

**Representative Kim F. Coleman** proposes the following substitute bill:

**COMMUNITY REINVESTMENT AGENCY MODIFICATIONS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kim F. Coleman**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the Community Reinvestment Agency Act.

**Highlighted Provisions:**

This bill:

- ▶ removes provisions that prevented the creation of an economic development project area after 2016;
- ▶ allows an economic development project area to receive tax increment through interlocal agreement between a taxing entity and the agency;
- ▶ addresses measurement of the project area funds collection period;
- ▶ requires a community that creates an agency having a housing allocation from tax increment to create an affordable housing plan;
- ▶ allows an agency to use the agency's housing allocation to implement the affordable housing plan;
- ▶ requires a description of how an agency used the agency's housing allocation in the agency's annual budget report;
- ▶ imposes certain requirements on jobs that will be created for post-performance distribution;
- ▶ for urban renewal project areas, removes the option to reduce the agency's housing



- 26 allocation;
- 27       ▶ requires an agency to start distributing the agency's housing allocation held from
- 28 project areas created in the past; and
- 29       ▶ makes technical and conforming changes.

30 **Money Appropriated in this Bill:**

31       None

32 **Other Special Clauses:**

33       None

34 **Utah Code Sections Affected:**

35 AMENDS:

- 36       **17C-1-102**, as last amended by Laws of Utah 2017, Chapter 456
- 37       **17C-1-102.5**, as enacted by Laws of Utah 2016, Chapter 350
- 38       **17C-1-401.5**, as renumbered and amended by Laws of Utah 2016, Chapter 350
- 39       **17C-1-402**, as last amended by Laws of Utah 2016, Chapter 350
- 40       **17C-1-405**, as last amended by Laws of Utah 2016, Chapter 350
- 41       **17C-1-407**, as last amended by Laws of Utah 2016, Chapter 350
- 42       **17C-1-412**, as last amended by Laws of Utah 2016, Chapter 350
- 43       **17C-1-603**, as last amended by Laws of Utah 2016, Chapter 350
- 44       **17C-1-806**, as renumbered and amended by Laws of Utah 2016, Chapter 350
- 45       **17C-2-203**, as last amended by Laws of Utah 2016, Chapter 350
- 46       **17C-3-103**, as last amended by Laws of Utah 2016, Chapter 350
- 47       **17C-3-109**, as last amended by Laws of Utah 2017, Chapter 181
- 48       **17C-3-201**, as last amended by Laws of Utah 2016, Chapter 350
- 49       **17C-3-203**, as last amended by Laws of Utah 2016, Chapter 350
- 50       **17C-3-205**, as last amended by Laws of Utah 2016, Chapter 350
- 51       **17C-5-307**, as enacted by Laws of Utah 2016, Chapter 350

52 REPEALS:

- 53       **17C-3-101.2**, as enacted by Laws of Utah 2016, Chapter 350



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

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

57           **17C-1-102. Definitions.**

58           As used in this title:

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

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

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

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

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

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

70           (3) "Affordable housing" means housing owned or occupied by a low or moderate  
71 income family, as determined by resolution of the agency.

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

75           (a) that is a political subdivision of the state;

76           (b) that is created to undertake or promote project area development as provided in this  
77 title; and

78           (c) whose geographic boundaries are coterminous with:

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

80           (ii) for an agency created by a municipality, the boundaries of the municipality.

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

83           (a) project area funds;

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

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

88 (6) "Annual income" means the same as that term is defined in regulations of the  
89 United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as  
90 amended or as superseded by replacement regulations.

91 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

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

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

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

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

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

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

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

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

108 or

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

111 (d) for a community development [~~project area plan or a~~], economic development, or  
112 community reinvestment project area plan that is subject to an interlocal agreement, as  
113 described in the interlocal agreement.

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

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

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

121 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section  
122 17C-2-302; or

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

124 (13) "Blight study" means a study to determine whether blight exists within a survey  
125 area as described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403  
126 for a community reinvestment project area.

127 (14) "Board" means the governing body of an agency, as described in Section  
128 17C-1-203.

129 (15) "Budget hearing" means the public hearing on a proposed project area budget  
130 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget,  
131 Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection  
132 17C-5-302(2)(e) for a community reinvestment project area budget.

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

136 (17) "Combined incremental value" means the combined total of all incremental values  
137 from all project areas, except project areas that contain some or all of a military installation or  
138 inactive industrial site, within the agency's boundaries under project area plans and project area  
139 budgets at the time that a project area budget for a new project area is being considered.

140 (18) "Community" means a county or municipality.

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

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

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

147 (22) "Contest" means to file a written complaint in the district court of the county in  
148 which the agency is located.

149 (23) "Economic development project area plan" means a project area plan adopted

150 under Chapter 3, Part 1, Economic Development Project Area Plan.

151 (24) "Fair share ratio" means the ratio derived by:

152 (a) for a municipality, comparing the percentage of all housing units within the  
153 municipality that are publicly subsidized income targeted housing units to the percentage of all  
154 housing units within the county in which the municipality is located that are publicly  
155 subsidized income targeted housing units; or

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

160 (25) "Family" means the same as that term is defined in regulations of the United  
161 States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended  
162 or as superseded by replacement regulations.

163 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

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

168 (28) "Housing allocation" means tax increment allocated for housing under Section  
169 [17C-2-203](#), [17C-3-202](#), or [17C-5-307](#) for the purposes described in Section [17C-1-412](#).

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

172 (a) project area funds allocated for the purposes described in Section [17C-1-411](#); or  
173 (b) an agency's housing allocation.

174 (30) (a) "Inactive airport site" means land that:

175 (i) consists of at least 100 acres;

176 (ii) is occupied by an airport:

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

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

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

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

- 181 (iii) requires remediation because:
- 182 (A) of the presence of hazardous waste or solid waste; or
- 183 (B) the site lacks sufficient public infrastructure and facilities, including public roads,
- 184 electric service, water system, and sewer system, needed to support development of the site.
- 185 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
- 186 described in Subsection (30)(a).
- 187 (31) (a) "Inactive industrial site" means land that:
- 188 (i) consists of at least 1,000 acres;
- 189 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
- 190 facility; and
- 191 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 192 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
- 193 described in Subsection (31)(a).
- 194 (32) "Income targeted housing" means housing that is owned or occupied by a family
- 195 whose annual income is at or below 80% of the median annual income for a family within the
- 196 county in which the housing is located.
- 197 (33) "Incremental value" means a figure derived by multiplying the marginal value of
- 198 the property located within a project area on which tax increment is collected by a number that
- 199 represents the adjusted tax increment from that project area that is paid to the agency.
- 200 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
- 201 established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 202 (35) (a) " Local government building" means a building owned and operated by a
- 203 community for the primary purpose of providing one or more primary community functions,
- 204 including:
- 205 (i) a fire station;
- 206 (ii) a police station;
- 207 (iii) a city hall; or
- 208 (iv) a court or other judicial building.
- 209 (b) " Local government building" does not include a building the primary purpose of
- 210 which is cultural or recreational in nature.
- 211 (36) "Marginal value" means the difference between actual taxable value and base

212 taxable value.

