a community reinvestment project area budget in accordance with this section.

(2) To amend a community reinvestment project area budget, an agency shall:

SB0151S01 compared with SB0151

(a) provide notice and hold a public hearing on the proposed amendment in accordance with Chapter 1, Part 8, Hearing and Notice Requirements;

(b) (i) if the community reinvestment project area budget required approval from a taxing entity committee, obtain the taxing entity committee's approval; or

(ii) if the community reinvestment project area budget required an interlocal agreement with a taxing entity, obtain approval from the taxing entity that is a party to the interlocal agreement; and

(c) at the public hearing described in Subsection (2)(a) or at a subsequent board meeting, by resolution, adopt the community reinvestment project area budget amendment.

(3) If an agency proposes a community reinvestment project area budget amendment under which the agency is paid a greater proportion of tax increment from the community reinvestment project area than provided under the community reinvestment project area budget, the notice described in Subsection (2)(a) shall state:

(a) the percentage of tax increment paid under the community reinvestment project area budget; and

(b) the proposed percentage of tax increment paid under the community reinvestment project area budget amendment.

(4) (a) If an agency proposes a community reinvestment project area budget amendment that extends a project area funds collection period, before a taxing entity committee or taxing entity may provide the taxing entity committee's or taxing entity's approval described in Subsection (2)(b), the agency shall provide to the taxing entity committee or taxing entity:

(i) the reasons why the extension is required;

(ii) a description of the project area development for which project area funds received by the agency under the extension will be used;

(iii) a statement of whether the project area funds received by the agency under the extension will be used within an active project area or a proposed project area; and

(iv) a revised community reinvestment project area budget that includes:

(A) the annual and total amounts of project area funds that the agency receives under the extension; and

(B) the number of years that are added to each project area funds collection period

SB0151S01 compared with SB0151

under the extension.

(b) With respect to an amendment described in Subsection (4)(a), a taxing entity committee or taxing entity may consent to:

(i) allow an agency to use project area funds received under an extension within a different project area from which the project area funds are generated; or

(ii) alter the base taxable value in connection with a community reinvestment project area budget extension.

(5) If an agency proposes a community reinvestment project area budget amendment that reduces the base taxable value of the project area due to the removal of a parcel under Subsection 17C-5-112(4)(b), an agency may amend a project area budget without:

(a) complying with Subsection (2)(a); and

(b) obtaining taxing entity committee or taxing entity approval described in Subsection (2)(b).

(6) (a) A person may contest an agency's adoption of a community reinvestment project area budget amendment within 30 days after the day on which the agency adopts the community reinvestment project area budget amendment.

(b) After the 30-day period described in Subsection (6)(a), a person may not contest:

(i) the agency's adoption of the community reinvestment project area budget amendment;

(ii) a payment to the agency under the community reinvestment project area budget amendment; or

(iii) the agency's use of project area funds received under the community reinvestment project area budget amendment.

Section 145. Section **17C-5-307** is enacted to read:

17C-5-307. Allocating project area funds for housing.

(1) (a) For a community reinvestment project area that is subject to a taxing entity committee, an agency shall allocate at least 20% of the agency's annual tax increment for housing in accordance with Section 17C-1-412 if the community reinvestment project area budget provides for more than \$100,000 of annual tax increment to be ~~paid~~ distributed to the agency.

(b) The taxing entity committee may waive ~~no more than 10% of the~~ ~~20%~~ allocation

SB0151S01 compared with SB0151

described in Subsection (1)(a) in part or whole if the taxing entity committee determines that 20% of tax increment is more than is needed to address the community's need for income targeted housing or homeless assistance.

(2) For a community reinvestment project area that is subject to an interlocal agreement, ~~{the agency and the taxing entity that is a party to the interlocal agreement shall determine whether to allocate a portion}~~an agency shall allocate at least 10% of the project area funds ~~{under a community reinvestment project area budget }~~ for housing in accordance with Section ~~{17C-1-411 or 17C-1-412}~~17C-1-412 if the community reinvestment project area budget provides for more than \$100,000 of annual project area funds to be distributed to the agency.

Section 146. Section **17C-5-401** is enacted to read:

Part 4. Blight Determination in a Community Reinvestment Project Area

17C-5-401. Title.

This part is known as "Blight Determination in a Community Reinvestment Project Area."

Section 147. Section **17C-5-402** is enacted to read:

17C-5-402. Blight determination in a community reinvestment project area --

Prerequisites -- Restrictions.

(1) An agency shall comply with the provisions of this section before the agency may use eminent domain to acquire property under Chapter 1, Part 9, Eminent Domain.

(2) An agency shall, after adopting a survey area resolution as described in Section 17C-5-103:

(a) cause a blight study to be conducted within the survey area in accordance with Section 17C-5-403;

(b) provide notice and hold a blight hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements; and

(c) after the blight hearing, at the same or at a subsequent meeting:

(i) consider:

(A) the issue of blight and the evidence and information relating to the existence or nonexistence of blight; and

(B) whether the agency should pursue adoption of one or more community

SB0151S01 compared with SB0151

reinvestment project area plans; and

(ii) by resolution, make a finding regarding whether blight exists in the proposed community reinvestment project area.

(3) (a) If an agency makes a finding of blight under Subsection (2), the agency may not adopt the community reinvestment project area plan until the taxing entity committee approves the finding of blight.

(b) (i) A taxing entity committee shall approve an agency's finding of blight unless the taxing entity committee demonstrates that the conditions the agency found to exist in the community reinvestment project area that support the agency's finding of blight:

(A) do not exist; or

(B) do not constitute blight under Section 17C-5-405.

(ii) (A) If the taxing entity committee questions or disputes the existence of some or all of the blight conditions that the agency found to exist in the proposed community reinvestment area, the taxing entity committee may hire a consultant, mutually agreed upon by the taxing entity committee and the agency, with the necessary expertise to assist the taxing entity committee in making a determination as to the existence of the questioned or disputed blight conditions.

(B) The agency shall pay the fees and expenses of each consultant hired under Subsection (3)(b)(ii)(A).

(C) The findings of a consultant hired under Subsection (3)(b)(ii)(A) are binding on the taxing entity committee and the agency.

Section 148. Section **17C-5-403** is enacted to read:

17C-5-403. Blight study -- Requirements -- Deadline.

(1) A blight study shall:

(a) undertake a parcel by parcel survey of the survey area;

(b) provide data so the board and taxing entity committee may determine:

(i) whether the conditions described in Subsection 17C-5-405:

(A) exist in part or all of the survey area; and

(B) meet the qualifications for a finding of blight in all or part of the survey area; and

(ii) whether the survey area contains all or part of a superfund site;

(c) include a written report that states:

SB0151S01 compared with SB0151

(i) the conclusions reached;

(ii) any area within the survey area that meets the statutory criteria of blight under Section 17C-5-405; and

(iii) any other information requested by the agency to determine whether blight exists within the survey area; and

(d) be completed within one year after the day on which the survey area resolution is adopted.

(2) (a) If a blight study is not completed within the time described in Subsection (1)(d), the agency may not approve a community reinvestment project area plan based on a blight study unless the agency first adopts a new resolution under Subsection 17C-5-103(1).

(b) A new resolution described in Subsection (2)(a) shall in all respects be considered to be a resolution under Subsection 17C-5-103(1) adopted for the first time, except that any actions taken toward completing a blight study under the resolution that the new resolution replaces shall be considered to have been taken under the new resolution.

(3) (a) For the purpose of making a blight determination under Subsection 17C-5-402(2)(c)(ii), a blight study is valid for one year from the day on which the blight study is completed.

(b) (i) Except as provided in Subsection (3)(b)(ii), an agency that makes a blight determination under a valid blight study and subsequently adopts a community reinvestment project area plan in accordance with Section 17C-5-104 may amend the community reinvestment project area plan without conducting a new blight study.

(ii) An agency shall conduct a ~~new~~ supplemental blight study for the area proposed to be added to the community reinvestment project area if the agency proposes an amendment to a community reinvestment project area plan that:

(A) increases the community reinvestment project area's geographic boundary and the area proposed to be added was not included in the original blight study; and

(B) provides for the use of eminent domain within the area proposed to be added to the community reinvestment project area.

Section 149. Section **17C-5-404** is enacted to read:

17C-5-404. Blight hearing -- Owners may review evidence of blight.

(1) In a hearing required under Subsection 17C-5-402(2)(b), an agency shall:

SB0151S01 compared with SB0151

(a) permit all evidence of the existence or nonexistence of blight within the survey area to be presented; and

(b) permit each record owner of property located within the survey area or the record property owner's representative the opportunity to:

(i) examine and cross-examine each witness that provides evidence of the existence or nonexistence of blight; and

(ii) present evidence and testimony, including expert testimony, concerning the existence or nonexistence of blight.

(2) An agency shall allow each record owner of property located within a survey area the opportunity, for at least 30 days before the day on which the hearing takes place, to review the evidence of blight compiled by the agency or by the person or firm conducting the blight study for the agency, including any expert report.

Section 150. Section **17C-5-405** is enacted to read:

17C-5-405. Conditions on board determination of blight -- Conditions of blight caused by a participant.

(1) A board may not make a finding of blight in a resolution under Subsection 17C-5-402(2)(c)(ii) unless the board finds that:

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

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

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

(iv) the present condition or use of the survey area substantially impairs the sound growth of the community, delays the provision of housing accommodations, constitutes an economic liability, or is detrimental to the public health, safety, or welfare, as shown by the existence within the survey area of at least four of the following factors:

(A) although sometimes interspersed with well maintained buildings and infrastructure, substantial physical dilapidation, deterioration, or defective construction of buildings or infrastructure, or significant noncompliance with current building code, safety code, health code, or fire code requirements or local ordinances;

SB0151S01 compared with SB0151

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

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

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

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

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

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

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

(B) the affected parcels comprise at least 66% of the privately owned acreage within the survey area; or

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

(2) A single parcel comprising 10% or more of the acreage within the survey area may not be counted as satisfying the requirement described in Subsection (1)(a)(iii) or (iv) unless at least 50% of the area of the parcel is occupied by buildings or improvements.

(3) (a) Except as provided in Subsection (3)(b), for purposes of Subsection (1), if a participant or proposed participant involved in the project area development has caused a condition listed in Subsection (1)(a)(iv) within the survey area, that condition may not be used in the determination of blight.

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

Section 151. Section **17C-5-406** is enacted to read:

17C-5-406. Challenging a finding of blight -- Time limit -- ~~De novo~~ Standards governing court review.

(1) If a board makes a finding of blight under Subsection 17C-5-402(2)(c)(ii) and the

SB0151S01 compared with SB0151

finding is approved by resolution adopted by the taxing entity committee, a record owner of property located within the survey area may challenge the finding by filing an action in the district court in the county in which the property is located.

(2) A person shall file an action under Subsection (1) no later than 30 days after the day on which the taxing entity committee approves the board's finding of blight.

(3) In an action under this section:

(a) the agency shall transmit to the district court the record of the agency's proceedings, including any minutes, findings, orders, or transcripts of the agency's proceedings;

(b) the district court shall review the finding of blight under the standards of review provided in Subsection 10-9a-801(3); and

(c) (i) if there is a record:

(A) the district court's review is limited to the record provided by the agency; and

(B) the district court may not accept or consider any evidence outside the record of the agency, unless the evidence was offered to the agency and the district court determines that the agency improperly excluded the evidence; or

(ii) if there is no record, the district court may call witnesses and take evidence.

Section 152. Section **20A-7-613** is amended to read:

20A-7-613. Property tax referendum petition.

(1) As used in this section:

(a) "Certified tax rate" [~~is as~~] means the same as that term is defined in Subsection 59-2-924[(3)](5)(a).

(b) "Fiscal year taxing entity" means a taxing entity that operates under a fiscal year that begins on July 1 and ends on June 30.

(2) Except as provided in this section, the requirements of this part apply to a referendum petition challenging a fiscal year taxing entity's legislative body's vote to impose a tax rate that exceeds the certified tax rate.

(3) Notwithstanding Subsection 20A-7-604(5), the local clerk shall number each of the referendum packets and return them to the sponsors within two working days.

(4) Notwithstanding Subsection 20A-7-606(1), the sponsors shall deliver each signed and verified referendum packet to the county clerk of the county in which the packet was circulated no later than 40 days after the day on which the local clerk complies with Subsection

SB0151S01 compared with SB0151

(3).

(5) Notwithstanding Subsections 20A-7-606(2) and (3), the county clerk shall take the actions required in Subsections 20A-7-606(2) and (3) within 10 working days after the day on which the county clerk receives the signed and verified referendum packet as described in Subsection (4).

(6) The local clerk shall take the actions required by Section 20A-7-607 within two working days after the day on which the local clerk receives the referendum packets from the county clerk.

(7) Notwithstanding Subsection 20A-7-608(2), the local attorney shall prepare the ballot title within two working days after the day on which the referendum petition is declared sufficient for submission to a vote of the people.

(8) Notwithstanding Subsection 20A-7-609(2)(c), a referendum that qualifies for the ballot under this section shall appear on the ballot for the earlier of the next regular general election or the next municipal general election unless a special election is called.

(9) Notwithstanding the requirements related to absentee ballots under this title:

(a) the election officer shall prepare absentee ballots for those voters who have requested an absentee ballot as soon as possible after the ballot title is prepared as described in Subsection (7); and

(b) the election officer shall mail absentee ballots on a referendum under this section the later of:

(i) the time provided in Section 20A-3-305 or 20A-16-403; or

(ii) the time that absentee ballots are prepared for mailing under this section.

(10) Section 20A-7-402 does not apply to a referendum described in this section.

