

1 **INLAND PORT AMENDMENTS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Francis D. Gibson**

5 Senate Sponsor: David G. Buxton

6

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions relating to the Utah Inland Port Authority.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ specifies the applicability of the Assessment Area Act to the Utah Inland Port
13 Authority and extends the applicability of the Commercial Property Assessed Clean
14 Energy Act to the Utah Inland Port Authority;
- 15 ▶ modifies definitions applicable to the Utah Inland Port Authority;
- 16 ▶ authorizes the Utah Inland Port Authority to adopt a project area plan for an area
17 outside the authority jurisdictional land under certain conditions and modifies
18 related provisions;
- 19 ▶ authorizes the Utah Inland Port Authority to own and operate a trade hub;
- 20 ▶ modifies a provision relating to the use of authority funds;
- 21 ▶ modifies the date by which an executive director of the Utah Inland Port Authority
22 is to be hired;
- 23 ▶ modifies provisions relating to the adoption of a project area plan;
- 24 ▶ bars an action to a project area or project area plan if not brought within a specified
25 time;
- 26 ▶ modifies project area budget provisions;
- 27 ▶ modifies property tax differential provisions, including authorizing the authority to
28 be paid property tax differential for an additional period under certain

29 circumstances;

30 ▶ modifies the amount of property tax differential the authority may use for operating
31 expenses;

32 ▶ authorizes the Utah Inland Port Authority to be paid certain sales and use tax
33 revenue;

34 ▶ authorizes the Public Service Commission to provide for a renewable energy tariff
35 for certain customers within authority jurisdictional land;

36 ▶ extends to the Utah Inland Port Authority the applicability of provisions relating to
37 tax credit incentives for economic development; and

38 ▶ makes technical changes.

39 **Money Appropriated in this Bill:**

40 None

41 **Other Special Clauses:**

42 This bill provides a special effective date.

43 **Utah Code Sections Affected:**

44 AMENDS:

45 **11-42-102**, as last amended by Laws of Utah 2017, Chapter 470

46 **11-42a-102**, as last amended by Laws of Utah 2018, Chapter 431

47 **11-58-102**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

48 **11-58-201**, as enacted by Laws of Utah 2018, Chapter 179

49 **11-58-202**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

50 **11-58-203**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

51 **11-58-205**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 1

52 **11-58-206**, as enacted by Laws of Utah 2018, Chapter 179

53 **11-58-305**, as enacted by Laws of Utah 2018, Chapter 179

54 **11-58-501**, as enacted by Laws of Utah 2018, Chapter 179

55 **11-58-502**, as enacted by Laws of Utah 2018, Chapter 179

- 56 [11-58-503](#), as enacted by Laws of Utah 2018, Chapter 179
- 57 [11-58-505](#), as enacted by Laws of Utah 2018, Chapter 179
- 58 [11-58-601](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 1
- 59 [11-58-602](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 1
- 60 [11-58-702](#), as enacted by Laws of Utah 2018, Chapter 179
- 61 [54-17-806](#), as enacted by Laws of Utah 2016, Chapter 393
- 62 [59-12-205](#), as last amended by Laws of Utah 2018, Chapters 258, 312, and 330
- 63 [63N-2-103](#), as last amended by Laws of Utah 2016, Chapter 350

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

66 Section 1. Section **11-42-102** is amended to read:

67 **11-42-102. Definitions.**

68 (1) "Adequate protests" means timely filed, written protests under Section [11-42-203](#)
 69 that represent at least 40% of the frontage, area, taxable value, fair market value, lots, number
 70 of connections, or equivalent residential units of the property proposed to be assessed,
 71 according to the same assessment method by which the assessment is proposed to be levied,
 72 after eliminating:

73 (a) protests relating to:

74 (i) property that has been deleted from a proposed assessment area; or

75 (ii) an improvement that has been deleted from the proposed improvements to be
 76 provided to property within the proposed assessment area; and

77 (b) protests that have been withdrawn under Subsection [11-42-203\(3\)](#).

78 (2) "Assessment area" means an area, or, if more than one area is designated, the
 79 aggregate of all areas within a local entity's jurisdictional boundaries that is designated by a
 80 local entity under Part 2, Designating an Assessment Area, for the purpose of financing the
 81 costs of improvements, operation and maintenance, or economic promotion activities that
 82 benefit property within the area.

83 (3) "Assessment bonds" means bonds that are:

84 (a) issued under Section 11-42-605; and

85 (b) payable in part or in whole from assessments levied in an assessment area,
86 improvement revenues, and a guaranty fund or reserve fund.