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

216 (38) "Municipality" means a city, town, or metro township as defined in Section  
217 10-2a-403.

218 (39) "Participant" means one or more persons that enter into a participation agreement  
219 with an agency.

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

222 (a) includes a description of:

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

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

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

226 and

227 (b) is approved by resolution of the board.

228 (41) "Plan hearing" means the public hearing on a proposed project area plan required  
229 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection  
230 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d)  
231 for a community development project area plan, or Subsection 17C-5-104(3)(e) for a  
232 community reinvestment project area plan.

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

236 (43) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July  
237 1, 1993, whether or not amended subsequent to the project area plan's adoption.

238 (44) "Private," with respect to real property, means:

239 (a) not owned by a public entity or any other governmental entity; and

240 (b) not dedicated to public use.

241 (45) "Project area" means the geographic area described in a project area plan within  
242 which the project area development described in the project area plan takes place or is



243 proposed to take place.

244 (46) "Project area budget" means a multiyear projection of annual or cumulative  
245 revenues and expenses and other fiscal matters pertaining to a project area prepared in  
246 accordance with:

- 247 (a) for an urban renewal project area, Section 17C-2-202;
- 248 (b) for an economic development project area, Section 17C-3-202;
- 249 (c) for a community development project area, Section 17C-4-204; or
- 250 (d) for a community reinvestment project area, Section 17C-5-302.

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

- 254 (a) promoting, creating, or retaining public or private jobs within the state or a  
255 community;
- 256 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
257 facilities or improvements;
- 258 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or  
259 remediating environmental issues;
- 260 (d) providing residential, commercial, industrial, public, or other structures or spaces,  
261 including recreational and other facilities incidental or appurtenant to the structures or spaces;
- 262 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating  
263 existing structures;
- 264 (f) providing open space, including streets or other public grounds or space around  
265 buildings;
- 266 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 267 (h) relocating a business;
- 268 (i) improving public or private recreation areas or other public grounds;
- 269 (j) eliminating blight or the causes of blight;
- 270 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 271 (l) any activity described in Subsections (47)(a) through (k) outside of a project area  
272 that the board determines to be a benefit to the project area.

273 (48) "Project area funds" means tax increment or sales and use tax revenue that an

274 agency receives under a project area budget adopted by a taxing entity committee or an  
275 interlocal agreement.

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

277 (a) begins the day on which the first payment of project area funds is distributed to an  
278 agency under a project area budget adopted by a taxing entity committee or an interlocal  
279 agreement; and

280 (b) ends the day on which the last payment of project area funds is distributed to an  
281 agency under a project area budget adopted by a taxing entity committee or an interlocal  
282 agreement.

283 (50) "Project area plan" means an urban renewal project area plan, an economic  
284 development project area plan, a community development project area plan, or a community  
285 reinvestment project area plan that, after the project area plan's effective date, guides and  
286 controls the project area development.

287 (51) (a) "Property tax" means each levy on an ad valorem basis on tangible or  
288 intangible personal or real property.

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

291 (52) "Public entity" means:

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

293 (b) the state, including any of the state's departments or agencies; or

294 (c) a political subdivision of the state, including a county, municipality, school district,  
295 local district, special service district, or interlocal cooperation entity.

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

301 (54) "Record property owner" or "record owner of property" means the owner of real  
302 property, as shown on the records of the county in which the property is located, to whom the  
303 property's tax notice is sent.

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

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

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

308 (56) "Superfund site":

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

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

314 (57) "Survey area" means a geographic area designated for study by a survey area  
315 resolution to determine whether:

316 (a) one or more project areas within the survey area are feasible; or

317 (b) blight exists within the survey area.

318 (58) "Survey area resolution" means a resolution adopted by a board that designates a  
319 survey area.

320 (59) "Taxable value" means:

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

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

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

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

329 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
330 the area within a project area designated in the project area plan as the area from which tax  
331 increment is to be collected, using the current assessed value of the property; and

332 (ii) the amount of property tax revenue that would be generated from that same area  
333 using the base taxable value of the property.

334 (b) "Tax increment" does not include taxes levied and collected under Section  
335 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

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

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

340 (61) "Taxing entity" means a public entity that:

341 (a) levies a tax on property located within a project area; or

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

343 (62) "Taxing entity committee" means a committee representing the interests of taxing  
344 entities, created in accordance with Section 17C-1-402.

345 (63) "Unincorporated" means not within a municipality.

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

348 Section 2. Section 17C-1-102.5 is amended to read:

349 **17C-1-102.5. Project area created on or after May 10, 2016.**

350 Beginning on May 10, 2016, an agency:

351 (1) may create:

352 (a) an economic development project area under Chapter 3, Economic Development; or

353 (b) a community reinvestment project area under Chapter 5, Community Reinvestment;

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

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

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

357 ~~or]~~

358 ~~[(c)]~~ (b) a community development project area under Chapter 4, Community

359 Development; and

360 (3) may create an urban renewal project area~~[-an economic development project area,]~~

361 or a community development project area if:

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

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

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

365 ~~[(iii)]~~ (ii) Section 17C-4-101.5 for a community development project area; and

366 (b) the urban renewal project area~~[-economic development project area,]~~ or community

367 development project area is effective before September 1, 2016.

368 Section 3. Section **17C-1-401.5** is amended to read:

369 **17C-1-401.5. Agency receipt and use of project area funds -- Distribution of**  
370 **project area funds.**

371 (1) An agency may receive and use project area funds in accordance with this title.

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

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

377 (c) For an economic development project area plan that an agency adopts after May 10,  
378 2018, the county in which the agency is located shall withhold tax increment that the agency is  
379 authorized to receive from the project area until the agency provides the county evidence that  
380 jobs have been created in accordance with Subsection **17C-3-103(3)**.

381 (3) (a) The project area funds collection period shall be measured:

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

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

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

388 (B) with respect to sales and use tax revenue, as indicated in the interlocal agreement  
389 between the agency and the taxing entity that authorizes the agency to receive the taxing  
390 entity's sales and use tax revenue;

391 (iii) for a community development project area plan, as indicated in the resolution or  
392 interlocal agreement of a taxing entity that authorizes the agency to receive the taxing entity's  
393 project area funds;

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

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

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

401 (v) for a community reinvestment project area plan that is subject to an interlocal  
402 agreement, in accordance with the interlocal agreement between the agency and the taxing  
403 entity that authorizes the agency to receive the taxing entity's project area funds[~~;~~]; or

404 (vi) for an economic development project area plan that an agency adopts after May 10,  
405 2016, in accordance with the project area budget.

