

HB0111S02 compared with HB0111S01

~~{deleted text}~~ shows text that was in HB0111S01 but was deleted in HB0111S02.

Inserted text shows text that was not in HB0111S01 but was inserted into HB0111S02.

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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

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;
- ~~{~~ ▶ ~~addresses which agencies are authorized to receive tax increment;~~
- ▶ requires a community that creates an agency having a housing allocation from tax increment to create an affordable housing plan;

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- ▶ allows an agency to use the agency's housing allocation to ~~achieve~~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 allocation;
- ▶ requires an agency to start distributing the agency's housing allocation held from project areas created in the past; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17C-1-102, as last amended by Laws of Utah 2017, Chapter 456

17C-1-102.5, as enacted by Laws of Utah 2016, Chapter 350

17C-1-401.5, as renumbered and amended by Laws of Utah 2016, Chapter 350

17C-1-402, as last amended by Laws of Utah 2016, Chapter 350

17C-1-405, as last amended by Laws of Utah 2016, Chapter 350

17C-1-407, as last amended by Laws of Utah 2016, Chapter 350

17C-1-412, as last amended by Laws of Utah 2016, Chapter 350

17C-1-603, as last amended by Laws of Utah 2016, Chapter 350

17C-1-806, as renumbered and amended by Laws of Utah 2016, Chapter 350

17C-2-203, as last amended by Laws of Utah 2016, Chapter 350

17C-3-103, as last amended by Laws of Utah 2016, Chapter 350

17C-3-109, as last amended by Laws of Utah 2017, Chapter 181

17C-3-201, as last amended by Laws of Utah 2016, Chapter 350

17C-3-203, as last amended by Laws of Utah 2016, Chapter 350

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17C-3-205, as last amended by Laws of Utah 2016, Chapter 350

17C-5-307, as enacted by Laws of Utah 2016, Chapter 350

REPEALS:

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

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

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

17C-1-102. Definitions.

As used in this title:

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

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

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

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

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

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

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

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

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

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

(c) whose geographic boundaries are coterminous with:

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

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

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

(a) project area funds;

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

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

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

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

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

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

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

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

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

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

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

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

or

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

(d) for a community development ~~[project area plan or a]~~, economic development, or

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community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) an agency's housing allocation.

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

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

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

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

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

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

(iii) requires remediation because:

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

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

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

(31) (a) "Inactive industrial site" means land that:

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

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

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

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

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

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

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

(35) (a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:

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

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

(36) "Marginal value" means the difference between actual taxable value and base taxable value.

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

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

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

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

(a) includes a description of:

- (i) the project area development that the person will undertake;
- (ii) the amount of project area funds the person may receive; and
- (iii) the terms and conditions under which the person may receive project area funds;

and

(b) is approved by resolution of the board.

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

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

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

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

- (a) not owned by a public entity or any other governmental entity; and
- (b) not dedicated to public use.

(45) "Project area" means the geographic area described in a project area plan within which the project area development described in the project area plan takes place or is proposed to take place.

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

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

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

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

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

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

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

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

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

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

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- (h) relocating a business;
- (i) improving public or private recreation areas or other public grounds;
- (j) eliminating blight or the causes of blight;
- (k) redevelopment as defined under the law in effect before May 1, 2006; or
- (l) any activity described in Subsections (47)(a) through (k) outside of a project area

that the board determines to be a benefit to the project area.

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

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

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

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

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

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

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

(52) "Public entity" means:

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

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

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

(53) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,

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roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.

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

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

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

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

(56) "Superfund site":

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

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

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

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

(b) blight exists within the survey area.

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

(59) "Taxable value" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section ~~11~~2. Section **17C-1-102.5** is amended to read:

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

Beginning on May 10, 2016, an agency:

(1) may create:

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

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

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

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

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

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

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

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

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

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

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

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

Section ~~{2}~~3. Section 17C-1-401.5 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- (i) the base taxable value of the project area; and
- (ii) the method of calculating the amount of project area funds to be paid to the agency.

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

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

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

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

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

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

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

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

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

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

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

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

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(iii) Section 17C-1-406;

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

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

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

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

Section ~~{3}~~4. Section 17C-1-402 is amended to read:

17C-1-402. Taxing entity committee.

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

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

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

(c) an economic development project area plan; and

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

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

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

(2)(a)(ii);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(a) designates a chair and a secretary of the taxing entity committee; and
(b) if the taxing entity committee considers it appropriate, governs the use of electronic meetings under Section 52-4-207.