87 (4) "Assessment fund" means a special fund that a local entity establishes under
88 Section 11-42-412.

89 (5) "Assessment lien" means a lien on property within an assessment area that arises
90 from the levy of an assessment, as provided in Section 11-42-501.

91 (6) "Assessment method" means the method:

92 (a) by which an assessment is levied against benefitted property, whether by frontage,
93 area, taxable value, fair market value, lot, parcel, number of connections, equivalent residential
94 unit, any combination of these methods, or any other method; and

95 (b) that, when applied to a benefitted property, accounts for an assessment that meets
96 the requirements of Section 11-42-409.

97 (7) "Assessment ordinance" means an ordinance adopted by a local entity under
98 Section 11-42-404 that levies an assessment on benefitted property within an assessment area.

99 (8) "Assessment resolution" means a resolution adopted by a local entity under Section
100 11-42-404 that levies an assessment on benefitted property within an assessment area.

101 (9) "Benefitted property" means property within an assessment area that directly or
102 indirectly benefits from improvements, operation and maintenance, or economic promotion
103 activities.

104 (10) "Bond anticipation notes" means notes issued under Section 11-42-602 in
105 anticipation of the issuance of assessment bonds.

106 (11) "Bonds" means assessment bonds and refunding assessment bonds.

107 (12) "Commercial area" means an area in which at least 75% of the property is devoted
108 to the interchange of goods or commodities.

109 (13) (a) "Commercial or industrial real property" means real property used directly or

110 indirectly or held for one of the following purposes or activities, regardless of whether the
111 purpose or activity is for profit:

- 112 (i) commercial;
- 113 (ii) mining;
- 114 (iii) industrial;
- 115 (iv) manufacturing;
- 116 (v) governmental;
- 117 (vi) trade;
- 118 (vii) professional;
- 119 (viii) a private or public club;
- 120 (ix) a lodge;
- 121 (x) a business; or
- 122 (xi) a similar purpose.

123 (b) "Commercial or industrial real property" includes real property that:

- 124 (i) is used as or held for dwelling purposes; and
- 125 (ii) contains more than four rental units.

126 (14) "Connection fee" means a fee charged by a local entity to pay for the costs of
127 connecting property to a publicly owned sewer, storm drainage, water, gas, communications, or
128 electrical system, whether or not improvements are installed on the property.

129 (15) "Contract price" means:

- 130 (a) the cost of acquiring an improvement, if the improvement is acquired; or
- 131 (b) the amount payable to one or more contractors for the design, engineering,
132 inspection, and construction of an improvement.

133 (16) "Designation ordinance" means an ordinance adopted by a local entity under
134 Section 11-42-206 designating an assessment area.

135 (17) "Designation resolution" means a resolution adopted by a local entity under
136 Section 11-42-206 designating an assessment area.

137 (18) "Economic promotion activities" means activities that promote economic growth
138 in a commercial area of a local entity, including:

- 139 (a) sponsoring festivals and markets;
- 140 (b) promoting business investment or activities;
- 141 (c) helping to coordinate public and private actions; and
- 142 (d) developing and issuing publications designed to improve the economic well-being
143 of the commercial area.

144 (19) "Environmental remediation activity" means a surface or subsurface enhancement,
145 effort, cost, initial or ongoing maintenance expense, facility, installation, system, earth
146 movement, or change to grade or elevation that improves the use, function, aesthetics, or
147 environmental condition of publicly owned property.

148 (20) "Equivalent residential unit" means a dwelling, unit, or development that is equal
149 to a single-family residence in terms of the nature of its use or impact on an improvement to be
150 provided in the assessment area.

151 (21) "Governing body" means:

- 152 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 153 (b) for a local district, the board of trustees of the local district;
- 154 (c) for a special service district:
 - 155 (i) the legislative body of the county, city, or town that established the special service
156 district, if no administrative control board has been appointed under Section 17D-1-301; or
 - 157 (ii) the administrative control board of the special service district, if an administrative
158 control board has been appointed under Section 17D-1-301; ~~and~~

159 (d) for the military installation development authority created in Section 63H-1-201,
160 the ~~authority~~ board, as defined in Section 63H-1-102~~[-];~~ and

161 (e) for the Utah Inland Port Authority, created in Section 11-58-201, the board, as
162 defined in Section 11-58-102.

163 (22) "Guaranty fund" means the fund established by a local entity under Section

164 11-42-701.

165 (23) "Improved property" means property upon which a residential, commercial, or
166 other building has been built.