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

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

412 (ii) for a community development project area plan, an economic development project  
413 area plan, or a community reinvestment project area plan that is subject to an interlocal  
414 agreement, the effective date of the interlocal agreement that authorizes the agency to receive  
415 tax increment.

416 (4) With respect to a community development project area plan or a community  
417 reinvestment project area plan that is subject to an interlocal agreement:

418 (a) a taxing entity may, through interlocal agreement, authorize an agency to be paid  
419 any or all of the taxing entity's project area funds for any period of time; and

420 (b) the interlocal agreement authorizing the agency to be paid project area funds shall  
421 specify:

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

423 (ii) the method of calculating the amount of project area funds to be paid to the agency.

424 (5) (a) (i) The boundaries of one project area may overlap and include the boundaries  
425 of an existing project area.

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

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

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

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

437 (c) Nothing in this Subsection (5) gives an agency a right to receive project area funds  
438 that the agency is not otherwise authorized to receive under this title.

439 (d) The collection of project area funds from an overlapping project area described in  
440 Subsection (5)(a) does not affect an agency's use of project area funds within the other  
441 overlapping project area.

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

445 (7) Subject to Section 17C-1-407, an agency is authorized to receive tax increment as  
446 described in:

447 (a) for a pre-July 1, 1993, project area plan, Section 17C-1-403;

448 (b) for a post-June 30, 1993, project area plan:

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

451 (ii) a project area budget approved by the taxing entity committee and adopted by the  
452 agency in accordance with this title; or

453 (iii) Section 17C-1-406;

454 (c) a resolution or interlocal agreement entered into under Section 17C-2-207,  
455 17C-3-206, 17C-4-201, or 17C-4-202;

456 (d) for a community reinvestment project area plan that is subject to a taxing entity  
457 committee, a project area budget approved by the taxing entity committee and adopted by the  
458 agency in accordance with this title; [or]

459 (e) for a community reinvestment project area plan that is subject to an interlocal

460 agreement, an interlocal agreement entered into under Section 17C-5-204[-]; or

461 (f) for an economic development project area plan that an agency adopts after May 10,  
462 2016, in accordance with Chapter 3, Economic Development.

463 Section 4. Section **17C-1-402** is amended to read:

464 **17C-1-402. Taxing entity committee.**

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

467 (a) a post-June 30, 1993, urban renewal project area plan [~~or economic development~~  
468 ~~project area plan~~];

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

471 (c) an economic development project area plan; and

472 [~~(c)~~] (d) a community reinvestment project area plan that is subject to a taxing entity  
473 committee.

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

475 (A) two school district representatives appointed in accordance with Subsection

476 (2)(a)(ii);

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

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

482 (C) if the agency is created by a municipality, two representatives appointed by  
483 resolution of the legislative body of the municipality;

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

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

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

490 (B) If the agency boundaries include more than one school district, those school



491 districts shall jointly appoint the two school district representatives under Subsection  
492 (2)(a)(i)(A).

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

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

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

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

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

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

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

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

513 (3) At a taxing entity committee's first meeting, the taxing entity committee shall adopt  
514 an organizing resolution that:

515 (a) designates a chair and a secretary of the taxing entity committee; and

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

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

519 (i) an urban renewal project area plan;

520 (ii) an economic development project area plan that is subject to a taxing entity  
521 committee; or

- 522 (iii) a community reinvestment project area plan that is subject to a taxing entity  
523 committee.
- 524 (b) A taxing entity committee may:
- 525 (i) cast votes that are binding on all taxing entities;
- 526 (ii) negotiate with the agency concerning a proposed project area plan;
- 527 (iii) approve or disapprove:
- 528 (A) an urban renewal project area budget as described in Section [17C-2-204](#);
- 529 (B) for an economic development project area plan that is subject to a taxing entity  
530 committee, an economic development project area budget as described in Section [17C-3-203](#);
- 531 or
- 532 (C) for a community reinvestment project area plan that is subject to a taxing entity  
533 committee, a community reinvestment project area budget as described in Section [17C-5-302](#);
- 534 (iv) approve or disapprove an amendment to a project area budget as described in  
535 Section [17C-2-206](#), [17C-3-205](#), or [17C-5-306](#);
- 536 (v) approve an exception to the limits on the value and size of a project area imposed  
537 under this title;
- 538 (vi) approve:
- 539 (A) an exception to the percentage of tax increment to be paid to the agency;
- 540 (B) except for a project area funds collection period that is approved by an interlocal  
541 agreement, each project area funds collection period; and
- 542 (C) an exception to the requirement for an urban renewal project area budget, an  
543 economic development project area budget, or a community reinvestment project area budget  
544 to include a maximum cumulative dollar amount of tax increment that the agency may receive;
- 545 (vii) approve the use of tax increment for publicly owned infrastructure and  
546 improvements outside of a project area that the agency and community legislative body  
547 determine to be of benefit to the project area, as described in Subsection  
548 [17C-1-409\(1\)\(a\)\(iii\)\(D\)](#);
- 549 (viii) waive the restrictions described in Subsection [17C-2-202\(1\)](#);
- 550 (ix) subject to Subsection (4)(c), designate the base taxable value for a project area  
551 budget; and
- 552 (x) give other taxing entity committee approval or consent required or allowed under

553 this title.

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

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

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

559 (a) if the project area is located within a municipality, five members; or

560 (b) if the project area is not located within a municipality, four members.

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

562 (a) the affirmative vote of a majority of all members present at a taxing entity  
563 committee meeting:

564 (i) at which a quorum is present; and

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

567 (A) an inactive industrial site;

568 (B) an inactive airport site; or

569 (C) a closed military base; or

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

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

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

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

578 (ii) if not previously provided and if the documents exist and are to be considered at  
579 the meeting:

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

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

582 (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or  
583 17C-5-105(2);

584 (D) the blight study;

585 (E) the agency's resolution making a finding of blight under Subsection

586 17C-2-102(1)(a)(ii)(B) or Subsection 17C-5-402(2)(c)(ii); and

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

588 (c) (i) An agency may not schedule a taxing entity committee meeting on a day on

589 which the Legislature is in session.

590 (ii) Notwithstanding Subsection (7)(c)(i), a taxing entity committee may, by unanimous

591 consent, waive the scheduling restriction described in Subsection (7)(c)(i).

592 (8) (a) A taxing entity committee may not vote on a proposed project area budget or

593 proposed amendment to a project area budget at the first meeting at which the proposed project

594 area budget or amendment is considered unless all members of the taxing entity committee

595 present at the meeting consent.

596 (b) A second taxing entity committee meeting to consider a proposed project area

597 budget or a proposed amendment to a project area budget may not be held within 14 days after

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

599 consent.