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

(i) an urban renewal project area plan;

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

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

(b) A taxing entity committee may:

(i) cast votes that are binding on all taxing entities;

(ii) negotiate with the agency concerning a proposed project area plan;

(iii) approve or disapprove:

(A) an urban renewal project area budget as described in Section 17C-2-204;

(B) for an economic development project area plan that is subject to a taxing entity committee, an economic development project area budget as described in Section 17C-3-203;

or

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

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

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

(vi) approve:

(A) an exception to the percentage of tax increment to be paid to the agency;

(B) except for a project area funds collection period that is approved by an interlocal agreement, each project area funds collection period; and

(C) an exception to the requirement for an urban renewal project area budget, an economic development project area budget, or a community reinvestment project area budget to include a maximum cumulative dollar amount of tax increment that the agency may receive;

(vii) approve the use of tax increment for publicly owned infrastructure and

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improvements outside of a project area that the agency and community legislative body determine to be of benefit to the project area, as described in Subsection 17C-1-409(1)(a)(iii)(D);

(viii) waive the restrictions described in Subsection 17C-2-202(1);

(ix) subject to Subsection (4)(c), designate the base taxable value for a project area budget; and

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

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

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

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

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

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

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

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

(i) at which a quorum is present; and

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

(A) an inactive industrial site;

(B) an inactive airport site; or

(C) a closed military base; or

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

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

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

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- (i) the proposed agenda for the taxing entity committee meeting; and
- (ii) if not previously provided and if the documents exist and are to be considered at

the meeting:

- (A) the project area plan or proposed project area plan;
- (B) the project area budget or proposed project area budget;
- (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or

17C-5-105(2);

- (D) the blight study;

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

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

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

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

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

(b) A second taxing entity committee meeting to consider a proposed project area budget or a proposed amendment to a project area budget may not be held within 14 days after the first meeting unless all members of the taxing entity committee present at the first meeting consent.

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

(b) A taxing entity committee is not required to meet in accordance with Subsection (9)(a) if the agency prepares and distributes on or before November 1 of each year a report as described in Section 17C-1-603.

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

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Public Meetings Act.

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

- (a) considered the records of the agency that created the taxing entity committee; and
- (b) maintained by the agency in accordance with Section 17C-1-209.

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

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

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

(ii) the assessed value.

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

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

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

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

(i) at least annually; and

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

(14) This section does not apply to:

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

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

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

(i) is final; and

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

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

Section ~~4~~5. Section **17C-1-405** is amended to read:

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

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

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

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

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

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

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

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

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

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

(1) (a) If the development of retail sales of goods is the primary objective of an urban renewal project area, tax increment from the urban renewal project area may not be paid to or

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used by an agency unless a finding of blight is made under Chapter 2, Part 3, Blight Determination in Urban Renewal Project Areas.

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

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

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

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

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

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

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

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

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the agency.

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

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

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

Section ~~5~~7. Section **17C-1-412** is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(viii) if the community's fair share ratio at the time of the first adoption of the project

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area budget is at least 1.1 to 1.0, make payments on bonds:

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

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

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

(b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of the agency's housing allocation to:

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

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

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

(A) income targeted housing within the county;

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

(C) homeless assistance within the county; or

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

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

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

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

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

(3) An agency may:

(a) issue bonds to finance a housing-related project under this section, including the

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payment of principal and interest upon advances for surveys and plans or preliminary loans;
and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(b)(c)~~ ~~fin~~In drafting the moderate income housing plan, the community:

(i) shall consider the legislative determination that cities facilitate a reasonable opportunity for a variety of housing, including moderate income housing:

(A) to meet the needs of people desiring to live in the community; and

(B) to allow individuals with moderate incomes to benefit from and fully participate in all aspects of neighborhood and community life; ~~and~~

(ii) may recommend means and techniques for providing a realistic opportunity for the development of moderate income housing, including:

(A) rezoning for densities necessary to assure the production of moderate income housing;

(B) facilitating the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing;

(C) encouraging the rehabilitation of existing uninhabitable housing stock into moderate income housing;

(D) considering general fund subsidies to waive ~~construction~~ ~~related~~ ~~construction-related~~ fees that are otherwise generally imposed by the city;

(E) considering utilization of state or federal funds or tax incentives to promote the construction of moderate income housing;

(F) considering utilization of programs offered by the Utah Housing Corporation, created in Section 63H-8-201, within that agency's funding capacity; and

(G) considering utilization of affordable housing programs administered by the Department of Workforce Services; and

(iii) may include an analysis of why any recommendation described in Subsection (6)~~(b)(c)~~(ii) provides a realistic opportunity for the development of moderate income housing

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within the planning horizon.

Section ~~6~~8. Section 17C-1-603 is amended to read:

17C-1-603. Annual report.

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

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

(b) submit the annual report electronically to the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity from which the agency receives project area funds.

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

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

(i) the base taxable value;

(ii) the prior year's assessed value;

(iii) the estimated current assessed value; and

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

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

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

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

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

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

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

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

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

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

(ii) other details of development within the project area, including total developed

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acreage and total undeveloped acreage;

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

(i) each project area funds collection period;

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

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

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

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

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

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

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

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

(a) is for informational purposes only; and

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

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

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

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

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

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

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

(iii) posting notice, excluding the map described in Subsection (3)(b), at least 14 days

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before the day on which the hearing is held on:

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

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

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

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

(ii) the State Tax Commission;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) (A) for a project area plan that is subject to a taxing entity committee, the taxing entity committee consents to the project area budget; or

(B) each taxing entity that is party to an interlocal agreement with the agency consents;
and

(ii) the project area plan provides for the agency to receive tax increment; and

(b) an invitation to the recipient of the notice to submit to the agency comments concerning the subject matter of the hearing before the date of the hearing.