167 (24) "Improvement":

168 (a) (i) means a publicly owned infrastructure, system, or environmental remediation
169 activity that:

170 (A) a local entity is authorized to provide;

171 (B) the governing body of a local entity determines is necessary or convenient to
172 enable the local entity to provide a service that the local entity is authorized to provide; or

173 (C) a local entity is requested to provide through an interlocal agreement in accordance
174 with ~~[Title 11,]~~ Chapter 13, Interlocal Cooperation Act; and

175 (ii) includes facilities in an assessment area, including a private driveway, an irrigation
176 ditch, and a water turnout, that:

177 (A) can be conveniently installed at the same time as an infrastructure, system, or other
178 facility described in Subsection (24)(a)(i); and

179 (B) are requested by a property owner on whose property or for whose benefit the
180 infrastructure, system, or other facility is being installed; or

181 (b) for a local district created to assess groundwater rights in accordance with Section
182 17B-1-202, means a system or plan to regulate groundwater withdrawals within a specific
183 groundwater basin in accordance with Sections 17B-1-202 and 73-5-15.

184 (25) "Improvement revenues":

185 (a) means charges, fees, impact fees, or other revenues that a local entity receives from
186 improvements; and

187 (b) does not include revenue from assessments.

188 (26) "Incidental refunding costs" means any costs of issuing refunding assessment
189 bonds and calling, retiring, or paying prior bonds, including:

190 (a) legal and accounting fees;

191 (b) charges of financial advisors, escrow agents, certified public accountant verification
192 entities, and trustees;

193 (c) underwriting discount costs, printing costs, the costs of giving notice;

194 (d) any premium necessary in the calling or retiring of prior bonds;

195 (e) fees to be paid to the local entity to issue the refunding assessment bonds and to
196 refund the outstanding prior bonds;

197 (f) any other costs that the governing body determines are necessary and proper to incur
198 in connection with the issuance of refunding assessment bonds; and

199 (g) any interest on the prior bonds that is required to be paid in connection with the
200 issuance of the refunding assessment bonds.

201 (27) "Installment payment date" means the date on which an installment payment of an
202 assessment is payable.

203 (28) "Interim warrant" means a warrant issued by a local entity under Section
204 [11-42-601](#).

205 (29) "Jurisdictional boundaries" means:

206 (a) for a county, the boundaries of the unincorporated area of the county; and

207 (b) for each other local entity, the boundaries of the local entity.

208 (30) "Local district" means a local district under Title 17B, Limited Purpose Local
209 Government Entities - Local Districts.

210 (31) "Local entity" means:

211 (a) a county, city, town, special service district, or local district^[7];

212 (b) an interlocal entity as defined in Section [11-13-103](#)^[7];

213 (c) a military installation development authority, created in Section [63H-1-201](#)^[7];

214 (d) the Utah Inland Port Authority, created in Section [11-58-201](#); or

215 (e) any other political subdivision of the state.

216 (32) "Local entity obligations" means assessment bonds, refunding assessment bonds,
217 interim warrants, and bond anticipation notes issued by a local entity.

- 218 (33) "Mailing address" means:
- 219 (a) a property owner's last-known address using the name and address appearing on the
- 220 last completed real property assessment roll of the county in which the property is located; and
- 221 (b) if the property is improved property:
- 222 (i) the property's street number; or
- 223 (ii) the post office box, rural route number, or other mailing address of the property, if
- 224 a street number has not been assigned.
- 225 (34) "Net improvement revenues" means all improvement revenues that a local entity
- 226 has received since the last installment payment date, less all amounts payable by the local entity
- 227 from those improvement revenues for operation and maintenance costs.
- 228 (35) "Operation and maintenance costs":
- 229 (a) means the costs that a local entity incurs in operating and maintaining
- 230 improvements in an assessment area, whether or not those improvements have been financed
- 231 under this chapter; and
- 232 (b) includes service charges, administrative costs, ongoing maintenance charges, and
- 233 tariffs or other charges for electrical, water, gas, or other utility usage.
- 234 (36) "Overhead costs" means the actual costs incurred or the estimated costs to be
- 235 incurred by a local entity in connection with an assessment area for appraisals, legal fees, filing
- 236 fees, financial advisory charges, underwriting fees, placement fees, escrow, trustee, and paying
- 237 agent fees, publishing and mailing costs, costs of levying an assessment, recording costs, and
- 238 all other incidental costs.
- 239 (37) "Prior assessment ordinance" means the ordinance levying the assessments from
- 240 which the prior bonds are payable.
- 241 (38) "Prior assessment resolution" means the resolution levying the assessments from
- 242 which the prior bonds are payable.
- 243 (39) "Prior bonds" means the assessment bonds that are refunded in part or in whole by
- 244 refunding assessment bonds.