600 (9) (a) Except as provided in Subsection (9)(b), each taxing entity committee shall

601 meet at least annually during a project area funds collection period under an urban renewal, an

602 economic development, or a community reinvestment project area budget to review the status

603 of the project area.

604 (b) A taxing entity committee is not required to meet in accordance with Subsection

605 (9)(a) if the agency prepares and distributes on or before November 1 of each year a report as

606 described in Section 17C-1-603.

607 (10) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and

608 Public Meetings Act.

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

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

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

612 (12) Each time a school district representative or a representative of the State Board of

613 Education votes as a member of a taxing entity committee to allow an agency to receive tax

614 increment, to increase the amount of tax increment the agency receives, or to extend a project

615 area funds collection period, that representative shall, within 45 days after the vote, provide to  
616 the representative's respective school board an explanation in writing of the representative's  
617 vote and the reasons for the vote.

618 (13) (a) The auditor of each county in which an agency is located shall provide a  
619 written report to the taxing entity committee stating, with respect to property within each  
620 project area:

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

623 (ii) the assessed value.

624 (b) With respect to the information required under Subsection (13)(a), the auditor shall  
625 provide:

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

628 (ii) estimated amounts for each year beginning the year after the time of the report and  
629 ending the time that each project area funds collection period ends.

630 (c) The auditor of the county in which the agency is located shall provide a report  
631 under this Subsection (13):

632 (i) at least annually; and

633 (ii) upon request of the taxing entity committee, before a taxing entity committee  
634 meeting at which the committee considers whether to allow the agency to receive tax  
635 increment, to increase the amount of tax increment that the agency receives, or to extend a  
636 project area funds collection period.

637 (14) This section does not apply to:

638 (a) a community development project area plan; or

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

641 (15) (a) A taxing entity committee resolution approving a blight finding, approving a  
642 project area budget, or approving an amendment to a project area budget:

643 (i) is final; and

644 (ii) is not subject to repeal, amendment, or reconsideration unless the agency first  
645 consents by resolution to the proposed repeal, amendment, or reconsideration.

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

648 Section 5. Section **17C-1-405** is amended to read:

649 **17C-1-405. Tax increment under a project area plan adopted on or after May 1,**  
650 **2006.**

651 (1) This section applies to tax increment under [a]:

652 (a) an urban renewal project area plan adopted on or after May 1, 2006, and before  
653 May 10, 2016[-]; and

654 (b) an economic development project area plan adopted on or after May 1, 2006, that is  
655 subject to a taxing entity committee.

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

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

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

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

666 Section 6. Section **17C-1-407** is amended to read:

667 **17C-1-407. Limitations on tax increment.**

668 (1) (a) If the development of retail sales of goods is the primary objective of an urban  
669 renewal project area, tax increment from the urban renewal project area may not be paid to or  
670 used by an agency unless a finding of blight is made under Chapter 2, Part 3, Blight  
671 Determination in Urban Renewal Project Areas.

672 (b) Development of retail sales of goods does not disqualify an agency from receiving  
673 tax increment.

674 (c) After July 1, 2005, an agency may not receive or use tax increment generated from  
675 the value of property within an economic development project area that is attributable to the  
676 development of retail sales of goods, unless the tax increment was previously pledged to pay

677 for bonds or other contractual obligations of the agency.

678 (2) (a) An agency with a project area plan that is subject to a taxing entity committee  
679 may not be paid any portion of a taxing entity's taxes resulting from an increase in the taxing  
680 entity's tax rate that occurs after the taxing entity committee or each taxing entity that is a party  
681 to an interlocal agreement with the agency approves the project area budget unless, at the time  
682 of the [~~taxing entity committee approves~~] approval of the project area budget, the taxing entity  
683 committee or each taxing entity that is a party to an interlocal agreement with the agency  
684 approves payment of those increased taxes to the agency.

685 (b) If the taxing entity committee or each taxing entity that is a party to an interlocal  
686 agreement with the agency does not approve payment of the increased taxes to the agency  
687 under Subsection (2)(a), the county shall distribute to the taxing entity the taxes attributable to  
688 the tax rate increase in the same manner as other property taxes.

689 (c) Notwithstanding any other provision of this section, if, before tax year 2013,  
690 increased taxes are paid to an agency without the approval of the taxing entity committee or  
691 each taxing entity that is a party to an interlocal agreement with the agency, and  
692 notwithstanding the law at the time that the tax was collected or increased:

693 (i) the State Tax Commission, the county as the collector of the taxes, a taxing entity,  
694 or any other person or entity may not recover, directly or indirectly, the increased taxes from  
695 the agency by adjustment of a tax rate used to calculate tax increment or otherwise;

696 (ii) the county is not liable to a taxing entity or any other person or entity for the  
697 increased taxes that were paid to the agency; and

698 (iii) tax increment, including the increased taxes, shall continue to be paid to the  
699 agency subject to the same number of tax years, percentage of tax increment, and cumulative  
700 dollar amount of tax increment as approved in the project area budget and previously paid to  
701 the agency.

702 (3) Except as the taxing entity committee or each taxing entity that is a party to an  
703 interlocal agreement with the agency otherwise agrees, an agency may not receive tax  
704 increment under an urban renewal or economic development project area budget adopted on or  
705 after March 30, 2009:

706 (a) that exceeds the percentage of tax increment or cumulative dollar amount of tax  
707 increment specified in the project area budget; or

708 (b) for more tax years than specified in the project area budget.

709 Section 7. Section 17C-1-412 is amended to read:

710 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**  
711 **of bonds for housing -- Action to compel agency to provide housing allocation.**

712 (1) (a) An agency shall use the agency's housing allocation, if applicable, to:

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

715 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the  
716 boundary of the agency;

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

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

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

725 (vi) replace housing units lost as a result of the project area development;

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

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

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

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

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

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

737 (ix) relocate mobile home park residents displaced by project area development.

738 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or



739 any portion of the agency's housing allocation to:

740 (i) the community for use as described in Subsection (1)(a);

741 (ii) a housing authority that provides income targeted housing within the community  
742 for use in providing income targeted housing within the community;

743 (iii) a housing authority established by the county in which the agency is located for  
744 providing:

745 (A) income targeted housing within the county;

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

748 (C) homeless assistance within the county; or

749 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,  
750 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within  
751 the community.

752 (2) (a) The agency shall create a housing fund and separately account for the agency's  
753 housing allocation, together with all interest earned by the housing allocation and all payments  
754 or repayments for loans, advances, or grants from the housing allocation.

755 (b) An agency that creates a housing fund described in Subsection (2)(a):

756 (i) shall dedicate or expend the agency's housing allocation for a use described in  
757 Subsection (1); and

758 (ii) may not accumulate a fund balance that exceeds the agency's housing allocations  
759 for the previous two years unless funds are reserved for a purpose identified in the agency's  
760 affordable housing plan.