(11) (a) If a majority of voters does not vote against imposing the tax at a rate calculated to generate the increased revenue budgeted, adopted, and approved by the fiscal year taxing entity's legislative body:

(i) the certified tax rate for the fiscal year during which the referendum petition is filed is its most recent certified tax rate; and

(ii) the proposed increased revenues for purposes of establishing the certified tax rate for the fiscal year after the fiscal year described in Subsection (11)(a)(i) are the proposed increased revenues budgeted, adopted, and approved by the fiscal year taxing entity's legislative

SB0151S01 compared with SB0151

body before the filing of the referendum petition.

(b) If a majority of voters votes against imposing a tax at the rate established by the vote of the fiscal year taxing entity's legislative body, the certified tax rate for the fiscal year taxing entity is its most recent certified tax rate.

(c) If the tax rate is set in accordance with Subsection (11)(a)(ii), a fiscal year taxing entity is not required to comply with the notice and public hearing requirements of Section 59-2-919 if the fiscal year taxing entity complies with those notice and public hearing requirements before the referendum petition is filed.

(12) The ballot title shall, at a minimum, include in substantially this form the following: "Shall the [name of the taxing entity] be authorized to levy a tax rate in the amount sufficient to generate an increased property tax revenue of [amount] for fiscal year [year] as budgeted, adopted, and approved by the [name of the taxing entity]".

(13) A fiscal year taxing entity shall pay the county the costs incurred by the county that are directly related to meeting the requirements of this section and that the county would not have incurred but for compliance with this section.

(14) (a) An election officer shall include on a ballot a referendum that has not yet qualified for placement on the ballot, if:

(i) sponsors file an application for a referendum described in this section;

(ii) the ballot will be used for the election for which the sponsors are attempting to qualify the referendum; and

(iii) the deadline for qualifying the referendum for placement on the ballot occurs after the day on which the ballot will be printed.

(b) If an election officer includes on a ballot a referendum described in Subsection (14)(a), the ballot title shall comply with Subsection (12).

(c) If an election officer includes on a ballot a referendum described in Subsection (14)(a) that does not qualify for placement on the ballot, the election officer shall inform the voters by any practicable method that the referendum has not qualified for the ballot and that votes cast in relation to the referendum will not be counted.

Section 153. Section **35A-8-504** is amended to read:

35A-8-504. Distribution of fund money.

(1) The executive director shall:

SB0151S01 compared with SB0151

(a) make grants and loans from the fund for any of the activities authorized by Section 35A-8-505, as directed by the board;

(b) establish the criteria with the approval of the board by which loans and grants will be made; and

(c) determine with the approval of the board the order in which projects will be funded.

(2) The executive director shall distribute, as directed by the board, any federal money contained in the fund according to the procedures, conditions, and restrictions placed upon the use of the money by the federal government.

(3) (a) The executive director shall distribute, as directed by the board, any funds received under Section 17C-1-412 to pay the costs of providing income targeted housing within the community that created the community [~~development and renewal~~] reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act.

(b) As used in Subsection (3)(a):

(i) "Community" [~~has the meaning as~~] means the same as that term is defined in Section 17C-1-102.

(ii) "Income targeted housing" [~~has the meaning as~~] means the same as that term is defined in Section 17C-1-102.

(4) Except for federal money and money received under Section 17C-1-412, the executive director shall distribute, as directed by the board, money from the fund according to the following requirements:

(a) Not less than 30% of all fund money shall be distributed to rural areas of the state.

(b) At least 50% of the money in the fund shall be distributed as loans to be repaid to the fund by the entity receiving them.

(i) (A) Of the fund money distributed as loans, at least 50% shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(B) The remaining loan money shall be distributed to benefit persons whose annual income is at or below 80% of the median family income for the state.

(ii) The executive director or the executive director's designee shall lend money in accordance with this Subsection (4) at a rate based upon the borrower's ability to pay.

SB0151S01 compared with SB0151

(c) Any fund money not distributed as loans shall be distributed as grants.

(i) At least 90% of the fund money distributed as grants shall be distributed to benefit persons whose annual income is at or below 50% of the median family income for the state.

(ii) The remaining fund money distributed as grants may be used by the executive director to obtain federal matching funds or for other uses consistent with the intent of this part, including the payment of reasonable loan servicing costs, but no more than 3% of the revenues of the fund may be used to offset other department or board administrative expenses.

(5) The executive director may with the approval of the board:

(a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

(b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the servicing of loans made by the fund.

Section 154. Section **38-1b-102** is amended to read:

38-1b-102. Definitions.

As used in this chapter:

(1) "Alternate means" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(2) "Construction project" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(3) "Construction work" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(4) "Designated agent" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(5) "Division" means the Division of Occupational and Professional Licensing created in Section 58-1-103.

(6) "Government project" means a construction project undertaken by or for:

(a) the state, including a department, division, or other agency of the state; or

(b) a county, city, town, school district, local district, special service district, community [~~development and renewal~~] reinvestment agency, or other political subdivision of the state.

SB0151S01 compared with SB0151

(7) "Government project-identifying information" means:

(a) the lot or parcel number of each lot included in the project property that has a lot or parcel number; or

(b) the unique project number assigned by the designated agent.

(8) "Original contractor" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(9) "Owner" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(10) "Owner-builder" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(11) "Private project" means a construction project that is not a government project.

(12) "Project property" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

(13) "Registry" [~~has the same meaning as~~] means the same as that term is defined in Section 38-1a-102.

Section 155. Section **53-3-207** is amended to read:

53-3-207. License certificates or driving privilege cards issued to drivers by class of motor vehicle -- Contents -- Release of anatomical gift information -- Temporary licenses or driving privilege cards -- Minors' licenses, cards, and permits -- Violation.

(1) As used in this section:

(a) "Driving privilege" means the privilege granted under this chapter to drive a motor vehicle.

(b) "Governmental entity" means the state and its political subdivisions as defined in this Subsection (1).

(c) "Political subdivision" means any county, city, town, school district, public transit district, community [~~development and renewal~~] reinvestment agency, special improvement or taxing district, local district, special service district, an entity created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal Cooperation Act, or other governmental subdivision or public corporation.

(d) "State" means this state, and includes any office, department, agency, authority, commission, board, institution, hospital, college, university, children's justice center, or other

SB0151S01 compared with SB0151

instrumentality of the state.

(2) (a) The division shall issue to every person privileged to drive a motor vehicle, a regular license certificate, a limited-term license certificate, or a driving privilege card indicating the type or class of motor vehicle the person may drive.

(b) A person may not drive a class of motor vehicle unless granted the privilege in that class.

(3) (a) Every regular license certificate, limited-term license certificate, or driving privilege card shall bear:

- (i) the distinguishing number assigned to the person by the division;
- (ii) the name, birth date, and Utah residence address of the person;
- (iii) a brief description of the person for the purpose of identification;
- (iv) any restrictions imposed on the license under Section 53-3-208;
- (v) a photograph of the person;

(vi) a photograph or other facsimile of the person's signature;

(vii) an indication whether the person intends to make an anatomical gift under Title 26, Chapter 28, Revised Uniform Anatomical Gift Act, unless the driving privilege is extended under Subsection 53-3-214(3); and

(viii) except as provided in Subsection (3)(b), if the person states that the person is a veteran of the United States military on the application for a driver license in accordance with Section 53-3-205 and provides verification that the person was granted an honorable or general discharge from the United States Armed Forces, an indication that the person is a United States military veteran for a regular license certificate or limited-term license certificate issued on or after July 1, 2011.

(b) A regular license certificate or limited-term license certificate issued to any person younger than 21 years on a portrait-style format as required in Subsection (5)(b)(i) is not required to include an indication that the person is a United States military veteran under Subsection (3)(a)(viii).

(c) A new license certificate issued by the division may not bear the person's Social Security number.

(d) (i) The regular license certificate, limited-term license certificate, or driving privilege card shall be of an impervious material, resistant to wear, damage, and alteration.

SB0151S01 compared with SB0151

(ii) Except as provided under Subsection (4)(b), the size, form, and color of the regular license certificate, limited-term license certificate, or driving privilege card shall be as prescribed by the commissioner.

(iii) The commissioner may also prescribe the issuance of a special type of limited regular license certificate, limited-term license certificate, or driving privilege card under Subsection 53-3-220(4).

(4) (a) (i) The division, upon determining after an examination that an applicant is mentally and physically qualified to be granted a driving privilege, may issue to an applicant a receipt for the fee if the applicant is eligible for a regular license certificate or limited-term license certificate.

(ii) (A) The division shall issue a temporary regular license certificate or temporary limited-term license certificate allowing the person to drive a motor vehicle while the division is completing its investigation to determine whether the person is entitled to be granted a driving privilege.

(B) A temporary regular license certificate or a temporary limited-term license certificate issued under this Subsection (4) shall be recognized and have the same rights and privileges as a regular license certificate or a limited-term license certificate.

(b) The temporary regular license certificate or temporary limited-term license certificate shall be in the person's immediate possession while driving a motor vehicle, and it is invalid when the person's regular license certificate or limited-term license certificate has been issued or when, for good cause, the privilege has been refused.

(c) The division shall indicate on the temporary regular license certificate or temporary limited-term license certificate a date after which it is not valid as a temporary license.

(d) (i) Except as provided in Subsection (4)(d)(ii), the division may not issue a temporary driving privilege card or other temporary permit to an applicant for a driving privilege card.

(ii) The division may issue a learner permit issued in accordance with Section 53-3-210.5 to an applicant for a driving privilege card.

(5) (a) The division shall distinguish learner permits, temporary permits, regular license certificates, limited-term license certificates, and driving privilege cards issued to any person younger than 21 years of age by use of plainly printed information or the use of a color

SB0151S01 compared with SB0151

or other means not used for other regular license certificates, limited-term license certificates, or driving privilege cards.

(b) The division shall distinguish a regular license certificate, limited-term license certificate, or driving privilege card issued to any person:

(i) younger than 21 years of age by use of a portrait-style format not used for other regular license certificates, limited-term license certificates, or driving privilege cards and by plainly printing the date the regular license certificate, limited-term license certificate, or driving privilege card holder is 21 years of age, which is the legal age for purchasing an alcoholic beverage or alcoholic product under Section 32B-4-403; and

(ii) younger than 19 years of age, by plainly printing the date the regular license certificate, limited-term license certificate, or driving privilege card holder is 19 years of age, which is the legal age for purchasing tobacco products under Section 76-10-104.

(6) The division shall distinguish a limited-term license certificate by clearly indicating on the document:

(a) that it is temporary; and

(b) its expiration date.

(7) (a) The division shall only issue a driving privilege card to a person whose privilege was obtained without providing evidence of lawful presence in the United States as required under Subsection 53-3-205(8).

(b) The division shall distinguish a driving privilege card from a license certificate by:

(i) use of a format, color, font, or other means; and

(ii) clearly displaying on the front of the driving privilege card a phrase substantially similar to "FOR DRIVING PRIVILEGES ONLY -- NOT VALID FOR IDENTIFICATION".

(8) The provisions of Subsection (5)(b) do not apply to a learner permit, temporary permit, temporary regular license certificate, temporary limited-term license certificate, or any other temporary permit.

(9) The division shall issue temporary license certificates of the same nature, except as to duration, as the license certificates that they temporarily replace, as are necessary to implement applicable provisions of this section and Section 53-3-223.

(10) (a) A governmental entity may not accept a driving privilege card as proof of personal identification.

SB0151S01 compared with SB0151

(b) A driving privilege card may not be used as a document providing proof of a person's age for any government required purpose.

(11) A person who violates Subsection (2)(b) is guilty of an infraction.

(12) Unless otherwise provided, the provisions, requirements, classes, endorsements, fees, restrictions, and sanctions under this code apply to a:

(a) driving privilege in the same way as a license or limited-term license issued under this chapter; and

(b) limited-term license certificate or driving privilege card in the same way as a regular license certificate issued under this chapter.

Section 156. Section **53A-16-106** is amended to read:

53A-16-106. Annual certification of tax rate proposed by local school board -- Inclusion of school district budget -- Modified filing date.

(1) Prior to June 22 of each year, each local school board shall certify to the county legislative body in which the district is located, on forms prescribed by the State Tax Commission, the proposed tax rate approved by the local school board.

(2) A copy of the district's budget, including items under Section 53A-19-101, and a certified copy of the local school board's resolution which approved the budget and set the tax rate for the subsequent school year beginning July 1 shall accompany the tax rate.

(3) If the tax rate approved by the board is in excess of the "certified tax rate" as defined under Subsection 59-2-924~~(3)~~(5)(a), the date for filing the tax rate and budget adopted by the board shall be that established under Section 59-2-919.

Section 157. Section **53A-16-113** is amended to read:

53A-16-113. Capital local levy -- First class county required levy -- Allowable uses of collected revenue.

(1) (a) Subject to the other requirements of this section, a local school board may levy a tax to fund the school district's capital projects.

(b) A tax rate imposed by a school district pursuant to this section may not exceed .0030 per dollar of taxable value in any calendar year.

(2) A school district that imposes a capital local levy in the calendar year beginning on January 1, 2012, is exempt from the public notice and hearing requirements of Section 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to

SB0151S01 compared with SB0151

or less than the sum of the following amounts:

(a) the amount of revenue generated during the calendar year beginning on January 1, 2011, from the sum of the following levies of a school district:

(i) a capital outlay levy imposed under Section 53A-16-107; and

(ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is budgeted for debt service or capital outlay; and

(b) revenue from new growth as defined in Subsection 59-2-924~~[(4)(c)]~~(1).

(3) Beginning January 1, 2012, in order to qualify for receipt of the state contribution toward the minimum school program described in Section 53A-17a-103, a local school board in a county of the first class shall impose a capital local levy of at least .0006 per dollar of taxable value.

(4) (a) The county treasurer of a county of the first class shall distribute revenues generated by the .0006 portion of the capital local levy required in Subsection (2) to school districts within the county in accordance with Section 53A-16-114.