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

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

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

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

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

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

(i) an inactive industrial site is located within an urban renewal project area; and

(ii) the inactive industrial site's remediation costs are estimated to exceed 20% of the

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project area funds under the urban renewal project area budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) an evaluation of the reasonableness of the costs of project area development;

(ii) efforts the agency or participant has made or will make to maximize private investment;

(iii) the rationale for use of tax increment, including an analysis of whether the proposed project area development might reasonably be expected to occur in the foreseeable future solely through private investment; and

(iv) an estimate of the total amount of tax increment that will be expended in undertaking project area development and the length of time for which it will be expended; and

(b) the anticipated public benefit to be derived from the project area development, including:

(i) the beneficial influences upon the tax base of the community;

(ii) the associated business and economic activity likely to be stimulated; [and]

(iii) the number of jobs or employment anticipated to be generated or preserved[:]; and

(iv) the salary associated with any jobs generated or preserved.

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

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

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

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

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

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

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

(c) the agency shall obtain the consent of the taxing entity committee or each taxing entity that is party to an interlocal agreement with the agency before the agency may collect tax increment from the area added to the project area by the amendment.

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

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

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

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

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

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

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

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

(i) makes a minor adjustment in the boundary description of a project area boundary

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requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
or

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

(A) tax exempt; or

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

(b) An amendment removing a parcel from a project area under Subsection (4)(a) may be made without the consent of the record property owner of the parcel being removed.

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

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

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

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

Section ~~77~~13. Section **17C-3-201** is amended to read:

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

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

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

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

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(A) the project area funds collection period; and

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

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

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

(a) prepare a proposed economic development project area budget;

(b) make a copy of the proposed project area budget available to the public at the agency's offices during normal business hours;

(c) provide notice of the budget hearing as required by Chapter 1, Part 8, Hearing and Notice Requirements;

(d) hold a public hearing on the proposed project area budget and, at that public hearing, allow public comment on:

(i) the proposed project area budget; and

(ii) whether the proposed project area budget should be revised, adopted, or rejected;

(e) (i) if required under Subsection 17C-3-203(1), obtain the approval of the taxing entity committee on the proposed project area budget or a revised version of the proposed project area budget; or

(ii) if applicable, comply with the requirements of Subsection 17C-3-203(2);

(f) if required under Subsection 17C-3-203(3), obtain from each taxing entity that is party to an interlocal agreement with the agency approval on the proposed project area budget or a revised version of the proposed project area budget;

~~(f)~~ (g) if approval of the taxing entity committee is required under Subsection (2)(e)(i) or if approval of each taxing entity is required under Subsection (2)(f), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

~~(g)~~ (h) after the budget hearing, hold a board meeting in the same meeting as the public hearing or in a subsequent meeting to:

(i) consider comments made and information presented at the public hearing relating to the proposed project area budget; and

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(ii) adopt by resolution the proposed project area budget, with any revisions, as the project area budget.

(3) (a) For a period of 30 days after the agency's adoption of the project area budget under Subsection (2)(g), any person may contest the project area budget or the procedure used to adopt the project area budget if the budget or procedure fails to comply with applicable statutory requirements.

(b) After the 30-day period under Subsection (3)(a) expires, a person may not contest:

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

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

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

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

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

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

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

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

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

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

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

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

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(i) adopt a housing plan showing the uses for the housing funds; and
(ii) provide a copy of the housing plan to the taxing entity committee and the loan fund board.

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

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

(a) may enter into an interlocal agreement with each taxing entity within the economic development project area; and

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

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

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

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

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

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

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

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

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

(3) The public hearing required under Subsection (2)(a) shall be conducted according

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to the procedures and requirements of Section 17C-3-201, except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the notice shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If the removal of a parcel under Subsection 17C-3-109(4)(a)(ii) reduces the base taxable value of the project area, an agency may amend the project area budget to conform with the new base taxable value without:

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

(b) if applicable, obtaining taxing entity committee approval or the approval of each taxing entity that is a party to an interlocal agreement with the agency as described in Subsection (2)(b).

(5) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted economic development project area budget without the proposed amendment.

(6) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

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

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

(ii) may not contest:

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

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

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

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

(1) (a) For a community reinvestment project area that is subject to a taxing entity committee, which does not include an economic development project area under Title 17C, Chapter 3, Economic Development, an agency shall allocate at least 20% of the agency's annual tax increment for housing in accordance with Section 17C-1-412 if the community reinvestment project area budget provides for more than \$100,000 of annual tax increment to be distributed to the agency.

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

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

(i) the taxing entity committee determines that 20% of the agency's annual tax increment is more than is needed to address the community's need for income targeted housing or homeless assistance; and

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

(2) For a community reinvestment project area that is subject to an interlocal agreement, an agency shall allocate at least 10% of the project area funds for housing in accordance with Section 17C-1-412 if the community reinvestment project area budget provides for more than \$100,000 of annual project area funds to be distributed to the agency.

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

Section ~~9~~17. **Repealer.**

This bill repeals:

Section **17C-3-101.2, Applicability of chapter.**