761 (3) An agency may:

762 (a) issue bonds to finance a housing-related project under this section, including the  
763 payment of principal and interest upon advances for surveys and plans or preliminary loans;  
764 and

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

767 (4) (a) Except as provided in Subsection (4)(b), ~~[an]~~ if a project area budget requires an  
768 agency to make a housing allocation, the agency shall allocate money to the housing fund each  
769 year in which the agency receives sufficient tax increment to make ~~[a]~~ the housing allocation

770 [~~required by the project area budget~~].

771 (b) Subsection (4)(a) does not apply in a year in which tax increment is insufficient.

772 (5) (a) Except as provided in Subsection (4)(b), if an agency fails to provide a housing  
773 allocation [~~in accordance with~~] that the project area budget requires and, if applicable, the  
774 housing plan adopted under Subsection [17C-2-204](#)(2), the loan fund board may bring legal  
775 action to compel the agency to provide the housing allocation.

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

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

779 (ii) may not award the agency the agency's attorney fees, unless the court finds that the  
780 action was frivolous.

781 (6) (a) If the community that created the agency is a municipality, the community shall  
782 create an affordable housing plan in accordance with this Subsection (6).

783 (b) (i) A community described in Subsection (6)(a) shall ensure that the affordable  
784 housing plan the community creates includes:

785 (A) an estimate of the need for the development of additional moderate income  
786 housing within the community; and

787 (B) a plan to provide an opportunity to meet the estimated needs described in  
788 Subsection (6)(b)(i)(A) if long-term projections for land use and development occur.

789 (ii) The community may include the following in the affordable housing plan:

790 (A) existing housing rehabilitation within the boundaries of the project area;

791 (B) homeless service offerings within the boundaries of the project area;

792 (C) contribution to or utilization of the statewide Olene Walker Housing Loan Fund,  
793 created in Section [35A-8-502](#);

794 (D) contribution to or utilization of a county-wide affordable housing fund;

795 (E) federal low-income housing tax credits described in Section 42, Internal Revenue  
796 Code;

797 (F) housing projects under programs like the United States Department of Housing and  
798 Urban Development's Community Development Block Grant Program;

799 (G) donations to municipal and county housing services; and

800 (H) contributions to statewide funding of homeless resource centers.

801 (c) In drafting the moderate income housing plan, the community:  
802 (i) shall consider the legislative determination that cities facilitate a reasonable  
803 opportunity for a variety of housing, including moderate income housing:  
804 (A) to meet the needs of people desiring to live in the community; and  
805 (B) to allow individuals with moderate incomes to benefit from and fully participate in  
806 all aspects of neighborhood and community life;  
807 (ii) may recommend means and techniques for providing a realistic opportunity for the  
808 development of moderate income housing, including:  
809 (A) rezoning for densities necessary to assure the production of moderate income  
810 housing;  
811 (B) facilitating the rehabilitation or expansion of infrastructure that will encourage the  
812 construction of moderate income housing;  
813 (C) encouraging the rehabilitation of existing uninhabitable housing stock into  
814 moderate income housing;  
815 (D) considering general fund subsidies to waive construction-related fees that are  
816 otherwise generally imposed by the city;  
817 (E) considering utilization of state or federal funds or tax incentives to promote the  
818 construction of moderate income housing;  
819 (F) considering utilization of programs offered by the Utah Housing Corporation,  
820 created in Section [63H-8-201](#), within that agency's funding capacity; and  
821 (G) considering utilization of affordable housing programs administered by the  
822 Department of Workforce Services; and  
823 (iii) may include an analysis of why any recommendation described in Subsection  
824 (6)(c)(ii) provides a realistic opportunity for the development of moderate income housing  
825 within the planning horizon.

826 Section 8. Section **17C-1-603** is amended to read:

827 **17C-1-603. Annual report.**

828 (1) Beginning in 2016, on or before November 1 of each year, an agency shall:

829 (a) prepare an annual report as described in Subsection (2); and

830 (b) submit the annual report electronically to the county auditor, the State Tax

831 Commission, the State Board of Education, and each taxing entity from which the agency

832 receives project area funds.

833 (2) The annual report shall, for each active project area whose project area funds  
834 collection period has not expired, contain the following information:

835 (a) an assessment of the change in marginal value, including:

836 (i) the base taxable value;

837 (ii) the prior year's assessed value;

838 (iii) the estimated current assessed value; and

839 (iv) a narrative description of the relative growth in assessed value;

840 (b) the amount of project area funds the agency received, including:

841 (i) a comparison of the actual project area funds received for the previous year to the  
842 amount of project area funds forecasted when the project area was created, if available;

843 (ii) (A) the agency's historical receipts of project area funds, including the tax year for  
844 which the agency first received project area funds from the project area; or

845 (B) if the agency has not yet received project area funds from the project area, the year  
846 in which the agency expects each project area funds collection period to begin;

847 (iii) a list of each taxing entity that levies or imposes a tax within the project area and a  
848 description of the benefits that each taxing entity receives from the project area; and

849 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;

850 (c) a description of how the agency expended the agency's housing allocation, if  
851 applicable;

852 [~~(c)~~] (d) a description of current and anticipated project area development, including:

853 (i) a narrative of any significant project area development, including infrastructure  
854 development, site development, participation agreements, or vertical construction; and

855 (ii) other details of development within the project area, including total developed  
856 acreage and total undeveloped acreage;

857 [~~(d)~~] (e) the project area budget, if applicable, or other project area funds analysis,  
858 including:

859 (i) each project area funds collection period;

860 (ii) the number of years remaining in each project area funds collection period;

861 (iii) the total amount of project area funds the agency is authorized to receive from the  
862 project area cumulatively and from each taxing entity; and

863 (iv) the remaining amount of project area funds the agency is authorized to receive  
864 from the project area cumulatively and from each taxing entity;

865 [~~(e)~~] (f) the estimated amount of project area funds that the agency is authorized to  
866 receive from the project area for the current calendar year;

867 [~~(f)~~] (g) the estimated amount of project area funds to be paid to the agency for the next  
868 calendar year;

869 [~~(g)~~] (h) a map of the project area; and

870 [~~(h)~~] (i) any other relevant information the agency elects to provide.

871 (3) A report prepared in accordance with this section:

872 (a) is for informational purposes only; and

873 (b) does not alter the amount of project area funds that an agency is authorized to  
874 receive from a project area.

875 (4) The provisions of this section apply regardless of when the agency or project area is  
876 created.