245 (40) "Project engineer" means the surveyor or engineer employed by or the private
246 consulting engineer engaged by a local entity to perform the necessary engineering services for
247 and to supervise the construction or installation of the improvements.

248 (41) "Property" includes real property and any interest in real property, including water
249 rights and leasehold rights.

250 (42) "Property price" means the price at which a local entity purchases or acquires by
251 eminent domain property to make improvements in an assessment area.

252 (43) "Provide" or "providing," with reference to an improvement, includes the
253 acquisition, construction, reconstruction, renovation, maintenance, repair, operation, and
254 expansion of an improvement.

255 (44) "Public agency" means:

256 (a) the state or any agency, department, or division of the state; and

257 (b) a political subdivision of the state.

258 (45) "Reduced payment obligation" means the full obligation of an owner of property
259 within an assessment area to pay an assessment levied on the property after the assessment has
260 been reduced because of the issuance of refunding assessment bonds, as provided in Section
261 [11-42-608](#).

262 (46) "Refunding assessment bonds" means assessment bonds that a local entity issues
263 under Section [11-42-607](#) to refund, in part or in whole, assessment bonds.

264 (47) "Reserve fund" means a fund established by a local entity under Section
265 [11-42-702](#).

266 (48) "Service" means:

267 (a) water, sewer, storm drainage, garbage collection, library, recreation,
268 communications, or electric service;

269 (b) economic promotion activities; or

270 (c) any other service that a local entity is required or authorized to provide.

271 (49) "Special service district" means the same as that term is defined in Section

272 17D-1-102.

273 (50) "Unassessed benefitted government property" means property that a local entity
274 may not assess in accordance with Section 11-42-408 but is benefitted by an improvement,
275 operation and maintenance, or economic promotion activities.

276 (51) "Unimproved property" means property upon which no residential, commercial, or
277 other building has been built.

278 (52) "Voluntary assessment area" means an assessment area that contains only property
279 whose owners have voluntarily consented to an assessment.

280 Section 2. Section 11-42a-102 is amended to read:

281 **11-42a-102. Definitions.**

282 (1) (a) "Assessment" means the assessment that a local entity or the C-PACE district
283 levies on private property under this chapter to cover the costs of an energy efficiency upgrade,
284 a renewable energy system, or an electric vehicle charging infrastructure.

285 (b) "Assessment" does not constitute a property tax but shares the same priority lien as
286 a property tax.

287 (2) "Assessment fund" means a special fund that a local entity establishes under
288 Section 11-42a-206.

289 (3) "Benefitted property" means private property within an energy assessment area that
290 directly benefits from improvements.

291 (4) "Bond" means an assessment bond and a refunding assessment bond.

292 (5) (a) "Commercial or industrial real property" means private real property used
293 directly or indirectly or held for one of the following purposes or activities, regardless of
294 whether the purpose or activity is for profit:

295 (i) commercial;

296 (ii) mining;

297 (iii) agricultural;

298 (iv) industrial;

- 299 (v) manufacturing;
- 300 (vi) trade;
- 301 (vii) professional;
- 302 (viii) a private or public club;
- 303 (ix) a lodge;
- 304 (x) a business; or
- 305 (xi) a similar purpose.
- 306 (b) "Commercial or industrial real property" includes:
- 307 (i) private real property that is used as or held for dwelling purposes and contains:
- 308 (A) more than four rental units; or
- 309 (B) one or more owner-occupied or rental condominium units affiliated with a hotel;
- 310 and
- 311 (ii) real property [~~that~~] owned by:
- 312 (A) the military installation development authority, created in Section [63H-1-201](#)[-
- 313 owns-]; or
- 314 (B) the Utah Inland Port Authority, created in Section [11-58-201](#).
- 315 (6) "Contract price" means:
- 316 (a) up to 100% of the cost of installing, acquiring, refinancing, or reimbursing for an
- 317 improvement, as determined by the owner of the property benefitting from the improvement; or
- 318 (b) the amount payable to one or more contractors for the assessment, design,
- 319 engineering, inspection, and construction of an improvement.
- 320 (7) "C-PACE" means commercial property assessed clean energy.
- 321 (8) "C-PACE district" means the statewide authority established in Section [11-42a-106](#)
- 322 to implement the C-PACE Act in collaboration with governing bodies, under the direction of
- 323 OED.
- 324 (9) "Electric vehicle charging infrastructure" means equipment that is:
- 325 (a) permanently affixed to commercial or industrial real property; and

326 (b) designed to deliver electric energy to a qualifying electric vehicle or a qualifying
327 plug-in hybrid vehicle, as those terms are defined in Section 59-7-605.

