

MILITARY INSTALLATION DEVELOPMENT AUTHORITY

AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W. Stevenson

House Sponsor: Brad R. Wilson

LONG TITLE

General Description:

This bill amends provisions related to the military installation development authority.

Highlighted Provisions:

This bill:

- ▶ provides that the military installation development authority may provide for the development of land associated with a military installation development authority

project area; and

- ▶ defines the military installation development authority as a public agency for the purposes of the Transportation Infrastructure Loan Fund.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63H-1-102, as last amended by Laws of Utah 2015, Chapter 377

63H-1-201, as last amended by Laws of Utah 2016, Chapter 371

72-2-201, as last amended by Laws of Utah 2008, Chapter 396

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

29 Section 1. Section **63H-1-102** is amended to read:

30 **63H-1-102. Definitions.**

31 As used in this chapter:

32 (1) "Authority" means the Military Installation Development Authority, created under
33 Section **63H-1-201**.

34 (2) "Base taxable value" means:

35 (a) for military land or other land that was exempt from a property tax at the time that a
36 project area was created that included the military land or other land, a taxable value of zero; or

37 (b) for private property that is included in a project area, the taxable value of the
38 property within any portion of the project area, as designated by board resolution, from which
39 the property tax allocation will be collected, as shown upon the assessment roll last equalized
40 before the year in which the authority issues a building permit for a building within that portion
41 of the project area.

42 (3) "Board" means the governing body of the authority created under Section
43 **63H-1-301**.

44 (4) (a) "Dedicated tax collections" means the property tax that remains after the
45 authority is paid the property tax allocation it is entitled to receive under Subsection
46 **63H-1-501**(1), for a property tax levied by:

47 (i) a county, including a district the county has established under Subsection **17-34-3**(2)
48 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated
49 Areas; or

50 (ii) an included municipality.

51 (b) "Dedicated tax collections" does not include a county additional property tax or
52 multicounty assessing and collecting levy imposed in accordance with Section **59-2-1602**.

53 (5) (a) "Development" means an activity occurring on land within a project area that is
54 owned or operated by the military, the authority, another public entity, or a private entity or an
55 activity occurring on military land associated with a project area.

56 (b) "Development" includes the demolition, construction, reconstruction, modification,
57 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or
58 recreational amenity.

59 (6) "Development project" means a project to develop land within a project area.

60 (7) "Elected member" means a member of the authority board who:

61 (a) is a mayor or member of a legislative body appointed under Subsection

62 [63H-1-302\(2\)\(b\)](#); or

63 (b) (i) is appointed to the authority board under Subsection [63H-1-302\(2\)\(a\)](#) or (3); and

64 (ii) concurrently serves in an elected state, county, or municipal office.

65 (8) "Included municipality" means a municipality, some or all of which is included
66 within a project area.

67 (9) (a) "Military" means a branch of the armed forces of the United States, including
68 the Utah National Guard.

69 (b) "Military" includes, in relation to property, property that is occupied by the military
70 and is owned by the government of the United States or the state.

71 (10) "Military Installation Development Authority energy tax" or "MIDA energy tax"
72 means the tax levied under Section [63H-1-204](#).

73 (11) "Military land" means land or a facility, including leased land or a leased facility,
74 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the
75 jurisdiction of the United States Department of Defense or the Utah National Guard.

76 (12) "Municipal energy tax" means a municipal energy sales and use tax under Title
77 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

78 (13) "Municipal services revenue" means revenue that the authority:

79 (a) collects from the authority's:

80 (i) levy of a municipal energy tax;

81 (ii) levy of a MIDA energy tax;

82 (iii) levy of a telecommunications tax;

83 (iv) imposition of a transient room tax; and

84 (v) imposition of a resort communities tax;

85 (b) receives under Subsection 59-12-205(2)(b)(ii); and

86 (c) receives as dedicated tax collections.

87 (14) "Municipal tax" means a municipal energy tax, MIDA energy tax,

88 telecommunications tax, transient room tax, or resort communities tax.