877 Section 9. Section **17C-1-806** is amended to read:

878 **17C-1-806. Requirements for notice provided by agency.**

879 (1) The notice required by Section **17C-1-805** shall be given by:

880 (a) (i) publishing one notice, excluding the map referred to in Subsection (3)(b), in a  
881 newspaper of general circulation within the county in which the project area or proposed  
882 project area is located, at least 14 days before the hearing;

883 (ii) if there is no newspaper of general circulation, posting notice at least 14 days  
884 before the day of the hearing in at least three conspicuous places within the county in which the  
885 project area or proposed project area is located; or

886 (iii) posting notice, excluding the map described in Subsection (3)(b), at least 14 days  
887 before the day on which the hearing is held on:

888 (A) the Utah Public Notice Website described in Section **63F-1-701**; and

889 (B) the public website of a community located within the boundaries of the project  
890 area; and

891 (b) at least 30 days before the hearing, mailing notice to:

892 (i) each record owner of property located within the project area or proposed project  
893 area;

894 (ii) the State Tax Commission;

895 (iii) the assessor and auditor of the county in which the project area or proposed project  
896 area is located; and

897 (iv) (A) each member of the taxing entity committee, if applicable; or

898 (B) if a taxing entity committee has not been formed, the State Board of Education and  
899 the legislative body or governing board of each taxing entity.

900 (2) The mailing of the notice to record property owners required under Subsection  
901 (1)(b)(i) shall be conclusively considered to have been properly completed if:

902 (a) the agency mails the notice to the property owners as shown in the records,  
903 including an electronic database, of the county recorder's office and at the addresses shown in  
904 those records; and

905 (b) the county recorder's office records used by the agency in identifying owners to  
906 whom the notice is mailed and their addresses were obtained or accessed from the county  
907 recorder's office no earlier than 30 days before the mailing.

908 (3) The agency shall include in each notice required under Section [17C-1-805](#):

909 (a) (i) a boundary description of the project area or proposed project area; or

910 (ii) (A) a mailing address or telephone number where a person may request that a copy  
911 of the boundary description be sent at no cost to the person by mail, email, or facsimile  
912 transmission; and

913 (B) if the agency or community has an Internet website, an Internet address where a  
914 person may gain access to an electronic, printable copy of the boundary description and other  
915 related information;

916 (b) a map of the boundaries of the project area or proposed project area;

917 (c) an explanation of the purpose of the hearing; and

918 (d) a statement of the date, time, and location of the hearing.

919 (4) The agency shall include in each notice under Subsection (1)(b):

920 (a) a statement that property tax revenues resulting from an increase in valuation of  
921 property within the project area or proposed project area will be paid to the agency for project  
922 area development rather than to the taxing entity to which the tax revenues would otherwise  
923 have been paid if:

924 (i) (A) for a project area plan that is subject to a taxing entity committee, the taxing

925 entity committee consents to the project area budget; or  
 926 (B) each taxing entity that is party to an interlocal agreement with the agency consents;  
 927 and  
 928 (ii) the project area plan provides for the agency to receive tax increment; and  
 929 (b) an invitation to the recipient of the notice to submit to the agency comments  
 930 concerning the subject matter of the hearing before the date of the hearing.

931 (5) An agency may include in a notice under Subsection (1) any other information the  
 932 agency considers necessary or advisable, including the public purpose achieved by the project  
 933 area development and any future tax benefits expected to result from the project area  
 934 development.

935 Section 10. Section 17C-2-203 is amended to read:

936 **17C-2-203. Part of tax increment funds in urban renewal project area budget to**  
 937 **be used for housing -- Waiver of requirement.**

938 (1) (a) Except as provided in ~~[Subsections (1)(b) and (c)]~~ Subsection (1)(b), each urban  
 939 renewal project area budget adopted on or after May 1, 2000, that provides for more than  
 940 \$100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax  
 941 increment for housing as provided in Section 17C-1-412.

942 ~~[(b) The 20% requirement of Subsection (1)(a) may be waived in part or whole by the~~  
 943 ~~taxing entity committee if the taxing entity committee determines that 20% of tax increment is~~  
 944 ~~more than is needed to address the community's need for income targeted housing.]~~

945 ~~[(c)]~~ (b) An agency is not subject to the 20% requirement described in Subsection  
 946 (1)(a) if:

- 947 (i) an inactive industrial site is located within an urban renewal project area; and
- 948 (ii) the inactive industrial site's remediation costs are estimated to exceed 20% of the  
 949 project area funds under the urban renewal project area budget.

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

954 Section 11. Section 17C-3-103 is amended to read:

955 **17C-3-103. Economic development project area plan requirements.**

956 (1) Each economic development project area plan and proposed project area plan shall:

957 (a) describe the boundaries of the project area, subject to Section 17C-1-414, if  
958 applicable;

959 (b) contain a general statement of the land uses, layout of principal streets, population  
960 densities, and building intensities of the project area and how they will be affected by the  
961 project area development;

962 (c) state the standards that will guide the project area development;

963 (d) show how the purposes of this title will be attained by the project area  
964 development;

965 (e) be consistent with the general plan of the community in which the project area is  
966 located and show that the project area development will conform to the community's general  
967 plan;

968 (f) describe how the project area development will create additional jobs in accordance  
969 with Subsection (3), if applicable;

970 (g) describe any specific project or projects that are the object of the proposed project  
971 area development;

972 (h) identify how a participant will be selected to undertake the project area  
973 development and identify each participant currently involved in the project area development;

974 (i) state the reasons for the selection of the project area;

975 (j) describe the physical, social, and economic conditions existing in the project area;

976 (k) describe any tax incentives offered private entities for facilities located in the  
977 project area;

978 (l) include an analysis, as provided in Subsection (2), of whether adoption of the  
979 project area plan is beneficial under a benefit analysis;

980 (m) if any of the existing buildings or uses in the project area are included in or eligible  
981 for inclusion in the National Register of Historic Places or the State Register, state that the  
982 agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and

983 (n) include other information that the agency determines to be necessary or advisable.

984 (2) Each analysis under Subsection (1)(l) shall consider:

985 (a) the benefit of any financial assistance or other public subsidy proposed to be  
986 provided by the agency, including:



- 987 (i) an evaluation of the reasonableness of the costs of project area development;
- 988 (ii) efforts the agency or participant has made or will make to maximize private  
989 investment;
- 990 (iii) the rationale for use of tax increment, including an analysis of whether the  
991 proposed project area development might reasonably be expected to occur in the foreseeable  
992 future solely through private investment; and
- 993 (iv) an estimate of the total amount of tax increment that will be expended in  
994 undertaking project area development and the length of time for which it will be expended; and
- 995 (b) the anticipated public benefit to be derived from the project area development,  
996 including:
  - 997 (i) the beneficial influences upon the tax base of the community;
  - 998 (ii) the associated business and economic activity likely to be stimulated; [~~and~~]
  - 999 (iii) the number of jobs or employment anticipated to be generated or preserved[-]; and
  - 1000 (iv) the salary associated with any jobs generated or preserved.