(b) If a school district in a county of the first class imposes a capital local levy pursuant to this section that exceeds .0006 per dollar of taxable value, the county treasurer shall distribute revenues generated by the portion of the capital local levy that exceeds .0006 to the school district imposing the levy.

(5) (a) Subject to Subsections (5)(b), (c), and (d), for fiscal year 2013-14, a local school board may utilize the proceeds of a maximum of .0024 per dollar of taxable value of the local school board's annual capital local levy for general fund purposes if the proceeds are not committed or dedicated to pay debt service or bond payments.

(b) If a local school board uses the proceeds described in Subsection (5)(a) for general fund purposes, the local school board shall notify the public of the local school board's use of the capital local levy proceeds for general fund purposes:

(i) prior to the local school board's budget hearing in accordance with the notification requirements described in Section 53A-19-102; and

(ii) at a budget hearing required in Section 53A-19-102.

(c) A local school board may not use the proceeds described in Subsection (5)(a) to fund the following accounting function classifications as provided in the Financial Accounting for Local and State School Systems guidelines developed by the National Center for Education

SB0151S01 compared with SB0151

Statistics:

(i) 2300 Support Services - General District Administration; or

(ii) 2500 Support Services - Central Services.

(d) A local school board may not use the proceeds from a distribution described in Subsection (4) for general fund purposes.

Section 158. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

(1) As used in this section, "voted and board local levy funding balance" means the difference between:

(a) the amount appropriated for the voted and board local levy program in a fiscal year; and

(b) the amount necessary to provide the state guarantee per weighted pupil unit as determined under this section and Section 53A-17a-164 in the same fiscal year.

(2) An election to consider adoption or modification of a voted local levy is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(3) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) Except as provided in Subsection (3)(c), in order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

(c) Beginning on or after January 1, 2012, a school district may receive state support in accordance with Subsection (4) without complying with the requirements of Subsection (3)(b) if the local school board imposed a tax in accordance with this section during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(4) (a) In addition to the revenue a school district collects from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee \$33.27 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

SB0151S01 compared with SB0151

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, 2015, the \$33.27 guarantee under Subsections (4)(a) and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12 program by making the value of the guarantee equal to .011194 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program for each succeeding year subject to the Legislature appropriating funds for an increase in the guarantee.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (4)(d)(i) applies for a period of five years following any such change in the certified tax rate.

(e) The guarantee provided under this section does not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal year, unless an increase in the voted local levy rate was authorized in an election conducted on or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

(f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the State Board of Education shall:

(A) use the voted and board local levy funding balance to increase the value of the state guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

(B) distribute the state contribution to the voted and board local levy programs to school districts based on the increased value of the state guarantee per weighted pupil unit described in Subsection (4)(f)(i)(A).

(ii) The State Board of Education shall report action taken under this Subsection (4)(f) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.

SB0151S01 compared with SB0151

(5) (a) An election to modify an existing voted local levy is not a reconsideration of the existing authority unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue the levy.

(c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue imposing an existing voted local levy previously authorized by the voters as a voted leeway program.

(6) Notwithstanding Section 59-2-919, a school district may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to revenue from new growth as defined in Subsection 59-2-924~~(4)~~(1), without having to comply with the notice requirements of Section 59-2-919, if:

(a) the voted local levy is approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(b) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with the requirements of Subsection (8).

(7) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the notice requirements of Section 59-2-919 if:

(a) the levy exceeds the certified tax rate as the result of a school district budgeting an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section;

(b) the voted local levy was approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school

SB0151S01 compared with SB0151

district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(c) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with requirements of Subsection (8).

(8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the electors regarding the adoption or modification of a voted local levy shall contain the following statement:

"A vote in favor of this tax means that (name of the school district) may increase revenue from this property tax without advertising the increase for the next five years."

(9) (a) Before imposing a property tax levy pursuant to this section, a school district shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (9) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or after January 1, 2012, a school district may levy a tax rate in accordance with this section without complying with the requirements of Subsections (9)(a) and (b) if the school district imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(10) If a school district determines that a majority of the school district's registered voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax rate in accordance with Subsection (9), the school district may impose the tax rate.

Section 159. Section **53A-17a-164** is amended to read:

53A-17a-164. Board local levy -- State guarantee.

(1) Subject to the other requirements of this section, for a calendar year beginning on

SB0151S01 compared with SB0151

or after January 1, 2012, a local school board may levy a tax to fund the school district's general fund.

(2) (a) Except as provided in Subsection (2)(b), a tax rate imposed by a school district pursuant to this section may not exceed .0018 per dollar of taxable value in any calendar year.

(b) A tax rate imposed by a school district pursuant to this section may not exceed .0025 per dollar of taxable value in any calendar year if, during the calendar year beginning on January 1, 2011, the school district's combined tax rate for the following levies was greater than .0018 per dollar of taxable value:

- (i) a recreation levy imposed under Section 11-2-7;
- (ii) a transportation levy imposed under Section 53A-17a-127;
- (iii) a board-authorized levy imposed under Section 53A-17a-134;
- (iv) an impact aid levy imposed under Section 53A-17a-143;
- (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is budgeted for purposes other than capital outlay or debt service;
- (vi) a reading levy imposed under Section 53A-17a-151; and
- (vii) a tort liability levy imposed under Section 63G-7-704.

(3) (a) In addition to the revenue a school district collects from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee that each .0001 of the first .0004 per dollar of taxable value generates an amount equal to the state guarantee per weighted pupil unit described in Subsection 53A-17a-133(4).

(b) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(b)(i) applies for a period of five years following any changes in the certified tax rate.

(4) A school district that imposes a board local levy in the calendar year beginning on January 1, 2012, is exempt from the public notice and hearing requirements of Section 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to or less than the sum of the following amounts:

- (a) the amount of revenue generated during the calendar year beginning on January 1,

SB0151S01 compared with SB0151

2011, from the sum of the following levies of a school district:

- (i) a recreation levy imposed under Section 11-2-7;
- (ii) a transportation levy imposed under Section 53A-17a-127;
- (iii) a board-authorized levy imposed under Section 53A-17a-134;
- (iv) an impact aid levy imposed under Section 53A-17a-143;
- (v) the portion of a 10% of basic levy imposed under Section 53A-17a-145 that is

budgeted for purposes other than capital outlay or debt service;

- (vi) a reading levy imposed under Section 53A-17a-151; and
- (vii) a tort liability levy imposed under Section 63G-7-704; and
- (b) revenue from new growth as defined in Subsection 59-2-924~~[(4)(c)]~~(1).

Section 160. Section **53A-19-105** is amended to read:

53A-19-105. School district interfund transfers.

(1) A school district shall spend revenues only within the fund for which they were originally authorized, levied, collected, or appropriated.

(2) Except as otherwise provided in this section, school district interfund transfers of residual equity are prohibited.

(3) The State Board of Education may authorize school district interfund transfers of residual equity when a district states its intent to create a new fund or expand, contract, or liquidate an existing fund.

(4) The State Board of Education may also authorize school district interfund transfers of residual equity for a financially distressed district if the board determines the following:

(a) the district has a significant deficit in its maintenance and operations fund caused by circumstances not subject to the administrative decisions of the district;

(b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

(c) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

(5) The board shall develop standards for defining and aiding financially distressed school districts under this section in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded and reported in the debt service fund.

SB0151S01 compared with SB0151

(b) Debt service levies under Subsection 59-2-924[(3)](5)(e)(iii) that are not subject to the public hearing provisions of Section 59-2-919 may not be used for any purpose other than retiring general obligation debt.

(c) Amounts from these levies remaining in the debt service fund at the end of a fiscal year shall be used in subsequent years for general obligation debt retirement.

(d) Any amounts left in the debt service fund after all general obligation debt has been retired may be transferred to the capital projects fund upon completion of the budgetary hearing process required under Section 53A-19-102.

Section 161. Section **59-2-913** is amended to read:

59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of statement -- Filing with county auditor -- Transmittal to commission -- Calculations for establishing tax levies -- Format of statement.

(1) As used in this section, "budgeted property tax revenues" does not include property tax revenue received by a taxing entity from personal property that is:

- (a) assessed by a county assessor in accordance with Part 3, County Assessment; and
- (b) semiconductor manufacturing equipment.

(2) (a) The legislative body of each taxing entity shall file a statement as provided in this section with the county auditor of the county in which the taxing entity is located.

(b) The auditor shall annually transmit the statement to the commission:

(i) before June 22; or

(ii) with the approval of the commission, on a subsequent date prior to the date required by Section 59-2-1317 for the county treasurer to provide the notice under Section 59-2-1317.

(c) The statement shall contain the amount and purpose of each levy fixed by the legislative body of the taxing entity.

(3) For purposes of establishing the levy set for each of a taxing entity's applicable funds, the legislative body of the taxing entity shall calculate an amount determined by dividing the budgeted property tax revenues, specified in a budget [which] that has been adopted and approved prior to setting the levy, by the amount calculated under Subsections 59-2-924[(3)](5)(c)(ii)(A) through (C).

(4) The format of the statement under this section shall:

SB0151S01 compared with SB0151

- (a) be determined by the commission; and
- (b) cite any applicable statutory provisions that:
 - (i) require a specific levy; or
 - (ii) limit the property tax levy for any taxing entity.

(5) The commission may require certification that the information submitted on a statement under this section is true and correct.

Section 162. Section **59-2-924** is amended to read:

59-2-924. Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.

(1) (a) Subject to Subsection (2), "new growth" means:

(i) the difference between the taxable value of the following property of the taxing entity from the previous calendar year to the current year:

(A) real property assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) property assessed by the commission under Section 59-2-201; plus

(ii) the difference between the taxable year end value of personal property of the taxing entity for:

(A) the calendar year immediately preceding the previous calendar year; and

(B) the previous calendar year; minus

(iii) the amount of an increase in taxable value described in Subsection (2)(b).

(b) Except as provided in Subsection (1)(c), new growth shall equal the greater of:

(i) the amount calculated under Subsection (1)(a); or

(ii) zero.

(c) (i) When a project area funds collection period as defined in Section 17C-1-102 ends, the project area's incremental value as defined in Section 17C-1-102 shall be:

(A) considered new growth; and

(B) added to the amount described in Subsection (1)(b).

(ii) The amount calculated in Subsection (1)(c)(i)(B) shall not equal less than zero.

(2) (a) For purposes of Subsection (1)(a)(ii), taxable value of personal property of the taxing entity does not include the taxable value of personal property that is:

SB0151S01 compared with SB0151

(i) contained on the tax rolls of the taxing entity if that property is assessed by a county assessor in accordance with Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(b) Subsection (1)(a)(iii) applies to the following increases in taxable value:

(i) the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or

(ii) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:

(A) the Legislature;

(B) a court;

(C) the commission in an administrative rule; or

(D) the commission in an administrative order.

~~[(1)]~~ (3) Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

(a) a statement containing the aggregate valuation of all taxable real property assessed by a county assessor in accordance with Part 3, County Assessment, for each taxing entity; and

(b) a statement containing the taxable value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, from the prior year end values.

~~[(2)]~~ (4) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

(a) the statements described in Subsections ~~[(1)]~~ (3)(a) and (b);

(b) an estimate of the revenue from personal property;

(c) the certified tax rate; and

(d) all forms necessary to submit a tax levy request.

~~[(3)]~~ (5) (a) The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior year.

(b) For purposes of this Subsection ~~[(3)]~~ (5):

(i) "Ad valorem property tax revenues" do not include:

(A) interest;

SB0151S01 compared with SB0151

(B) penalties; and

(C) revenue received by a taxing entity from personal property that is:

(I) assessed by a county assessor in accordance with Part 3, County Assessment; and

(II) semiconductor manufacturing equipment.

(ii) "Aggregate taxable value of all property taxed" means:

(A) the aggregate taxable value of all real property assessed by a county assessor in accordance with Part 3, County Assessment, for the current year;

(B) the aggregate taxable year end value of all personal property assessed by a county assessor in accordance with Part 3, County Assessment, for the prior year; and

(C) the aggregate taxable value of all real and personal property assessed by the commission in accordance with Part 2, Assessment of Property, for the current year.

(c) (i) Except as otherwise provided in this section, the certified tax rate shall be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the taxing entity by the amount calculated under Subsection [~~(3)~~] (5)(c)(ii).

(ii) For purposes of Subsection [~~(3)~~] (5)(c)(i), the legislative body of a taxing entity shall calculate an amount as follows:

(A) calculate for the taxing entity the difference between:

(I) the aggregate taxable value of all property taxed; and

(II) any redevelopment adjustments for the current calendar year;

(B) after making the calculation required by Subsection [~~(3)~~] (5)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount calculated under Subsection [~~(3)~~] (5)(c)(ii)(A) by the average of the percentage net change in the value of taxable property for the equalization period for the three calendar years immediately preceding the current calendar year;

(C) after making the calculation required by Subsection [~~(3)~~] (5)(c)(ii)(B), calculate the product of:

(I) the amount calculated under Subsection [~~(3)~~] (5)(c)(ii)(B); and

(II) the percentage of property taxes collected for the five calendar years immediately preceding the current calendar year; and

(D) after making the calculation required by Subsection [~~(3)~~] (5)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under Subsection [~~(3)~~]

SB0151S01 compared with SB0151

(5)(c)(ii)(C) any new growth as defined in this section:

(I) within the taxing entity; and

(II) for the following calendar year:

(Aa) for new growth from real property assessed by a county assessor in accordance with Part 3, County Assessment and all property assessed by the commission in accordance with Section 59-2-201, the current calendar year; and

(Bb) for new growth from personal property assessed by a county assessor in accordance with Part 3, County Assessment, the prior calendar year.