89 (15) "Project area" means the land, including military land, whether consisting of a
90 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft
91 project area plan, where the development project set forth in the project area plan or draft
92 project area plan takes place or is proposed to take place.

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

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

96 (b) the projected property tax allocation expected to be generated within the project
97 area;

98 (c) the amount of the property tax allocation expected to be shared with other taxing
99 entities;

100 (d) the amount of the property tax allocation expected to be used to implement the
101 project area plan, including the estimated amount of the property tax allocation to be used for
102 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
103 incentives to private and public entities;

104 (e) the property tax allocation expected to be used to cover the cost of administering
105 the project area plan;

106 (f) if the property tax allocation is to be collected at different times or from different
107 portions of the project area, or both:

108 (i) (A) the tax identification numbers of the parcels from which the property tax
109 allocation will be collected; or

110 (B) a legal description of the portion of the project area from which the property tax
111 allocation will be collected; and

112 (ii) an estimate of when other portions of the project area will become subject to
113 collection of the property tax allocation; and

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

117 (17) "Project area plan" means a written plan that, after its effective date, guides and
118 controls the development within a project area.

119 (18) (a) "Property tax" includes a privilege tax, except as described in Subsection
120 (18)(b), and each levy on an ad valorem basis on tangible or intangible personal or real
121 property.

122 (b) "Property tax" does not include a privilege tax on the taxable value attributable to a
123 portion of a facility leased to the military for a calendar year when:

124 (i) a lessee of military land has constructed a facility on the military land that is part of
125 a project area;

126 (ii) the lessee leases space in the facility to the military for the entire calendar year; and

127 (iii) the lease rate paid by the military for the space is \$1 or less for the entire calendar
128 year, not including any common charges that are reimbursements for actual expenses.

129 (19) "Property tax allocation" means the difference between:

130 (a) the amount of property tax revenues generated each tax year by all taxing entities
131 from the area within a project area designated in the project area plan as the area from which
132 the property tax allocation is to be collected, using the current assessed value of the property;
133 and

134 (b) the amount of property tax revenues that would be generated from that same area
135 using the base taxable value of the property.

136 (20) "Public entity" means:

137 (a) the state, including each department or agency of the state; or
138 (b) a political subdivision of the state, including a county, city, town, school district,
139 local district, special service district, or interlocal cooperation entity.

140 (21) (a) "Publicly owned infrastructure and improvements" means infrastructure,
141 improvements, facilities, or buildings that benefit the public and are:

142 (i) publicly owned by the military, the authority, or another public entity;
143 (ii) owned by a utility; or
144 (iii) publicly maintained or operated by the military, the authority, or another public
145 entity.

146 (b) "Publicly owned infrastructure and improvements" includes:

147 (i) facilities, lines, or systems that provide water, chilled water, steam, sewer, storm
148 drainage, natural gas, electricity, or telecommunications; and

149 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
150 facilities, and public transportation facilities.

151 (22) "Remaining municipal services revenue" means municipal services revenue that
152 the authority has not spent during its fiscal year for municipal services as provided in
153 Subsection [63H-1-503\(1\)](#).

154 (23) "Resort communities tax" means a sales and use tax imposed under Section
155 [59-12-401](#).

156 (24) "Taxable value" means the value of property as shown on the last equalized
157 assessment roll as certified by the county assessor.

158 (25) "Taxing entity" means a public entity that levies a tax on property within a project
159 area.

160 (26) "Telecommunications tax" means a telecommunications license tax under Title
161 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

162 (27) "Transient room tax" means a tax under Section [59-12-352](#).

163 Section 2. Section **63H-1-201** is amended to read:

164 **63H-1-201. Creation of military installation development authority -- Status and**
165 **powers of authority -- Limitation.**

166 (1) There is created a military installation development authority.