1001 (3) For an economic development project area plan adopted after May 8, 2018, an  
1002 agency shall require that project area development under the plan creates at least 50 new jobs  
1003 that pay a salary that is 150% of area median income for the county in which the agency is  
1004 located.

1005 Section 12. Section **17C-3-109** is amended to read:

1006 **17C-3-109. Amending an economic development project area plan.**

1007 (1) An economic development project area plan may be amended as provided in this  
1008 section.

1009 (2) If an agency proposes to amend an economic development project area plan to  
1010 enlarge the project area:

1011 (a) the requirements under this part that apply to adopting a project area plan apply  
1012 equally to the proposed amendment as if it were a proposed project area plan;

1013 (b) the base year for the new area added to the project area shall be determined under  
1014 Subsection **17C-1-102(9)** using the date of the taxing entity committee's consent [~~referred to~~]  
1015 or the taxing entities' consent described in Subsection (2)(c); and

1016 (c) the agency shall obtain the consent of the taxing entity committee or each taxing  
1017 entity that is party to an interlocal agreement with the agency before the agency may collect tax

1018 increment from the area added to the project area by the amendment.

1019 (3) If a proposed amendment does not propose to enlarge an economic development  
1020 project area, a board may adopt a resolution approving an amendment to an economic  
1021 development project area plan after:

1022 (a) the agency gives notice, as provided in Chapter 1, Part 8, Hearing and Notice  
1023 Requirements, of the proposed amendment and of the public hearing required by Subsection  
1024 (3)(b);

1025 (b) the board holds a public hearing on the proposed amendment that meets the  
1026 requirements of a plan hearing;

1027 (c) the agency obtains the taxing entity committee's consent to the amendment or the  
1028 consent of each taxing entity that is party to an interlocal agreement with the agency, if the  
1029 amendment proposes:

1030 (i) to enlarge the area within the project area from which tax increment is received; or

1031 (ii) to permit the agency to receive a greater percentage of tax increment or to extend  
1032 the project area funds collection period under the economic development project area plan; and

1033 (d) the agency obtains the consent of the legislative body or governing board of each  
1034 taxing entity affected, if the amendment proposes to permit the agency to receive, from less  
1035 than all taxing entities, a greater percentage of tax increment or to extend the project area funds  
1036 collection period, or both, than allowed under the economic development project area plan.

1037 (4) (a) An economic development project area plan may be amended without  
1038 complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and  
1039 (b) and without obtaining [~~taxing entity committee approval~~] consent under Subsection (3)(c) if  
1040 the amendment:

1041 (i) makes a minor adjustment in the boundary description of a project area boundary  
1042 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;  
1043 or

1044 (ii) subject to Subsection (4)(b), removes a parcel from a project area because the  
1045 agency determines that the parcel is:

1046 (A) tax exempt; or

1047 (B) no longer necessary or desirable to the project area.

1048 (b) An amendment removing a parcel from a project area under Subsection (4)(a) may

1049 be made without the consent of the record property owner of the parcel being removed.

1050 (5) (a) An amendment approved by board resolution under this section may not take  
1051 effect until adopted by ordinance of the legislative body of the community in which the project  
1052 area that is the subject of the project area plan being amended is located.

1053 (b) Upon a community legislative body passing an ordinance adopting an amendment  
1054 to a project area plan, the agency whose project area plan was amended shall comply with the  
1055 requirements of Sections 17C-3-107 and 17C-3-108 to the same extent as if the amendment  
1056 were a project area plan.

1057 (6) (a) Within 30 days after the day on which an amendment to a project area plan  
1058 becomes effective, a person may contest the amendment to the project area plan or the  
1059 procedure used to adopt the amendment to the project area plan if the amendment or procedure  
1060 fails to comply with a provision of this title.

1061 (b) After the 30-day period described in Subsection (6)(a) expires, a person may not  
1062 contest the amendment to the project area plan or procedure used to adopt the amendment to  
1063 the project area plan for any cause.

1064 Section 13. Section 17C-3-201 is amended to read:

1065 **17C-3-201. Economic development project area budget -- Requirements for**  
1066 **adopting -- Contesting the budget or procedure -- Time limit.**

1067 (1) (a) If an agency anticipates funding all or a portion of [~~a post-June 30, 1993~~] an  
1068 economic development project area plan with tax increment, the agency shall, subject to  
1069 Section 17C-3-202, adopt a project area budget as provided in this part.

1070 (b) An economic development project area budget adopted on or after March 30, 2009  
1071 shall specify:

1072 (i) for a project area budget adopted on or after March 30, 2009:

1073 (A) the project area funds collection period; and

1074 (B) the percentage of tax increment the agency is authorized to receive from the project  
1075 area under the project area budget; and

1076 (ii) for a project area budget adopted on or after March 30, 2013, unless approval is  
1077 obtained under Subsection 17C-1-402(4)(b)(vi)(C), the maximum cumulative dollar amount of  
1078 tax increment that the agency may receive from the project area under the project area budget.

1079 (2) To adopt an economic development project area budget, the agency shall:

- 1080 (a) prepare a proposed economic development project area budget;
- 1081 (b) make a copy of the proposed project area budget available to the public at the  
1082 agency's offices during normal business hours;
- 1083 (c) provide notice of the budget hearing as required by Chapter 1, Part 8, Hearing and  
1084 Notice Requirements;
- 1085 (d) hold a public hearing on the proposed project area budget and, at that public  
1086 hearing, allow public comment on:
- 1087 (i) the proposed project area budget; and
- 1088 (ii) whether the proposed project area budget should be revised, adopted, or rejected;
- 1089 (e) (i) if required under Subsection 17C-3-203(1), obtain the approval of the taxing  
1090 entity committee on the proposed project area budget or a revised version of the proposed  
1091 project area budget; or
- 1092 (ii) if applicable, comply with the requirements of Subsection 17C-3-203(2);
- 1093 (f) if required under Subsection 17C-3-203(3), obtain from each taxing entity that is  
1094 party to an interlocal agreement with the agency approval on the proposed project area budget  
1095 or a revised version of the proposed project area budget;
- 1096 [~~f~~] (g) if approval of the taxing entity committee is required under Subsection  
1097 (2)(e)(i) or if approval of each taxing entity is required under Subsection (2)(f), obtain a written  
1098 certification, signed by an attorney licensed to practice law in this state, stating that the taxing  
1099 entity committee followed the appropriate procedures to approve the project area budget; and
- 1100 [~~g~~] (h) after the budget hearing, hold a board meeting in the same meeting as the  
1101 public hearing or in a subsequent meeting to:
- 1102 (i) consider comments made and information presented at the public hearing relating to  
1103 the proposed project area budget; and
- 1104 (ii) adopt by resolution the proposed project area budget, with any revisions, as the  
1105 project area budget.
- 1106 (3) (a) For a period of 30 days after the agency's adoption of the project area budget  
1107 under Subsection (2)(g), any person may contest the project area budget or the procedure used  
1108 to adopt the project area budget if the budget or procedure fails to comply with applicable  
1109 statutory requirements.
- 1110 (b) After the 30-day period under Subsection (3)(a) expires, a person may not contest:

1111 (i) the project area budget or procedure used by either the taxing entity committee, a  
1112 taxing entity that is a party to an interlocal agreement with the agency, or the agency to approve  
1113 and adopt the project area budget;

1114 (ii) a distribution of tax increment to the agency under the project area budget; or

1115 (iii) the agency's use of tax increment under the project area budget.