(iii) For purposes of Subsection [~~(3)~~] (5)(c)(ii)(A), the aggregate taxable value of all property taxed:

(A) except as provided in Subsection [~~(3)~~] (5)(c)(iii)(B) or [~~(3)~~] (5)(c)(ii)(C), is as defined in Subsection [~~(3)~~] (5)(b)(ii);

(B) does not include the total taxable value of personal property contained on the tax rolls of the taxing entity that is:

(I) assessed by a county assessor in accordance with Part 3, County Assessment; and

(II) semiconductor manufacturing equipment; and

(C) for personal property assessed by a county assessor in accordance with Part 3, County Assessment, the taxable value of personal property is the year end value of the personal property contained on the prior year's tax rolls of the entity.

(iv) For purposes of Subsection [~~(3)~~] (5)(c)(ii)(B), for calendar years beginning on or after January 1, 2007, the value of taxable property does not include the value of personal property that is:

(A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) semiconductor manufacturing equipment.

(v) For purposes of Subsection [~~(3)~~] (5)(c)(ii)(C)(II), for calendar years beginning on or after January 1, 2007, the percentage of property taxes collected does not include property taxes collected from personal property that is:

(A) within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment; and

(B) semiconductor manufacturing equipment.

SB0151S01 compared with SB0151

(vi) For purposes of Subsection ~~[(3)]~~ (5)(c)(ii)(B), for calendar years beginning on or after January 1, 2009, the value of taxable property does not include the value of personal property that is within the taxing entity assessed by a county assessor in accordance with Part 3, County Assessment.

(vii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may prescribe rules for calculating redevelopment adjustments for a calendar year.

(viii) (A) Except as provided in Subsections ~~[(3)]~~ (5)(c)(ix) and (x), for purposes of Subsection ~~[(3)]~~ (5)(c)(i), a taxing entity's ad valorem property tax revenues budgeted for the prior year shall be decreased by an amount of revenue equal to the five-year average of the most recent prior five years of redemptions adjusted by the five-year average redemption calculated for the prior year as reported on the county treasurer's final annual settlement required under Subsection 59-2-1365(2).

(B) A decrease under Subsection ~~[(3)]~~ (5)(c)(viii)(A) does not apply to the multicounty assessing and collecting levy authorized in Subsection 59-2-1602(2)(a), the certified revenue levy, or the minimum basic tax rate established in Section 53A-17a-135.

(ix) As used in Subsection ~~[(3)]~~ (5)(c)(x):

(A) "One-fourth of qualifying redemptions excess amount" means a qualifying redemptions excess amount divided by four.

(B) "Qualifying redemptions" means that, for a calendar year, a taxing entity's total amount of redemptions is greater than three times the five-year average of the most recent prior five years of redemptions calculated for the prior year under Subsection ~~[(3)]~~ (5)(c)(viii)(A).

(C) "Qualifying redemptions base amount" means an amount equal to three times the five-year average of the most recent prior five years of redemptions for a taxing entity, as reported on the county treasurer's final annual settlement required under Subsection 59-2-1365(2).

(D) "Qualifying redemptions excess amount" means the amount by which a taxing entity's qualifying redemptions for a calendar year exceed the qualifying redemptions base amount for that calendar year.

(x) (A) If, for a calendar year, a taxing entity has qualifying redemptions, the redemption amount for purposes of calculating the five-year redemption average required by

SB0151S01 compared with SB0151

Subsection ~~[(3)]~~ (5)(c)(viii)(A) is as provided in Subsections ~~[(3)]~~ (5)(c)(x)(B) and (C).

(B) For the initial calendar year a taxing entity has qualifying redemptions, the taxing entity's redemption amount for that calendar year is the qualifying redemptions base amount.

(C) For each of the four calendar years after the calendar year described in Subsection ~~[(3)]~~ (5)(c)(x)(B), one-fourth of the qualifying redemptions excess amount shall be added to the redemption amount.

(d) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules determining the calculation of ad valorem property tax revenues budgeted by a taxing entity.

(ii) For purposes of Subsection ~~[(3)]~~ (5)(d)(i), ad valorem property tax revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax revenues are calculated for purposes of Section 59-2-913.

(e) The certified tax rates for the taxing entities described in this Subsection ~~[(3)]~~ (5)(e) shall be calculated as follows:

(i) except as provided in Subsection ~~[(3)]~~ (5)(e)(ii), for new taxing entities the certified tax rate is zero;

(ii) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

(A) in a county of the first, second, or third class, the levy imposed for municipal-type services under Sections 17-34-1 and 17-36-9; and

(B) in a county of the fourth, fifth, or sixth class, the levy imposed for general county purposes and such other levies imposed solely for the municipal-type services identified in Section 17-34-1 and Subsection 17-36-3(22); and

(iii) for debt service voted on by the public, the certified tax rate shall be the actual levy imposed by that section, except that the certified tax rates for the following levies shall be calculated in accordance with Section 59-2-913 and this section:

(A) school levies provided for under Sections 53A-16-113, 53A-17a-133, and 53A-17a-164; and

(B) levies to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

(f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be established at that rate which is sufficient to generate only the revenue required to satisfy one

SB0151S01 compared with SB0151

or more eligible judgments, as defined in Section 59-2-102.

(ii) The ad valorem property tax revenue generated by the judgment levy shall not be considered in establishing the taxing entity's aggregate certified tax rate.

(g) The ad valorem property tax revenue generated by the capital local levy described in Section 53A-16-113 within a taxing entity in a county of the first class:

(i) may not be considered in establishing the school district's aggregate certified tax rate; and

(ii) shall be included by the commission in establishing a certified tax rate for that capital outlay levy determined in accordance with the calculation described in Subsection 59-2-913(3).

~~[(4)]~~ (6) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the commission; and

(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

(b) For purposes of Subsection ~~[(4)]~~ (6)(a)(i), the taxable value of real property on the assessment roll does not include new growth as defined in Subsection ~~[(4)(c)]~~ (1).

~~[(c) "New growth" means:]~~

~~[(i) the difference between the increase in taxable value of the following property of the taxing entity from the previous calendar year to the current year:]~~

~~[(A) real property assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

~~[(B) property assessed by the commission under Section 59-2-201; plus]~~

~~[(ii) the difference between the increase in taxable year end value of personal property of the taxing entity from the year prior to the previous calendar year to the previous calendar year; minus]~~

~~[(iii) the amount of an increase in taxable value described in Subsection (4)(c).]~~

~~[(d) For purposes of Subsection (4)(c)(ii), the taxable value of personal property of the taxing entity does not include the taxable value of personal property that is:]~~

SB0151S01 compared with SB0151

~~[(f) contained on the tax rolls of the taxing entity if that property is assessed by a county assessor in accordance with Part 3, County Assessment, and]~~

~~[(ii) semiconductor manufacturing equipment.]~~

~~[(e) Subsection (4)(c)(iii) applies to the following increases in taxable value:]~~

~~[(f) the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments; or]~~

~~[(ii) the amount of an increase in the taxable value of property assessed by the commission under Section 59-2-201 resulting from a change in the method of apportioning the taxable value prescribed by:]~~

~~[(A) the Legislature;]~~

~~[(B) a court;]~~

~~[(C) the commission in an administrative rule; or]~~

~~[(D) the commission in an administrative order.]~~

~~[(f)] (c) For purposes of Subsection [(4)] (6)(a)(ii), the taxable year end value of personal property on the prior year's assessment roll does not include:~~

~~(i) new growth as defined in Subsection [(4)(e)] (1); or~~

~~(ii) the total taxable year end value of personal property contained on the prior year's tax rolls of the taxing entity that is:~~

~~(A) assessed by a county assessor in accordance with Part 3, County Assessment; and~~

~~(B) semiconductor manufacturing equipment.~~

~~[(5)] (7) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.~~

~~(b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county auditor of:~~

~~(i) its intent to exceed the certified tax rate; and~~

~~(ii) the amount by which it proposes to exceed the certified tax rate.~~

~~(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.~~

~~Section 163. Section 59-2-924.2 is amended to read:~~

59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.

(1) For purposes of this section, "certified tax rate" means a certified tax rate calculated

SB0151S01 compared with SB0151

in accordance with Section 59-2-924.

(2) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

(3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

(i) decreased on a one-time basis by the amount of the estimated sales and use tax revenue to be distributed to the county under Subsection 59-12-1102(3); and

(ii) increased by the amount necessary to offset the county's reduction in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection (3)(a)(i).

(b) The commission shall determine estimates of sales and use tax distributions for purposes of Subsection (3)(a).

(4) Beginning January 1, 1998, if a municipality has imposed an additional resort communities sales and use tax under Section 59-12-402, the municipality's certified tax rate shall be decreased on a one-time basis by the amount necessary to offset the first 12 months of estimated revenue from the additional resort communities sales and use tax imposed under Section 59-12-402.

(5) (a) This Subsection (5) applies to each county that:

(i) establishes a countywide special service district under Title 17D, Chapter 1, Special Service District Act, to provide jail service, as provided in Subsection 17D-1-201(10); and

(ii) levies a property tax on behalf of the special service district under Section 17D-1-105.

(b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be decreased by the amount necessary to reduce county revenues by the same amount of revenues that will be generated by the property tax imposed on behalf of the special service district.

(ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the levy on behalf of the special service district under Section 17D-1-105.

SB0151S01 compared with SB0151

(6) (a) As used in this Subsection (6):

(i) "Annexing county" means a county whose unincorporated area is included within a public safety district by annexation.

(ii) "Annexing municipality" means a municipality whose area is included within a public safety district by annexation.

(iii) "Equalized public safety protection tax rate" means the tax rate that results from:

(A) calculating, for each participating county and each participating municipality, the property tax revenue necessary:

(I) in the case of a fire district, to cover all of the costs associated with providing fire protection, paramedic, and emergency services:

(Aa) for a participating county, in the unincorporated area of the county; and

(Bb) for a participating municipality, in the municipality; or

(II) in the case of a police district, to cover all the costs:

(Aa) associated with providing law enforcement service:

(Ii) for a participating county, in the unincorporated area of the county; and

(IIii) for a participating municipality, in the municipality; and

(Bb) that the police district board designates as the costs to be funded by a property tax; and

(B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all participating counties and all participating municipalities and then dividing that sum by the aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

(I) for participating counties, in the unincorporated area of all participating counties; and

(II) for participating municipalities, in all the participating municipalities.

(iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service Area Act:

(A) created to provide fire protection, paramedic, and emergency services; and

(B) in the creation of which an election was not required under Subsection 17B-1-214(3)(c).

(v) "Participating county" means a county whose unincorporated area is included within a public safety district at the time of the creation of the public safety district.

SB0151S01 compared with SB0151

(vi) "Participating municipality" means a municipality whose area is included within a public safety district at the time of the creation of the public safety district.

(vii) "Police district" means a service area under Title 17B, Chapter 2a, Part 9, Service Area Act, within a county of the first class:

(A) created to provide law enforcement service; and

(B) in the creation of which an election was not required under Subsection 17B-1-214(3)(c).

(viii) "Public safety district" means a fire district or a police district.

(ix) "Public safety service" means:

(A) in the case of a public safety district that is a fire district, fire protection, paramedic, and emergency services; and

(B) in the case of a public safety district that is a police district, law enforcement service.

(b) In the first year following creation of a public safety district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized public safety tax rate.

(c) In the first budget year following annexation to a public safety district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by an amount equal to the amount of revenue budgeted by the annexing county or annexing municipality:

(i) for public safety service; and

(ii) in:

(A) for a taxing entity operating under a January 1 through December 31 fiscal year, the prior calendar year; or

(B) for a taxing entity operating under a July 1 through June 30 fiscal year, the prior fiscal year.

(d) Each tax levied under this section by a public safety district shall be considered to be levied by:

(i) each participating county and each annexing county for purposes of the county's tax limitation under Section 59-2-908; and

(ii) each participating municipality and each annexing municipality for purposes of the

SB0151S01 compared with SB0151

municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a city.

(e) The calculation of a public safety district's certified tax rate for the year of annexation shall be adjusted to include an amount of revenue equal to one half of the amount of revenue budgeted by the annexing entity for public safety service in the annexing entity's prior fiscal year if:

(i) the public safety district operates on a January 1 through December 31 fiscal year;

(ii) the public safety district approves an annexation of an entity operating on a July 1 through June 30 fiscal year; and

(iii) the annexation described in Subsection (6)(e)(ii) takes effect on July 1.

(7) (a) The base taxable value under [~~Subsection~~] Section 17C-1-102[~~(6)~~] shall be reduced for any year to the extent necessary to provide a community [~~development and renewal~~] reinvestment agency established under Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act, with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate, calculated in accordance with Section 59-2-924, if:

(i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

(ii) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(iii) the decrease results in a reduction of the amount to be paid to the agency under Section 17C-1-403 or 17C-1-404.

(b) The base taxable value under [~~Subsection~~] Section 17C-1-102[~~(6)~~] shall be increased in any year to the extent necessary to provide a community [~~development and renewal~~] reinvestment agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:

(i) in that year the base taxable value under [~~Subsection~~] Section 17C-1-102[~~(6)~~] is reduced due to a decrease in the certified tax rate under Subsection (2) or (3)(a); and

(ii) the certified tax rate of a city, school district, local district, or special service district increases independent of the adjustment to the taxable value of the base year.

(c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a), the amount of money allocated and, when collected, paid each year to a community

SB0151S01 compared with SB0151

[~~development and renewal~~] reinvestment agency established under Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2) or (3)(a).

(8) (a) For the calendar year beginning on January 1, 2014, the calculation of a county assessing and collecting levy shall be adjusted by the amount necessary to offset:

(i) any change in the certified tax rate that may result from amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3; and

(ii) the difference in the amount of revenue a taxing entity receives from or contributes to the Property Tax Valuation Agency Fund, created in Section 59-2-1602, that may result from amendments to Part 16, Multicounty Assessing and Collecting Levy, in Laws of Utah 2014, Chapter 270, Section 3.