167 (2) The authority is:

168 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
169 succession and statewide jurisdiction, whose purpose is to facilitate the development of
170 [military land in] land within a project area or on military land associated with a project area;

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

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

173 (3) The authority may:

174 (a) as provided in this chapter, facilitate the development of land within one or more
175 project areas, including the ongoing operation of facilities within a project area, or
176 development of military land associated with a project area;

177 (b) sue and be sued;

178 (c) enter into contracts generally;

179 (d) buy, obtain an option upon, or otherwise acquire any interest in real or personal
180 property:

181 (i) in a project area; or

182 (ii) outside a project area for publicly owned infrastructure and improvements, if the
183 board considers the purchase, option, or other interest acquisition to be necessary for fulfilling
184 the authority's development objectives;

185 (e) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
186 personal property;

187 (f) enter into a lease agreement on real or personal property, either as lessee or lessor:

188 (i) in a project area; or

189 (ii) outside a project area, if the board considers the lease to be necessary for fulfilling
190 the authority's development objectives;

- 191 (g) provide for the development of land within a project area or military land
192 associated with the project area under one or more contracts;
- 193 (h) exercise powers and perform functions under a contract, as authorized in the
194 contract;
- 195 (i) exercise exclusive police power within a project area to the same extent as though
196 the authority were a municipality, including the collection of regulatory fees;
- 197 (j) receive the property tax allocation and other taxes and fees as provided in this
198 chapter;
- 199 (k) accept financial or other assistance from any public or private source for the
200 authority's activities, powers, and duties, and expend any funds so received for any of the
201 purposes of this chapter;
- 202 (l) borrow money, contract with, or accept financial or other assistance from the federal
203 government, a public entity, or any other source for any of the purposes of this chapter and
204 comply with any conditions of the loan, contract, or assistance;
- 205 (m) issue bonds to finance the undertaking of any development objectives of the
206 authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and
207 Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;
- 208 (n) hire employees, including contract employees;
- 209 (o) transact other business and exercise all other powers provided for in this chapter;
- 210 (p) enter into a development agreement with a developer of land within a project area;
- 211 (q) enter into an agreement with a political subdivision of the state under which the
212 political subdivision provides one or more municipal services within a project area;
- 213 (r) enter into an agreement with a private contractor to provide one or more municipal
214 services within a project area;
- 215 (s) provide for or finance an energy efficiency upgrade, a renewable energy system, or
216 electric vehicle charging infrastructure as defined in Section [11-42-102](#), in accordance with
217 Title 11, Chapter 42, Assessment Area Act;

218 (t) exercise powers and perform functions that the authority is authorized by statute to
219 exercise or perform; and

220 (u) enter into an agreement with the federal government or an agency of the federal
221 government under which the federal government or agency:

222 (i) provides law enforcement services only to military land within a project area; and

223 (ii) may enter into a mutual aid or other cooperative agreement with a law enforcement
224 agency of the state or a political subdivision of the state.

225 (4) The authority may not itself provide law enforcement service or fire protection
226 service within a project area but may enter into an agreement for one or both of those services,
227 as provided in Subsection (3)(q).

228 Section 3. Section **72-2-201** is amended to read:

229 **72-2-201. Definitions.**

230 As used in this part:

231 (1) "Fund" means the Transportation Infrastructure Loan Fund created under Section
232 [72-2-202](#).

233 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure
234 loan, to provide financial assistance for transportation projects, including:

235 (a) capital reserves and other security for bond or debt instrument financing; or

236 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by
237 a public entity to finance transportation projects.

238 (3) "Infrastructure loan" means a loan of fund money to finance a transportation
239 project.

240 (4) "Public entity" means a state agency, county, municipality, local district, special
241 service district, [or] an intergovernmental entity organized under state law[-], or the military
242 installation development authority created in Section [63H-1-201](#).

243 (5) "Transportation project":

244 (a) means a project to improve a state or local highway; and

245 (b) includes the costs of acquisition, construction, reconstruction, rehabilitation,
246 equipping, and fixturing.