1116 Section 14. Section 17C-3-203 is amended to read:

1117 **17C-3-203. Consent of taxing entity committee required for economic**  
1118 **development project area budget -- Exception.**

1119 (1) (a) Except as provided in Subsection (1)(b) or (3) and subject to Subsection (2),  
1120 each agency shall obtain the consent of the taxing entity committee for each economic  
1121 development project area budget under a post-June 30, 1993 economic development project  
1122 area plan before the agency may collect any tax increment from the project area.

1123 (b) For an economic development project area budget adopted from July 1, 1998  
1124 through May 1, 2000 that allocates 20% or more of the tax increment for housing as provided  
1125 in Section 17C-1-412, an agency:

1126 (i) need not obtain the consent of the taxing entity committee for the project area  
1127 budget; and

1128 (ii) may not receive any tax increment from all or part of the project area until after:

1129 (A) the loan fund board has certified the project area budget as complying with the  
1130 requirements of Section 17C-1-412; and

1131 (B) the board has approved and adopted the project area budget by a two-thirds vote.

1132 (2) (a) Before a taxing entity committee may consent to an economic development  
1133 project area budget adopted on or after May 1, 2000 that allocates 20% of tax increment for  
1134 housing under Subsection 17C-3-202(2)(a) or (3), the agency shall:

1135 (i) adopt a housing plan showing the uses for the housing funds; and

1136 (ii) provide a copy of the housing plan to the taxing entity committee and the loan fund  
1137 board.

1138 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency  
1139 shall provide a copy of the amendment to the taxing entity committee and the loan fund board.

1140 (3) Notwithstanding Subsection (1), an agency:

1141 (a) may enter into an interlocal agreement with each taxing entity within the economic

1142 development project area; and

1143 (b) for a project area subject to an interlocal agreement, shall obtain the consent of a  
1144 taxing entity before collecting tax increment attributable to that taxing entity from the project  
1145 area.

1146 Section 15. Section **17C-3-205** is amended to read:

1147 **17C-3-205. Amending an economic development project area budget.**

1148 (1) An agency may by resolution amend an economic development project area budget  
1149 as provided in this section.

1150 (2) To amend an adopted economic development project area budget, the agency shall:

1151 (a) advertise and hold one public hearing on the proposed amendment as provided in  
1152 Subsection (3);

1153 (b) if approval of the taxing entity committee or each taxing entity that is a party to an  
1154 interlocal agreement with the agency was required for adoption of the original project area  
1155 budget, obtain the approval of the taxing entity committee or each taxing entity that is a party  
1156 to an interlocal agreement with the agency to the same extent that the agency was required to  
1157 obtain ~~[the]~~ consent ~~[of the taxing entity committee]~~ for the project area budget as originally  
1158 adopted;

1159 (c) if approval of the taxing entity committee or each taxing entity that is a party to an  
1160 interlocal agreement with the agency is required under Subsection (2)(b), obtain a written  
1161 certification, signed by an attorney licensed to practice law in this state, stating that the taxing  
1162 entity committee or each taxing entity that is a party to an interlocal agreement with the agency  
1163 followed the appropriate procedures to approve the project area budget; and

1164 (d) adopt a resolution amending the project area budget.

1165 (3) The public hearing required under Subsection (2)(a) shall be conducted according  
1166 to the procedures and requirements of Section **17C-3-201**, except that if the amended project  
1167 area budget proposes that the agency be paid a greater proportion of tax increment from a  
1168 project area than was to be paid under the previous project area budget, the notice shall state  
1169 the percentage paid under the previous project area budget and the percentage proposed under  
1170 the amended project area budget.

1171 (4) If the removal of a parcel under Subsection **17C-3-109(4)(a)(ii)** reduces the base  
1172 taxable value of the project area, an agency may amend the project area budget to conform with

1173 the new base taxable value without:

1174 (a) complying with Subsections (2)(a) and (3); and

1175 (b) if applicable, obtaining taxing entity committee approval or the approval of each

1176 taxing entity that is a party to an interlocal agreement with the agency as described in

1177 Subsection (2)(b).

1178 (5) If a proposed amendment is not adopted, the agency shall continue to operate under

1179 the previously adopted economic development project area budget without the proposed

1180 amendment.

1181 (6) (a) A person may contest the agency's adoption of a budget amendment within 30

1182 days after the day on which the agency adopts the amendment.

1183 (b) A person who fails to contest a budget amendment under Subsection (6)(a):

1184 (i) forfeits any claim against an agency's adoption of the amendment; and

1185 (ii) may not contest:

1186 (A) a distribution of tax increment to the agency under the budget amendment; or

1187 (B) an agency's use of a tax increment under a budget amendment.

1188 Section 16. Section **17C-5-307** is amended to read:

1189 **17C-5-307. Allocating project area funds for housing.**

1190 (1) (a) For a community reinvestment project area that is subject to a taxing entity

1191 committee, which does not include an economic development project area under Title 17C,

1192 Chapter 3, Economic Development, an agency shall allocate at least 20% of the agency's

1193 annual tax increment for housing in accordance with Section **17C-1-412** if the community

1194 reinvestment project area budget provides for more than \$100,000 of annual tax increment to

1195 be distributed to the agency.

1196 (b) The taxing entity committee may waive a portion of the allocation described in

1197 Subsection (1)~~(a)~~ if:

1198 (i) the taxing entity committee determines that 20% of the agency's annual tax

1199 increment is more than is needed to address the community's need for income targeted housing

1200 or homeless assistance; and

1201 (ii) after the waiver, the agency's housing allocation is equal to at least 10% of the

1202 agency's annual tax increment.

1203 (2) For a community reinvestment project area that is subject to an interlocal

1204 agreement, an agency shall allocate at least 10% of the project area funds for housing in  
1205 accordance with Section [17C-1-412](#) if the community reinvestment project area budget  
1206 provides for more than \$100,000 of annual project area funds to be distributed to the agency.

1207 (3) The agency may use the housing allocation described in Subsection (1) to achieve  
1208 the affordable housing plan the community establishes in accordance with Section [17C-1-412](#).

1209 Section 17. **Repealer.**

1210 This bill repeals:

1211 Section [17C-3-101.2](#), **Applicability of chapter.**