(b) A taxing entity is not required to comply with the notice and public hearing requirements in Section 59-2-919 for an adjustment to the county assessing and collecting levy described in Subsection (8)(a).

(9) (a) For the calendar year beginning on January 1, 2017, the commission shall increase or decrease a school district's certified tax rate to offset a change in revenues from the calendar year beginning on January 1, 2016, to the calendar year beginning on January 1, 2017, as follows:

(i) the commission shall increase a school district's certified tax rate by the amount necessary to offset a decrease in revenues that may result from the repeal of Section 59-2-924.3 on December 31, 2016; and

(ii) the commission shall decrease a school district's certified tax rate by the amount necessary to offset an increase in revenues that may result from the repeal of Section 59-2-924.3 on December 31, 2016.

(b) (i) A school district is not required to comply with the notice and public hearing requirements of Section 59-2-919 for an offset to the certified tax rate described in Subsection (9)(a).

(ii) If a school district's certified tax rate is increased in accordance with Subsection

SB0151S01 compared with SB0151

(9)(a)(i), the school district shall:

(A) on or before June 15, 2017, publish the statement provided in Subsection (9)(c) one or more times in a newspaper or combination of newspapers of general circulation in the taxing entity, in a portion of the newspaper where legal notices and classified advertisements do not appear;

(B) on or before June 30, 2017, read the statement provided in Subsection (9)(c) at a public meeting of the school district; and

(C) if the school district maintains a database containing electronic mail addresses of one or more persons who reside within the school district boundaries, send the statement provided in Subsection (9)(c) to those electronic mail addresses.

(c) For purposes of Subsection (9)(b)(ii), the statement is: "For calendar year 2017, the State Tax Commission is required to increase a property tax rate of this school district to offset a loss in revenue due to the repeal of a statute to equalize certain school district property taxes. This offset may result in an increase in your property taxes."

Section 164. Section **59-2-924.3** is amended to read:

59-2-924.3. Adjustment of the calculation of the certified tax rate for a school district imposing a capital local levy in a county of the first class.

(1) As used in this section:

(a) "Capital local levy increment" means the amount of revenue equal to the difference between:

(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value within a school district during a fiscal year; and

(ii) the amount of revenue the school district received during the same fiscal year from the distribution described in Section 53A-16-114.

(b) "Contributing school district" means a school district in a county of the first class that in a fiscal year receives less revenue from the distribution described in Section 53A-16-114 than it would have received during the same fiscal year from a levy imposed within the school district of .0006 per dollar of taxable value.

(c) "Receiving school district" means a school district in a county of the first class that in a fiscal year receives more revenue from the distribution described in Section 53A-16-114 than it would have received during the same fiscal year from a levy imposed within the school

SB0151S01 compared with SB0151

district of .0006 per dollar of taxable value.

(2) A receiving school district shall decrease its capital local levy certified tax rate under Subsection 59-2-924[(3)](5)(g)(ii) by the amount required to offset the receiving school district's estimated capital local levy increment for the prior fiscal year.

(3) A contributing school district is exempt from the notice and public hearing provisions of Section 59-2-919 for the school district's capital local levy certified tax rate calculated pursuant to Subsection 59-2-924[(3)](5)(g)(ii) if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924[(4)](1) for the capital local levy described in Section 53A-16-113; and

(b) the increased amount of ad valorem property tax revenue described in Subsection (3)(a) is less than or equal to the difference between:

(i) the amount of revenue generated by a levy of .0006 per dollar of taxable value imposed within the contributing school district during the current taxable year; and

(ii) the amount of revenue generated by a levy of .0006 per dollar of taxable value imposed within the contributing school district during the prior taxable year.

(4) Regardless of the amount a school district receives from the revenue collected from the .0006 portion of the capital local levy required in Section 53A-16-113, the revenue generated within the school district from the .0006 portion of the capital local levy required in Section 53A-16-113 shall be considered to be budgeted ad valorem property tax revenues of the school district that levies the .0006 portion of the capital local levy for purposes of calculating the school district's certified tax rate in accordance with Subsection 59-2-924[(3)](5)(g)(ii).

Section 165. Section **59-7-614.2** is amended to read:

59-7-614.2. Refundable economic development tax credit.

(1) As used in this section:

(a) "Business entity" means a taxpayer that meets the definition of "business entity" as defined in Section 63N-2-103.

(b) "Community [~~development and renewal~~] reinvestment agency" is as defined in Section 17C-1-102.

(c) "Local government entity" is as defined in Section 63N-2-103.

SB0151S01 compared with SB0151

(d) "Office" means the Governor's Office of Economic Development.

(2) Subject to the other provisions of this section, a business entity, local government entity, or community [~~development and renewal~~] reinvestment agency may claim a refundable tax credit for economic development.

(3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to the business entity, local government entity, or community [~~development and renewal~~] reinvestment agency for the taxable year.

(4) A community [~~development and renewal~~] reinvestment agency may claim a tax credit under this section only if a local government entity assigns the tax credit to the community [~~development and renewal~~] reinvestment agency in accordance with Section 63N-2-104.

(5) (a) In accordance with any rules prescribed by the commission under Subsection (5)(b), the commission shall make a refund to the following that claim a tax credit under this section:

(i) a local government entity;

(ii) a community [~~development and renewal~~] reinvestment agency; or

(iii) a business entity if the amount of the tax credit exceeds the business entity's tax liability for a taxable year.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a business entity, local government entity, or community [~~development and renewal~~] reinvestment agency as required by Subsection (5)(a).

(6) (a) On or before October 1, 2013, and every five years after October 1, 2013, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations to the Legislative Management Committee concerning whether the tax credit should be continued, modified, or repealed.

(b) For purposes of the study required by this Subsection (6), the office shall provide the following information to the Revenue and Taxation Interim Committee:

(i) the amount of tax credit that the office grants to each business entity, local government entity, or community [~~development and renewal~~] reinvestment agency for each calendar year;

SB0151S01 compared with SB0151

(ii) the criteria that the office uses in granting a tax credit;

(iii) (A) for a business entity, the new state revenues generated by the business entity for the calendar year; or

(B) for a local government entity, regardless of whether the local government entity assigns the tax credit in accordance with Section 63N-2-104, the new state revenues generated as a result of a new commercial project within the local government entity for each calendar year;

(iv) the information contained in the office's latest report to the Legislature under Section 63N-2-106; and

(v) any other information that the Revenue and Taxation Interim Committee requests.

(c) The Revenue and Taxation Interim Committee shall ensure that its recommendations under Subsection (6)(a) include an evaluation of:

(i) the cost of the tax credit to the state;

(ii) the purpose and effectiveness of the tax credit; and

(iii) the extent to which the state benefits from the tax credit.

Section 166. Section **59-12-603** is amended to read:

59-12-603. County tax -- Bases -- Rates -- Use of revenues -- Adoption of ordinance required -- Advisory board -- Administration -- Collection -- Administrative charge -- Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice requirements.

(1) (a) In addition to any other taxes, a county legislative body may, as provided in this part, impose a tax as follows:

(i) (A) a county legislative body of any county may impose a tax of not to exceed 3% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement; and

(B) beginning on or after January 1, 1999, a county legislative body of any county imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant

SB0151S01 compared with SB0151

to a repair or an insurance agreement;

(ii) a county legislative body of any county may impose a tax of not to exceed 1% of all sales of the following that are sold by a restaurant:

- (A) alcoholic beverages;
- (B) food and food ingredients; or
- (C) prepared food; and

(iii) a county legislative body of a county of the first class may impose a tax of not to exceed .5% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).

(b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section 17-31-5.5.

(2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided for in Subsections (1)(a)(i) through (iii) may be used for:

- (i) financing tourism promotion; and
- (ii) the development, operation, and maintenance of:
 - (A) an airport facility;
 - (B) a convention facility;
 - (C) a cultural facility;
 - (D) a recreation facility; or
 - (E) a tourist facility.

(b) A county of the first class shall expend at least \$450,000 each year of the revenues from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a marketing and ticketing system designed to:

(i) promote tourism in ski areas within the county by persons that do not reside within the state; and

- (ii) combine the sale of:
 - (A) ski lift tickets; and
 - (B) accommodations and services described in Subsection 59-12-103(1)(i).

(3) A tax imposed under this part may be pledged as security for bonds, notes, or other evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local Government Bonding Act, or a community [~~development and renewal~~] reinvestment agency

SB0151S01 compared with SB0151

under Title 17C, Chapter 1, Part 5, Agency Bonds, to finance:

- (a) an airport facility;
- (b) a convention facility;
- (c) a cultural facility;
- (d) a recreation facility; or
- (e) a tourist facility.

(4) (a) In order to impose the tax under Subsection (1), each county legislative body shall adopt an ordinance imposing the tax.

(b) The ordinance under Subsection (4)(a) shall include provisions substantially the same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on those items and sales described in Subsection (1).

(c) The name of the county as the taxing agency shall be substituted for that of the state where necessary, and an additional license is not required if one has been or is issued under Section 59-12-106.

(5) In order to maintain in effect its tax ordinance adopted under this part, each county legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1, Tax Collection, adopt amendments to its tax ordinance to conform with the applicable amendments to Part 1, Tax Collection.

(6) (a) Regardless of whether a county of the first class creates a tourism tax advisory board in accordance with Section 17-31-8, the county legislative body of the county of the first class shall create a tax advisory board in accordance with this Subsection (6).

(b) The tax advisory board shall be composed of nine members appointed as follows:

(i) four members shall be appointed by the county legislative body of the county of the first class as follows:

- (A) one member shall be a resident of the unincorporated area of the county;
- (B) two members shall be residents of the incorporated area of the county; and
- (C) one member shall be a resident of the unincorporated or incorporated area of the

county; and

(ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or towns within the county of the first class appointed by an organization representing all mayors of cities and towns within the county of the first class.

SB0151S01 compared with SB0151

(c) Five members of the tax advisory board constitute a quorum.

(d) The county legislative body of the county of the first class shall determine:

(i) terms of the members of the tax advisory board;

(ii) procedures and requirements for removing a member of the tax advisory board;

(iii) voting requirements, except that action of the tax advisory board shall be by at least a majority vote of a quorum of the tax advisory board;

(iv) chairs or other officers of the tax advisory board;

(v) how meetings are to be called and the frequency of meetings; and

(vi) the compensation, if any, of members of the tax advisory board.

(e) The tax advisory board under this Subsection (6) shall advise the county legislative body of the county of the first class on the expenditure of revenues collected within the county of the first class from the taxes described in Subsection (1)(a).

(7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections 59-12-205(2) through (6).

(b) Except as provided in Subsection (7)(c):

(i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenues to the county imposing the tax; and

(ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenues according to the distribution formula provided in Subsection (8).

(c) The commission shall retain and deposit an administrative charge in accordance with Section 59-1-306 from the revenues the commission collects from a tax under this part.

(8) The commission shall distribute the revenues generated by the tax under Subsection (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the following formula:

(a) the commission shall distribute 70% of the revenues based on the percentages

SB0151S01 compared with SB0151

generated by dividing the revenues collected by each county under Subsection (1)(a)(i)(B) by the total revenues collected by all counties under Subsection (1)(a)(i)(B); and

(b) the commission shall distribute 30% of the revenues based on the percentages generated by dividing the population of each county collecting a tax under Subsection (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

(9) (a) For purposes of this Subsection (9):

(i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2, County Annexation.

(ii) "Annexing area" means an area that is annexed into a county.

(b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(b)(ii) from the county.

(ii) The notice described in Subsection (9)(b)(i)(B) shall state:

(A) that the county will enact or repeal a tax or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(b)(ii)(A), the rate of the tax.

(c) (i) The enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period:

(A) that begins after the effective date of the enactment of the tax or the tax rate increase; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1).

(ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period:

(A) that began before the effective date of the repeal of the tax or the tax rate decrease; and

SB0151S01 compared with SB0151

(B) if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).

(d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (9)(d)(i)(B) shall state:

(A) that the annexation described in Subsection (9)(d)(i) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(ii)(A), the rate of the tax.

(e) (i) The enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period:

(A) that begins after the effective date of the enactment of the tax or the tax rate increase; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax or the tax rate increase imposed under Subsection (1).

(ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period:

(A) that began before the effective date of the repeal of the tax or the tax rate decrease; and

(B) if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1).

Section 167. Section **63G-7-102** is amended to read:

63G-7-102. Definitions.

As used in this chapter:

(1) "Claim" means any asserted demand for or cause of action for money or damages,

SB0151S01 compared with SB0151

whether arising under the common law, under state constitutional provisions, or under state statutes, against a governmental entity or against an employee in the employee's personal capacity.

(2) (a) "Employee" includes:

(i) a governmental entity's officers, employees, servants, trustees, or commissioners;

(ii) members of a governing body;

(iii) members of a government entity board;

(iv) members of a government entity commission;

(v) members of an advisory body, officers, and employees of a Children's Justice Center created in accordance with Section 67-5b-104;

(vi) student teachers holding a letter of authorization in accordance with Sections 53A-6-103 and 53A-6-104;

(vii) educational aides;

(viii) students engaged in providing services to members of the public in the course of an approved medical, nursing, or other professional health care clinical training program;

(ix) volunteers as defined by Subsection 67-20-2(3); and

(x) tutors.

(b) "Employee" includes all of the positions identified in Subsection (2)(a), whether or not the individual holding that position receives compensation.

(c) "Employee" does not include an independent contractor.

(3) "Governmental entity" means the state and its political subdivisions as both are defined in this section.

(4) (a) "Governmental function" means each activity, undertaking, or operation of a governmental entity.

(b) "Governmental function" includes each activity, undertaking, or operation performed by a department, agency, employee, agent, or officer of a governmental entity.

