

SB0178S01 compared with SB0178

~~{deleted text}~~ shows text that was in SB0178 but was deleted in SB0178S01.

Inserted text shows text that was not in SB0178 but was inserted into SB0178S01.

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.

Representative Brad R. Wilson proposes the following substitute bill:

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;~~{~~

~~→ provides that certain jobs created in a project area of the military installation development authority are high paying jobs or new incremental jobs for the purpose of tax credit exemptions for economic development;}~~ and

SB0178S01 compared with SB0178

- ▶ 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

~~{ **63N-2-103**, as last amended by Laws of Utah 2016, Chapter 350~~

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

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

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

63H-1-102. Definitions.

As used in this chapter:

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

(2) "Base taxable value" means:

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

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

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

(4) (a) "Dedicated tax collections" means the property tax that remains after the authority is paid the property tax allocation it is entitled to receive under Subsection

SB0178S01 compared with SB0178

63H-1-501(1), for a property tax levied by:

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

(ii) an included municipality.

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

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

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

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

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

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

63H-1-302(2)(b); or

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

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

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

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

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

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

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

SB0178S01 compared with SB0178

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

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

(a) collects from the authority's:

(i) levy of a municipal energy tax;

(ii) levy of a MIDA energy tax;

(iii) levy of a telecommunications tax;

(iv) imposition of a transient room tax; and

(v) imposition of a resort communities tax;

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

(c) receives as dedicated tax collections.

(14) "Municipal tax" means a municipal energy tax, MIDA energy tax, telecommunications tax, transient room tax, or resort communities tax.

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

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

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

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

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

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

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

(f) if the property tax allocation is to be collected at different times or from different

SB0178S01 compared with SB0178

portions of the project area, or both:

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

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

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

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

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

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

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

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

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

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

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

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

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

(20) "Public entity" means:

(a) the state, including each department or agency of the state; or

SB0178S01 compared with SB0178

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

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

(i) publicly owned by the military, the authority, or another public entity;

(ii) owned by a utility; or

(iii) publicly maintained or operated by the military, the authority, or another public entity.

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

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

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

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

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

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

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

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

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

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

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

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

(2) The authority is:

(a) an independent, nonprofit, separate body corporate and politic, with perpetual

SB0178S01 compared with SB0178

succession and statewide jurisdiction, whose purpose is to facilitate the development of ~~[military land in]~~ land within a project area or on military land associated with a project area;

- (b) a political subdivision of the state; and
- (c) a public corporation, as defined in Section 63E-1-102.

(3) The authority may:

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

(b) sue and be sued;

(c) enter into contracts generally;

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

(i) in a project area; or

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

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

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

(i) in a project area; or

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

(g) provide for the development of land within a project area or military land associated with the project area under one or more contracts;

(h) exercise powers and perform functions under a contract, as authorized in the contract;

(i) exercise exclusive police power within a project area to the same extent as though the authority were a municipality, including the collection of regulatory fees;

(j) receive the property tax allocation and other taxes and fees as provided in this chapter;

(k) accept financial or other assistance from any public or private source for the

SB0178S01 compared with SB0178

authority's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;

(l) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;

(m) issue bonds to finance the undertaking of any development objectives of the authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;

(n) hire employees, including contract employees;

(o) transact other business and exercise all other powers provided for in this chapter;

(p) enter into a development agreement with a developer of land within a project area;

(q) enter into an agreement with a political subdivision of the state under which the political subdivision provides one or more municipal services within a project area;

(r) enter into an agreement with a private contractor to provide one or more municipal services within a project area;

(s) provide for or finance an energy efficiency upgrade, a renewable energy system, or electric vehicle charging infrastructure as defined in Section 11-42-102, in accordance with Title 11, Chapter 42, Assessment Area Act;

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

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

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

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

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

Section 3. Section ~~{63N-2-103}~~72-2-201 is amended to read:

~~{~~ 63N-2-103. Definitions.

~~—~~ As used in this part:

SB0178S01 compared with SB0178

~~—— (1) "Authority project area" means a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act.~~

~~—— [(1)] (2) "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)] (3) "Community reinvestment agency" [has the same meaning] means the same as that term is defined in Section 17C-1-102.~~

~~—— [(3)] (4) "Development zone" means an economic development zone created under Section 63N-2-104.~~

~~—— [(4)] (5) "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 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[.]; or~~

~~—— (d) with respect to the military installation development authority created in Section 63H-1-201, the aggregate average annual gross wages, not including health care benefits or other paid or unpaid benefits of newly created full-time employment positions in a new commercial project within the city or town closest to the location of the authority project area that are at least 110% of the average wages of the city or town.~~

~~—— [(5)] (6) "Local government entity" means a county, city, or town, or the military installation development authority created in Section 63H-1-201, that enters into an agreement with the office to have a new commercial project that:~~

SB0178S01 compared with SB0178

~~_____ (a) is initiated within the county's, city's, or town's boundaries, or within the boundaries of the authority project area, and~~

~~_____ (b) qualifies the county, city, or town, or military installation development authority, to receive a tax credit under Section 59-7-614.2.~~

~~_____ [(6)] (7) (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)] (8) (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, or to the military installation development authority, created as a result of a new commercial project with respect to which the city, town, or a community development and renewal agency, or the military installation development authority, 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)] (9) "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 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~~

SB0178S01 compared with SB0178

~~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)] (9)(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)] (9)(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)] (9)(b)(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~~

SB0178S01 compared with SB0178

~~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)] (9)(b)(i) through (iii).~~

~~—— [(9)] (10) "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)] (11) "Tax credit" means an economic development tax credit created by Section 59-7-614.2 or 59-10-1107.~~

~~—— [(11)] (12) "Tax credit amount" means the amount the office lists as a tax credit on a tax credit certificate for a taxable year:~~

~~—— [(12)] (13) "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 4. Section 72-2-201 is amended to read:~~

‡ **72-2-201. Definitions.**

As used in this part:

(1) "Fund" means the Transportation Infrastructure Loan Fund created under Section 72-2-202.

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

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

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

SB0178S01 compared with SB0178

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

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

(5) "Transportation project":

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

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

‡

Legislative Review Note

Office of Legislative Research and General Counsel