(c) "Governmental function" includes a governmental entity's failure to act.

(5) "Injury" means death, injury to a person, damage to or loss of property, or any other injury that a person may suffer to the person or estate, that would be actionable if inflicted by a private person or the private person's agent.

(6) "Personal injury" means an injury of any kind other than property damage.

SB0151S01 compared with SB0151

(7) "Political subdivision" means any county, city, town, school district, community [~~development and renewal~~] reinvestment agency, special improvement or taxing district, local district, special service district, an entity created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal Cooperation Act, or other governmental subdivision or public corporation.

(8) "Property damage" means injury to, or loss of, any right, title, estate, or interest in real or personal property.

(9) "State" means the state of Utah, and includes each office, department, division, agency, authority, commission, board, institution, hospital, college, university, Children's Justice Center, or other instrumentality of the state.

(10) "Willful misconduct" means the intentional doing of a wrongful act, or the wrongful failure to act, without just cause or excuse, where the actor is aware that the actor's conduct will probably result in injury.

Section 168. Section **63G-9-201** is amended to read:

63G-9-201. Members -- Functions.

(1) As used in this chapter:

(a) "Political subdivision" means any county, city, town, school district, community [~~development and renewal~~] reinvestment agency, special improvement or taxing district, local district, special service district, an entity created by an interlocal agreement adopted under Title 11, Chapter 13, Interlocal Cooperation Act, or other governmental subdivision or public corporation.

(b) "State" means the state of Utah, and includes each office, department, division, agency, authority, commission, board, institution, college, university, Children's Justice Center, or other instrumentality of the state.

(2) The governor, the state auditor, and the attorney general shall constitute a Board of Examiners, with power to examine all claims against the state or a political subdivision, for the payment of which funds appropriated by the Legislature or derived from any other source are not available.

(3) No claim against the state or a political subdivision, for the payment of which specifically designated funds are required to be appropriated by the Legislature shall be passed upon by the Legislature without having been considered and acted upon by the Board of

SB0151S01 compared with SB0151

Examiners.

(4) The governor shall be the president, and the state auditor shall be the secretary of the board, and in the absence of either an officer pro tempore may be elected from among the members of the board.

Section 169. Section **63I-1-259** is amended to read:

63I-1-259. Repeal dates, Title 59.

- (1) Subsection 59-2-924[(3)](5)(g) is repealed on December 31, 2016.
- (2) Subsection 59-2-924.2(9) is repealed on December 31, 2017.
- (3) Section 59-2-924.3 is repealed on December 31, 2016.
- (4) Section 59-7-618 is repealed July 1, 2020.
- (5) Section 59-9-102.5 is repealed December 31, 2020.
- (6) Section 59-10-1033 is repealed July 1, 2020.
- (7) Subsection 59-12-2219(10) is repealed on June 30, 2020.

Section 170. Section **63N-2-103** is amended to read:

63N-2-103. Definitions.

As used in this part:

(1) "Business entity" means a person that enters into an agreement with the office to initiate a new commercial project in Utah that will qualify the person to receive a tax credit under Section 59-7-614.2 or 59-10-1107.

(2) "Community [~~development and renewal~~] reinvestment agency" has the same meaning as that term is defined in Section 17C-1-102.

(3) "Development zone" means an economic development zone created under Section 63N-2-104.

(4) "High paying jobs" means:

(a) with respect to a business entity, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits, of newly created full-time employment positions in a business entity that are at least 110% of the average wage of a community in which the employment positions will exist;

(b) with respect to a county, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits, of newly created full-time employment positions in a new commercial project within the county that are at least 110% of the average wage of the

SB0151S01 compared with SB0151

county in which the employment positions will exist; or

(c) with respect to a city or town, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits of newly created full-time employment positions in a new commercial project within the city or town that are at least 110% of the average wages of the city or town in which the employment positions will exist.

(5) "Local government entity" means a county, city, or town that enters into an agreement with the office to have a new commercial project that:

(a) is initiated within the county's, city's, or town's boundaries; and

(b) qualifies the county, city, or town to receive a tax credit under Section 59-7-614.2.

(6) (a) "New commercial project" means an economic development opportunity that involves new or expanded industrial, manufacturing, distribution, or business services in Utah.

(b) "New commercial project" does not include retail business.

(7) (a) "New incremental jobs" means full-time employment positions that are filled by employees who work at least 30 hours per week and that are:

(i) with respect to a business entity, created in addition to the baseline count of employment positions that existed within the business entity before the new commercial project;

(ii) with respect to a county, created as a result of a new commercial project with respect to which the county or a community development and renewal agency seeks to claim a tax credit under Section 59-7-614.2; or

(iii) with respect to a city or town, created as a result of a new commercial project with respect to which the city, town, or a community development and renewal agency seeks to claim a tax credit under Section 59-7-614.2.

(b) "New incremental jobs" may include full-time equivalent positions that are filled by more than one employee, if each employee who works less than 30 hours per week is provided benefits comparable to a full-time employee.

(c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction in the state to another jurisdiction in the state.

(8) "New state revenues" means:

(a) with respect to a business entity:

(i) incremental new state sales and use tax revenues that a business entity pays under

SB0151S01 compared with SB0151

Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development zone;

(ii) incremental new state tax revenues that a business entity pays as a result of a new commercial project in a development zone under:

(A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

(B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information;

(C) Title 59, Chapter 10, Part 2, Trusts and Estates;

(D) Title 59, Chapter 10, Part 4, Withholding of Tax; or

(E) a combination of Subsections (8)(a)(ii)(A) through (D);

(iii) incremental new state tax revenues paid as individual income taxes under Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by employees of a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project as evidenced by payroll records that indicate the amount of employee income taxes withheld and transmitted to the State Tax Commission by the new or expanded industrial, manufacturing, distribution, or business service within the new commercial project; or

(iv) a combination of Subsections (8)(a)(i) through (iii); or

(b) with respect to a local government entity:

(i) incremental new state sales and use tax revenues that are collected under Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development zone;

(ii) incremental new state tax revenues that are collected as a result of a new commercial project in a development zone under:

(A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

(B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information;

(C) Title 59, Chapter 10, Part 2, Trusts and Estates;

(D) Title 59, Chapter 10, Part 4, Withholding of Tax; or

(E) a combination of Subsections (8)(b)(ii)(A) through (D);

(iii) incremental new state tax revenues paid as individual income taxes under Title 59,

SB0151S01 compared with SB0151

Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by employees of a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project as evidenced by payroll records that indicate the amount of employee income taxes withheld and transmitted to the State Tax Commission by the new or expanded industrial, manufacturing, distribution, or business service within the new commercial project; or

(iv) a combination of Subsections (8)(b)(i) through (iii).

(9) "Significant capital investment" means an amount of at least \$10,000,000 to purchase capital or fixed assets, which may include real property, personal property, and other fixtures related to a new commercial project:

(a) that represents an expansion of existing operations in the state; or

(b) that maintains or increases the business entity's existing work force in the state.

(10) "Tax credit" means an economic development tax credit created by Section 59-7-614.2 or 59-10-1107.

(11) "Tax credit amount" means the amount the office lists as a tax credit on a tax credit certificate for a taxable year.

(12) "Tax credit certificate" means a certificate issued by the office that:

(a) lists the name of the business entity, local government entity, or community development and renewal agency to which the office authorizes a tax credit;

(b) lists the business entity's, local government entity's, or community development and renewal agency's taxpayer identification number;

(c) lists the amount of tax credit that the office authorizes the business entity, local government entity, or community development and renewal agency for the taxable year; and

(d) may include other information as determined by the office.

Section 171. Section **63N-2-104** is amended to read:

63N-2-104. Creation of economic development zones -- Tax credits -- Assignment of tax credit.

(1) The office, with advice from the board, may create an economic development zone in the state if the following requirements are satisfied:

(a) the area is zoned commercial, industrial, manufacturing, business park, research park, or other appropriate business related use in a community-approved master plan;

SB0151S01 compared with SB0151

(b) the request to create a development zone has first been approved by an appropriate local government entity; and

(c) local incentives have been or will be committed to be provided within the area.

(2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules establishing the requirements for a business entity or local government entity to qualify for a tax credit for a new commercial project in a development zone under this part.

(b) The office shall ensure that the requirements described in Subsection (2)(a) include the following:

(i) the new commercial project is within the development zone;

(ii) the new commercial project includes direct investment within the geographic boundaries of the development zone;

(iii) the new commercial project brings new incremental jobs to Utah;

(iv) the new commercial project includes the creation of high paying jobs in the state, significant capital investment in the state, or significant purchases from vendors and providers in the state, or a combination of these three economic factors;

(v) the new commercial project generates new state revenues; and

(vi) a business entity, a local government entity, or a community [~~development and renewal~~] reinvestment agency to which a local government entity assigns a tax credit under this section meets the requirements of Section 63N-2-105.

(3) (a) The office, after consultation with the board, may enter into a written agreement with a business entity or local government entity authorizing a tax credit to the business entity or local government entity if the business entity or local government entity meets the requirements described in this section.

(b) (i) With respect to a new commercial project, the office may authorize a tax credit to a business entity or a local government entity, but not both.

(ii) In determining whether to authorize a tax credit with respect to a new commercial project to a business entity or a local government entity, the office shall authorize the tax credit in a manner that the office determines will result in providing the most effective incentive for the new commercial project.

(c) (i) Except as provided in Subsection (3)(c)(ii), the office may not authorize or

SB0151S01 compared with SB0151

commit to authorize a tax credit that exceeds:

(A) 50% of the new state revenues from the new commercial project in any given year;

or

(B) 30% of the new state revenues from the new commercial project over the lesser of the life of a new commercial project or 20 years.

(ii) If the eligible business entity makes capital expenditures in the state of \$1,500,000,000 or more associated with a new commercial project, the office may:

(A) authorize or commit to authorize a tax credit not exceeding 60% of new state revenues over the lesser of the life of the project or 20 years, if the other requirements of this part are met;

(B) establish the year that state revenues and incremental jobs baseline data are measured for purposes of an incentive under this Subsection (3)(c)(ii); and

(C) offer an incentive under this Subsection (3)(c)(ii) or modify an existing incentive previously granted under Subsection (3)(c)(i) that is based on the baseline measurements described in Subsection (3)(c)(ii)(B), except that the incentive may not authorize or commit to authorize a tax credit of more than 60% of new state revenues in any one year.

(d) (i) A local government entity may by resolution assign a tax credit authorized by the office to a community [~~development and renewal~~] reinvestment agency.

(ii) The local government entity shall provide a copy of the resolution described in Subsection (3)(d)(i) to the office.

(iii) If a local government entity assigns a tax credit to a community [~~development and renewal~~] reinvestment agency, the written agreement described in Subsection (3)(a) shall:

(A) be between the office, the local government entity, and the community [~~development and renewal~~] reinvestment agency;

(B) establish the obligations of the local government entity and the community [~~development and renewal~~] reinvestment agency; and

(C) establish the extent to which any of the local government entity's obligations are transferred to the community [~~development and renewal~~] reinvestment agency.

(iv) If a local government entity assigns a tax credit to a community [~~development and renewal~~] reinvestment agency:

(A) the community [~~development and renewal~~] reinvestment agency shall retain

SB0151S01 compared with SB0151

records as described in Subsection (4)(d); and

(B) a tax credit certificate issued in accordance with Section 63N-2-106 shall list the community [~~development and renewal~~] reinvestment agency as the named applicant.

(4) The office shall ensure that the written agreement described in Subsection (3):

(a) specifies the requirements that the business entity or local government entity shall meet to qualify for a tax credit under this part;

(b) specifies the maximum amount of tax credit that the business entity or local government entity may be authorized for a taxable year and over the life of the new commercial project;

(c) establishes the length of time the business entity or local government entity may claim a tax credit;

(d) requires the business entity or local government entity to retain records supporting a claim for a tax credit for at least four years after the business entity or local government entity claims a tax credit under this part; and

(e) requires the business entity or local government entity to submit to audits for verification of the tax credit claimed.

Section 172. Section **63N-2-105** is amended to read:

63N-2-105. Qualifications for tax credit -- Procedure.

(1) The office shall certify a business entity's or local government entity's eligibility for a tax credit as provided in this part.

(2) A business entity or local government entity seeking to receive a tax credit as provided in this part shall provide the office with:

(a) an application for a tax credit certificate, including a certification, by an officer of the business entity, of any signature on the application;

(b) (i) for a business entity, documentation of the new state revenues from the business entity's new commercial project that were paid during the preceding calendar year; or

(ii) for a local government entity, documentation of the new state revenues from the new commercial project within the area of the local government entity that were paid during the preceding calendar year;

(c) known or expected detriments to the state or existing businesses in the state;

(d) if a local government entity seeks to assign the tax credit to a community

SB0151S01 compared with SB0151

[~~development and renewal~~] reinvestment agency as described in Section 63N-2-104, a statement providing the name and taxpayer identification number of the community [~~development and renewal~~] reinvestment agency to which the local government entity seeks to assign the tax credit;

(e) (i) with respect to a business entity, a document that expressly directs and authorizes the State Tax Commission to disclose to the office the business entity's returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

(ii) with respect to a local government entity that seeks to claim the tax credit:

(A) a document that expressly directs and authorizes the State Tax Commission to disclose to the office the local government entity's returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(B) if the new state revenues collected as a result of a new commercial project are attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project within the area of the local government entity, a document signed by an authorized representative of the new or expanded industrial, manufacturing, distribution, or business service that:

(I) expressly directs and authorizes the State Tax Commission to disclose to the office the returns of the new or expanded industrial, manufacturing, distribution, or business service and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(II) lists the taxpayer identification number of the new or expanded industrial, manufacturing, distribution, or business service; or

(iii) with respect to a local government entity that seeks to assign the tax credit to a community [~~development and renewal~~] reinvestment agency:

(A) a document signed by the members of the governing body of the community [~~development and renewal~~] reinvestment agency that expressly directs and authorizes the State Tax Commission to disclose to the office the returns of the community [~~development and renewal~~] reinvestment agency and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

SB0151S01 compared with SB0151

(B) if the new state revenues collected as a result of a new commercial project are attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project within the community [~~development and renewal~~] reinvestment agency, a document signed by an authorized representative of the new or expanded industrial, manufacturing, distribution, or business service that:

(I) expressly directs and authorizes the State Tax Commission to disclose to the office the returns of the new or expanded industrial, manufacturing, distribution, or business service and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(II) lists the taxpayer identification number of the new or expanded industrial, manufacturing, distribution, or business service; and

(f) for a business entity only, documentation that the business entity has satisfied the performance benchmarks outlined in the written agreement described in Subsection 63N-2-104(3)(a), including:

- (i) the creation of new incremental jobs that are also high paying jobs;
- (ii) significant capital investment;
- (iii) significant purchases from Utah vendors and providers; or
- (iv) a combination of these benchmarks.

(3) (a) The office shall submit the documents described in Subsection (2)(e) to the State Tax Commission.

(b) Upon receipt of a document described in Subsection (2)(e), the State Tax Commission shall provide the office with the returns and other information requested by the office that the State Tax Commission is directed or authorized to provide to the office in accordance with Subsection (2)(e).

(4) If, after review of the returns and other information provided by the State Tax Commission, or after review of the ongoing performance of the business entity or local government entity, the office determines that the returns and other information are inadequate to provide a reasonable justification for authorizing or continuing a tax credit, the office shall:

- (a) (i) deny the tax credit; or
- (ii) terminate the agreement described in Subsection 63N-2-104(3)(a) for failure to meet the performance standards established in the agreement; or

SB0151S01 compared with SB0151

(b) inform the business entity or local government entity that the returns or other information were inadequate and ask the business entity or local government entity to submit new documentation.

(5) If after review of the returns and other information provided by the State Tax Commission, the office determines that the returns and other information provided by the business entity or local government entity provide reasonable justification for authorizing a tax credit, the office shall, based upon the returns and other information:

(a) determine the amount of the tax credit to be granted to the business entity, local government entity, or if the local government entity assigns the tax credit as described in Section 63N-2-104, to the community [~~development and renewal~~] reinvestment agency to which the local government entity assigns the tax credit;

(b) issue a tax credit certificate to the business entity, local government entity, or if the local government entity assigns the tax credit as described in Section 63N-2-104, to the community [~~development and renewal~~] reinvestment agency to which the local government entity assigns the tax credit; and

(c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

(6) A business entity, local government entity, or community [~~development and renewal~~] reinvestment agency may not claim a tax credit unless the business entity, local government entity, or community [~~development and renewal~~] reinvestment agency has a tax credit certificate issued by the office.

(7) (a) A business entity, local government entity, or community [~~development and renewal~~] reinvestment agency may claim a tax credit in the amount listed on the tax credit certificate on its tax return.

(b) A business entity, local government entity, or community [~~development and renewal~~] reinvestment agency that claims a tax credit under this section shall retain the tax credit certificate in accordance with Section 59-7-614.2 or 59-10-1107.

Section 173. Section **63N-2-107** is amended to read:

63N-2-107. Reports of new state revenues, partial rebates, and tax credits.

(1) Before October 1 of each year, the office shall submit a report to the Governor's Office of Management and Budget, the Office of Legislative Fiscal Analyst, and the Division of Finance identifying:

SB0151S01 compared with SB0151

(a) (i) the total estimated amount of new state revenues created from new commercial projects in development zones;

(ii) the estimated amount of new state revenues from new commercial projects in development zones that will be generated from:

(A) sales tax;

(B) income tax; and

(C) corporate franchise and income tax; and

(iii) the minimum number of new incremental jobs and high paying jobs that will be created before any tax credit is awarded; and

(b) the total estimated amount of tax credits that the office projects that business entities, local government entities, or community [~~development and renewal~~] reinvestment agencies will qualify to claim under this part.

(2) By the first business day of each month, the office shall submit a report to the Governor's Office of Management and Budget, the Office of Legislative Fiscal Analyst, and the Division of Finance identifying:

(a) each new agreement entered into by the office since the last report;

(b) the estimated amount of new state revenues that will be generated under each agreement;

(c) the estimated maximum amount of tax credits that a business entity, local government entity, or community [~~development and renewal~~] reinvestment agency could qualify for under each agreement; and

(d) the minimum number of new incremental jobs and high paying jobs that will be created before any tax credit is awarded.

(3) At the reasonable request of the Governor's Office of Management and Budget, the Office of Legislative Fiscal Analyst, or the Division of Finance, the office shall provide additional information about the tax credit, new incremental jobs and high paying jobs, costs, and economic benefits related to this part, if the information is part of a public record as defined in Section 63G-2-103.

Section 174. Section **63N-2-108** is amended to read:

63N-2-108. Expenditure of amounts received by a local government entity or community reinvestment agency as a tax credit -- Commingling of tax credit amounts

SB0151S01 compared with SB0151

with certain other amounts.

(1) Subject to Subsections (2) and (3), a local government entity or community [~~development and renewal~~] reinvestment agency may expend amounts the local government entity or community [~~development and renewal~~] reinvestment agency receives as a tax credit under Section 59-7-614.2:

(a) for infrastructure, including real property or personal property, if that infrastructure is related to the new commercial project with respect to which the local government entity or community [~~development and renewal~~] reinvestment agency claims the tax credit under Section 59-7-614.2; or

(b) for another economic development purpose related to the new commercial project with respect to which the local government entity or community [~~development and renewal~~] reinvestment agency claims the tax credit under Section 59-7-614.2.

(2) A local government entity may:

(a) commingle amounts the local government entity receives as a tax credit under Section 59-7-614.2 with amounts the local government entity receives under Title 63N, Chapter 3, Part 1, Industrial Assistance Account; and

(b) expend the commingled amounts described in Subsection (2)(a) for a purpose described in Title 63N, Chapter 3, Part 1, Industrial Assistance Account, if that purpose is related to the new commercial project with respect to which the local government entity claims the tax credit under Section 59-7-614.2.

(3) A community [~~development and renewal~~] reinvestment agency may:

(a) commingle amounts the community [~~development and renewal~~] reinvestment agency receives as a tax credit under Section 59-7-614.2 with amounts the community [~~development and renewal~~] reinvestment agency receives under Title 17C, Chapter 1, Part 4, [~~Tax Increment and Sales Tax~~] Project Area Funds; and

(b) expend the commingled amounts described in Subsection (3)(a) for a purpose described in Title 17C, Chapter 1, Part 4, [~~Tax Increment and Sales Tax~~] Project Area Funds, if that purpose is related to the new commercial project with respect to which the community [~~development and renewal~~] reinvestment agency claims the tax credit under Section 59-7-614.2.

Section 175. Section **63N-2-502** is amended to read:

SB0151S01 compared with SB0151

63N-2-502. Definitions.

As used in this part:

(1) "Agreement" means an agreement described in Section 63N-2-503.

(2) "Base taxable value" means the value of hotel property before the construction on a qualified hotel begins, as that value is established by the county in which the hotel property is located, using a reasonable valuation method that may include the value of the hotel property on the county assessment rolls the year before the year during which construction on the qualified hotel begins.

(3) "Certified claim" means a claim that the office has approved and certified as provided in Section 63N-2-505.

(4) "Claim" means a written document submitted by a qualified hotel owner or host local government to request a convention incentive.

(5) "Claimant" means the qualified hotel owner or host local government that submits a claim under Subsection 63N-2-505(1)(a) for a convention incentive.

(6) "Commission" means the Utah State Tax Commission.

(7) "Community [~~development and renewal~~] reinvestment agency" means the same as that term is defined in Section 17C-1-102.

(8) "Construction revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring during the eligibility period as a result of the construction of the hotel property, including purchases made by a qualified hotel owner and its subcontractors.

(9) "Convention incentive" means an incentive for the development of a qualified hotel, in the form of payment from the incentive fund as provided in this part, as authorized in an agreement.

(10) "Eligibility period" means:

(a) the period that:

(i) begins the date construction of a qualified hotel begins; and

(ii) ends:

(A) for purposes of the state portion, 20 years after the date of initial occupancy of that qualified hotel; or

(B) for purposes of the local portion and incremental property tax revenue, 25 years after the date of initial occupancy of that hotel; or

SB0151S01 compared with SB0151

(b) as provided in an agreement between the office and a qualified hotel owner or host local government, a period that:

(i) begins no earlier than the date construction of a qualified hotel begins; and

(ii) is shorter than the period described in Subsection (10)(a).

(11) "Endorsement letter" means a letter:

(a) from the county in which a qualified hotel is located or is proposed to be located;

(b) signed by the county executive; and

(c) expressing the county's endorsement of a developer of a qualified hotel as meeting all the county's criteria for receiving the county's endorsement.

(12) "Host agency" means the community [~~development and renewal~~] reinvestment agency of the host local government.

(13) "Host local government" means:

(a) a county that enters into an agreement with the office for the construction of a qualified hotel within the unincorporated area of the county; or

(b) a city or town that enters into an agreement with the office for the construction of a qualified hotel within the boundary of the city or town.

(14) "Hotel property" means a qualified hotel and any property that is included in the same development as the qualified hotel, including convention, exhibit, and meeting space, retail shops, restaurants, parking, and other ancillary facilities and amenities.

(15) "Incentive fund" means the Convention Incentive Fund created in Section 63N-2-503.5.

(16) "Incremental property tax revenue" means the amount of property tax revenue generated from hotel property that equals the difference between:

(a) the amount of property tax revenue generated in any tax year by all taxing entities from hotel property, using the current assessed value of the hotel property; and

(b) the amount of property tax revenue that would be generated that tax year by all taxing entities from hotel property, using the hotel property's base taxable value.

(17) "Local portion" means the portion of new tax revenue that is generated by local taxes.

(18) "Local taxes" means a tax imposed under:

(a) Section 59-12-204;

SB0151S01 compared with SB0151

- (b) Section 59-12-301;
- (c) Sections 59-12-352 and 59-12-353;
- (d) Subsection 59-12-603(1)(a)(i)(A);
- (e) Subsection 59-12-603(1)(a)(i)(B);
- (f) Subsection 59-12-603(1)(a)(ii);
- (g) Subsection 59-12-603(1)(a)(iii); or
- (h) Section 59-12-1102.

(19) "New tax revenue" means construction revenue, offsite revenue, and onsite revenue.

(20) "Offsite revenue" means revenue generated from state taxes and local taxes imposed on transactions by a third-party seller occurring other than on hotel property during the eligibility period, if:

(a) the transaction is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act; and

(b) the third-party seller voluntarily consents to the disclosure of information to the office, as provided in Subsection 63N-2-505(2)(b)(i)(E).

(21) "Onsite revenue" means revenue generated from state taxes and local taxes imposed on transactions occurring on hotel property during the eligibility period.

(22) "Public infrastructure" means:

(a) water, sewer, storm drainage, electrical, telecommunications, and other similar systems and lines;

(b) streets, roads, curbs, gutters, sidewalks, walkways, parking facilities, and public transportation facilities; and

(c) other buildings, facilities, infrastructure, and improvements that benefit the public.

(23) "Qualified hotel" means a full-service hotel development constructed in the state on or after July 1, 2014 that:

(a) requires a significant capital investment;

(b) includes at least 85 square feet of convention, exhibit, and meeting space per guest room; and

(c) is located within 1,000 feet of a convention center that contains at least 500,000 square feet of convention, exhibit, and meeting space.

SB0151S01 compared with SB0151

(24) "Qualified hotel owner" means a person who owns a qualified hotel.

(25) "Review committee" means the independent review committee established under Section 63N-2-504.

(26) "Significant capital investment" means an amount of at least \$200,000,000.

(27) "State portion" means the portion of new tax revenue that is generated by state taxes.

(28) "State taxes" means a tax imposed under Subsection 59-12-103(2)(a)(i), (2)(b)(i), (2)(c)(i), or (2)(d)(i)(A).

(29) "Third-party seller" means a person who is a seller in a transaction:

(a) occurring other than on hotel property;

(b) that is:

(i) the sale, rental, or lease of a room or of convention or exhibit space or other facilities on hotel property; or

(ii) the sale of tangible personal property or a service that is part of a bundled transaction, as defined in Section 59-12-102, with a sale, rental, or lease described in Subsection (29)(b)(i); and

(c) that is subject to a tax under Title 59, Chapter 12, Sales and Use Tax Act.

Section 176. Section **63N-2-505** is amended to read:

63N-2-505. Submission of written claim for convention incentive -- Disclosure of tax returns and other information -- Determination of claim.

(1) The office may not pay any money from the incentive fund to a qualified hotel owner or host local government unless:

(a) the qualified hotel owner or host local government submits a claim and other required documentation, as provided in this section; and

(b) the office approves and certifies the claim, as provided in this section.

(2) A qualified hotel owner or host local government that desires to qualify for a convention incentive shall submit to the office:

(a) a written claim for a convention incentive;

(b) (i) for a claim submitted by a qualified hotel owner:

(A) a certification by the individual signing the claim that the individual is duly authorized to sign the claim on behalf of the qualified hotel owner;

SB0151S01 compared with SB0151

(B) documentation of the new tax revenue previously generated, itemized by construction revenue, offsite revenue, onsite revenue, type of sales or use tax, and the location of the transaction generating the new tax revenue as determined under Sections 59-12-211, 59-12-211.1, 59-12-212, 59-12-213, 59-12-214, and 59-12-215;

(C) the identity of sellers collecting onsite revenue and the date the sellers will begin collecting onsite revenue;

(D) a document in which the qualified hotel owner expressly directs and authorizes the commission to disclose to the office the qualified hotel owner's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

(E) a document in which the qualified hotel's direct vendors, lessees, or subcontractors, as applicable, expressly direct and authorize the commission to disclose to the office the tax returns and other information of those vendors, lessees, or subcontractors that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

(F) a document in which a third-party seller expressly and voluntarily directs and authorizes the commission to disclose to the office the third-party seller's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

(G) documentation verifying that the qualified hotel owner is in compliance with the terms of the agreement; and

(H) any other documentation that the agreement or office requires; and

(ii) for an application submitted by a host local government, documentation of the new tax revenue generated during the preceding year;

(c) if the host local government intends to assign the convention incentive to a community [~~development and renewal~~] reinvestment agency, a document signed by the governing body members of the community [~~development and renewal~~] reinvestment agency that expressly directs and authorizes the commission to disclose to the office the agency's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code; and

(d) an audit level attestation, or other level of review approved by the office, from an independent certified public accountant, hired by the claimant, attesting to the accuracy and

SB0151S01 compared with SB0151

validity of the amount of the state portion and the local portion being claimed by the claimant.

(3) (a) The office shall submit to the commission the documents described in Subsections (2)(b)(i)(C), (D), and (E) and (2)(c) authorizing disclosure of the tax returns and other information.

(b) Upon receipt of the documents described in Subsection (3)(a), the commission shall provide to the office the tax returns and other information described in those documents.

(4) If the office determines that the tax returns and other information are inadequate to enable the office to approve and certify a claim, the office shall inform the claimant that the tax returns and other information were inadequate and request the tax credit applicant to submit additional documentation to validate the claim.

(5) If the office determines that the returns and other information, including any additional documentation provided under Subsection (4), comply with applicable requirements and provide reasonable justification to approve and certify the claim, the office shall:

(a) approve and certify the claim;

(b) determine the amount of the certified claim; and

(c) disburse money from the incentive fund to pay the certified claim as provided in Subsection (6).

(6) The office shall pay claims from available money in the incentive fund at least annually.

(7) For each certified claim, the office shall provide the commission:

(a) for onsite revenue:

(i) the identity of sellers operating upon the hotel property;

(ii) the date that the commission is to begin depositing or transferring onsite revenue under Section 63N-2-503.5 for each seller operating upon the hotel property;

(iii) the date that the commission is to stop depositing or transferring onsite revenue to the incentive fund under Section 63N-2-503.5 for each seller operating upon the hotel property; and

(iv) the type of sales or use tax subject to the commission's deposit or transfer to the incentive fund under Section 63N-2-503.5;

(b) for construction revenue and offsite revenue:

(i) the amount of new tax revenue authorized under the agreement constituting

SB0151S01 compared with SB0151

construction revenue or offsite revenue;

(ii) the location of the transactions generating the construction revenue and offsite revenue, as determined under Sections 59-12-211, 59-12-211.1, 59-12-212, 59-12-213, 59-12-214, and 59-12-215; and

(iii) the type of sales or use tax that constitutes the construction revenue of offsite revenue described in Subsection (7)(b)(ii); and

(c) any other information the commission requires.

Section 177. Section **63N-2-507** is amended to read:

63N-2-507. Assigning convention incentive.

(1) A host local government that enters into an agreement with the office may, by resolution, assign a convention incentive to a community [~~development and renewal~~] reinvestment agency, in accordance with rules adopted by the office.

(2) A host local government that adopts a resolution assigning a convention incentive under Subsection (1) shall provide a copy of the resolution to the office.

Section 178. Section **63N-2-508** is amended to read:

63N-2-508. Payment of incremental property tax revenue.

(1) As used in this section:

(a) "Displaced tax increment" means the amount of tax increment that a county would have paid to the host agency, except for Subsection (2)(b), from tax increment revenue generated from the project area in which the hotel property is located.

(b) "Secured obligations" means bonds or other obligations of a host agency for the payment of which the host agency has, before March 13, 2015, pledged tax increment generated from the project area in which the hotel property is located.

(c) "Tax increment" means the same as that term is defined in Section 17C-1-102.

(d) "Tax increment shortfall" means the amount of displaced tax increment a host agency needs to receive, in addition to any other tax increment the host agency receives from the project area in which the hotel property is located, to provide the host agency sufficient tax increment funds to be able to pay the debt service on its secured obligations.

(2) (a) In accordance with rules adopted by the office and subject to Subsection (5), a county in which a qualified hotel is located shall retain incremental property tax revenue during the eligibility period.

SB0151S01 compared with SB0151

(b) The amount of incremental property tax revenue that a county retains under Subsection (2)(a) for a taxable year reduces by that amount any tax increment that the county would otherwise have paid to the host agency for that year, subject to Subsection (5).

(c) For any taxable year in which a reduction of tax increment occurs as provided in Subsection (2)(b), the county shall provide the host agency a notice that:

- (i) states the amount of displaced tax increment for that year;
- (ii) states the number of years remaining in the eligibility period;
- (iii) provides a detailed accounting of how the displaced tax increment was used; and
- (iv) explains how the displaced tax increment will be used in the following taxable year.

(3) Incremental property tax revenue may be used only for:

(a) the purchase of or payment for, or reimbursement of a previous purchase of or payment for:

(i) tangible personal property used in the construction of convention, exhibit, or meeting space on hotel property;

(ii) tangible personal property that, upon the construction of hotel property, becomes affixed to hotel property as real property; or

(iii) any labor and overhead costs associated with the construction described in Subsections (3)(a)(i) and (ii); and

(b) public infrastructure.

(4) (a) Incremental property tax:

(i) is not tax increment; and

(ii) is not subject to:

(A) Title 17C, Limited Purpose Local Government Entities - Community [~~Development and Renewal Agencies~~] Reinvestment Agency Act; or

(B) any other law governing tax increment, except as provided in Subsection (4)(c).

(b) The payment and use of incremental property tax, as provided in this part, is not subject to the approval of any taxing entity, as defined in Section 17C-1-102.

(c) Revenue from an increase in the taxable value of hotel property is considered to be a redevelopment adjustment for purposes of calculating the certified tax rate under Section 59-2-924.

SB0151S01 compared with SB0151

(5) (a) Subject to Subsection (5)(b), a county may not spend the portion of incremental property tax revenue that is displaced tax increment until after 30 days after the county provides the notice required under Subsection (2)(c).

(b) If, within 30 days after the county provides the notice required under Subsection (2)(c), a host agency provides written notice to the county that the host agency will experience a tax increment shortfall, the county shall, unless the host agency agrees otherwise, pay to the host agency displaced tax increment in the amount of the tax increment shortfall.

Section 179. Section **67-1a-6.5** is amended to read:

67-1a-6.5. Certification of local entity boundary actions -- Definitions -- Notice requirements -- Electronic copies -- Filing.

(1) As used in this section:

(a) "Applicable certificate" means:

(i) for the impending incorporation of a city, town, local district, conservation district, or incorporation of a local district from a reorganized special service district, a certificate of incorporation;

(ii) for the impending creation of a county, school district, special service district, community [~~development and renewal~~] reinvestment agency, or interlocal entity, a certificate of creation;

(iii) for the impending annexation of territory to an existing local entity, a certificate of annexation;

(iv) for the impending withdrawal or disconnection of territory from an existing local entity, a certificate of withdrawal or disconnection, respectively;

(v) for the impending consolidation of multiple local entities, a certificate of consolidation;

(vi) for the impending division of a local entity into multiple local entities, a certificate of division;

(vii) for the impending adjustment of a common boundary between local entities, a certificate of boundary adjustment; and

(viii) for the impending dissolution of a local entity, a certificate of dissolution.

(b) "Approved final local entity plat" means a final local entity plat, as defined in Section 17-23-20, that has been approved under Section 17-23-20 as a final local entity plat by

SB0151S01 compared with SB0151

the county surveyor.

(c) "Approving authority" has the same meaning as defined in Section 17-23-20.

(d) "Boundary action" has the same meaning as defined in Section 17-23-20.

(e) "Center" means the Automated Geographic Reference Center created under Section 63F-1-506.

(f) "Community [~~development and renewal~~] reinvestment agency" has the same meaning as defined in Section 17C-1-102.

(g) "Conservation district" has the same meaning as defined in Section 17D-3-102.

(h) "Interlocal entity" has the same meaning as defined in Section 11-13-103.

(i) "Local district" has the same meaning as defined in Section 17B-1-102.

(j) "Local entity" means a county, city, town, school district, local district, community [~~development and renewal~~] reinvestment agency, special service district, conservation district, or interlocal entity.

(k) "Notice of an impending boundary action" means a written notice, as described in Subsection (3), that provides notice of an impending boundary action.

(l) "Special service district" has the same meaning as defined in Section 17D-1-102.

(2) Within 10 days after receiving a notice of an impending boundary action, the lieutenant governor shall:

(a) (i) issue the applicable certificate, if:

(A) the lieutenant governor determines that the notice of an impending boundary action meets the requirements of Subsection (3); and

(B) except in the case of an impending local entity dissolution, the notice of an impending boundary action is accompanied by an approved final local entity plat;

(ii) send the applicable certificate to the local entity's approving authority;

(iii) return the original of the approved final local entity plat to the local entity's approving authority;

(iv) send a copy of the applicable certificate and approved final local entity plat to:

(A) the State Tax Commission;

(B) the center; and

(C) the county assessor, county surveyor, county auditor, and county attorney of each county in which the property depicted on the approved final local entity plat is located; and

SB0151S01 compared with SB0151

(v) send a copy of the applicable certificate to the state auditor, if the boundary action that is the subject of the applicable certificate is:

- (A) the incorporation or creation of a new local entity;
- (B) the consolidation of multiple local entities;
- (C) the division of a local entity into multiple local entities; or
- (D) the dissolution of a local entity; or

(b) (i) send written notification to the approving authority that the lieutenant governor is unable to issue the applicable certificate, if:

(A) the lieutenant governor determines that the notice of an impending boundary action does not meet the requirements of Subsection (3); or

(B) the notice of an impending boundary action is:

(I) not accompanied by an approved final local entity plat; or

(II) accompanied by a plat or final local entity plat that has not been approved as a final local entity plat by the county surveyor under Section 17-23-20; and

(ii) explain in the notification under Subsection (2)(b)(i) why the lieutenant governor is unable to issue the applicable certificate.

(3) Each notice of an impending boundary action shall:

(a) be directed to the lieutenant governor;

(b) contain the name of the local entity or, in the case of an incorporation or creation, future local entity, whose boundary is affected or established by the boundary action;

(c) describe the type of boundary action for which an applicable certificate is sought;

(d) be accompanied by a letter from the Utah State Retirement Office, created under Section 49-11-201, to the approving authority that identifies the potential provisions under Title 49, Utah State Retirement and Insurance Benefit Act, that the local entity shall comply with, related to the boundary action, if the boundary action is an impending incorporation or creation of a local entity that may result in the employment of personnel; and

(e) (i) contain a statement, signed and verified by the approving authority, certifying that all requirements applicable to the boundary action have been met; or

(ii) in the case of the dissolution of a municipality, be accompanied by a certified copy of the court order approving the dissolution of the municipality.

(4) The lieutenant governor may require the approving authority to submit a paper or

SB0151S01 compared with SB0151

electronic copy of a notice of an impending boundary action and approved final local entity plat in conjunction with the filing of the original of those documents.

(5) (a) The lieutenant governor shall:

(i) keep, index, maintain, and make available to the public each notice of an impending boundary action, approved final local entity plat, applicable certificate, and other document that the lieutenant governor receives or generates under this section;

(ii) make a copy of each document listed in Subsection (5)(a)(i) available on the Internet for 12 months after the lieutenant governor receives or generates the document;

(iii) furnish a paper copy of any of the documents listed in Subsection (5)(a)(i) to any person who requests a paper copy; and

(iv) furnish a certified copy of any of the documents listed in Subsection (5)(a)(i) to any person who requests a certified copy.

(b) The lieutenant governor may charge a reasonable fee for a paper copy or certified copy of a document that the lieutenant governor provides under this Subsection (5).

Section 180. Section **72-1-208** is amended to read:

72-1-208. Cooperation with counties, cities, towns, the federal government, and all state departments -- Inspection of work done by a public transit district.

(1) The department shall cooperate with the counties, cities, towns, and community [~~development and renewal~~] reinvestment agencies in the construction, maintenance, and use of the highways and in all related matters, and may provide services to the counties, cities, towns, and community [~~development and renewal~~] reinvestment agencies on terms mutually agreed upon.

(2) The department, with the approval of the governor, shall cooperate with the federal government in all federal-aid projects and with all state departments in all matters in connection with the use of the highways.

(3) The department:

(a) shall inspect all work done by a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District Act, relating to safety appliances and procedures; and

(b) may make further additions or changes necessary for the purpose of safety to employees and the general public.

Section 181. **Repealer.**

SB0151S01 compared with SB0151

This bill repeals:

Section 17C-1-303, **Summary of sale or other disposition of agency property --**

Publication of summary.

Section 17C-3-301, **Combining hearings.**

Section 17C-3-302, **Continuing a hearing.**

Section 17C-3-303, **Notice required for continued hearing.**

Section 17C-3-401, **Agency to provide notice of hearings.**

Section 17C-3-402, **Requirements for notice provided by agency.**

Section 17C-3-403, **Additional requirements for notice of a plan hearing.**

Section 17C-3-404, **Additional requirements for notice of a budget hearing.**

Section 17C-4-301, **Continuing a plan hearing.**

Section 17C-4-302, **Notice required for continued hearing.**

Section 17C-4-401, **Agency required to provide notice of plan hearing.**

Section 17C-4-402, **Requirements for notice provided by agency.**

†

Legislative Review Note

Office of Legislative Research and General Counsel