328 (10) "Energy assessment area" means an area:

329 (a) within the jurisdictional boundaries of a local entity that approves an energy
330 assessment area or, if the C-PACE district or a state interlocal entity levies the assessment, the
331 C-PACE district or the state interlocal entity;

332 (b) containing only the commercial or industrial real property of owners who have
333 voluntarily consented to an assessment under this chapter for the purpose of financing the costs
334 of improvements that benefit property within the energy assessment area; and

335 (c) in which the proposed benefitted properties in the area are:

336 (i) contiguous; or

337 (ii) located on one or more contiguous or adjacent tracts of land that would be
338 contiguous or adjacent property but for an intervening right-of-way, including a sidewalk,
339 street, road, fixed guideway, or waterway.

340 (11) "Energy assessment bond" means a bond:

341 (a) issued under Section 11-42a-401; and

342 (b) payable in part or in whole from assessments levied in an energy assessment area.

343 (12) "Energy assessment lien" means a lien on property within an energy assessment
344 area that arises from the levy of an assessment in accordance with Section 11-42a-301.

345 (13) "Energy assessment ordinance" means an ordinance that a local entity adopts
346 under Section 11-42a-201 that:

347 (a) designates an energy assessment area;

348 (b) levies an assessment on benefitted property within the energy assessment area; and

349 (c) if applicable, authorizes the issuance of energy assessment bonds.

350 (14) "Energy assessment resolution" means one or more resolutions adopted by a local
351 entity under Section 11-42a-201 that:

352 (a) designates an energy assessment area;

- 353 (b) levies an assessment on benefitted property within the energy assessment area; and
- 354 (c) if applicable, authorizes the issuance of energy assessment bonds.
- 355 (15) "Energy efficiency upgrade" means an improvement that is:
- 356 (a) permanently affixed to commercial or industrial real property; and
- 357 (b) designed to reduce energy or water consumption, including:
- 358 (i) insulation in:
- 359 (A) a wall, roof, floor, or foundation; or
- 360 (B) a heating and cooling distribution system;
- 361 (ii) a window or door, including:
- 362 (A) a storm window or door;
- 363 (B) a multiglazed window or door;
- 364 (C) a heat-absorbing window or door;
- 365 (D) a heat-reflective glazed and coated window or door;
- 366 (E) additional window or door glazing;
- 367 (F) a window or door with reduced glass area; or
- 368 (G) other window or door modifications;
- 369 (iii) an automatic energy control system;
- 370 (iv) in a building or a central plant, a heating, ventilation, or air conditioning and
- 371 distribution system;
- 372 (v) caulk or weatherstripping;
- 373 (vi) a light fixture that does not increase the overall illumination of a building, unless
- 374 an increase is necessary to conform with the applicable building code;
- 375 (vii) an energy recovery system;
- 376 (viii) a daylighting system;
- 377 (ix) measures to reduce the consumption of water, through conservation or more
- 378 efficient use of water, including installation of:
- 379 (A) low-flow toilets and showerheads;

- 380 (B) timer or timing systems for a hot water heater; or
- 381 (C) rain catchment systems;
- 382 (x) a modified, installed, or remodeled fixture that is approved as a utility cost-saving
- 383 measure by the governing body or executive of a local entity;
- 384 (xi) measures or other improvements to effect seismic upgrades;
- 385 (xii) structures, measures, or other improvements to provide automated parking or
- 386 parking that reduces land use;
- 387 (xiii) the extension of an existing natural gas distribution company line;
- 388 (xiv) an energy efficient elevator, escalator, or other vertical transport device;
- 389 (xv) any other improvement that the governing body or executive of a local entity
- 390 approves as an energy efficiency upgrade; or
- 391 (xvi) any improvement that relates physically or functionally to any of the
- 392 improvements listed in Subsections (15)(b)(i) through (xv).
- 393 (16) "Governing body" means:
- 394 (a) for a county, city, town, or metro township, the legislative body of the county, city,
- 395 town, or metro township;
- 396 (b) for a local district, the board of trustees of the local district;
- 397 (c) for a special service district:
- 398 (i) if no administrative control board has been appointed under Section [17D-1-301](#), the
- 399 legislative body of the county, city, town, or metro township that established the special service
- 400 district; or
- 401 (ii) if an administrative control board has been appointed under Section [17D-1-301](#), the
- 402 administrative control board of the special service district; ~~and~~
- 403 (d) for the military installation development authority created in Section [63H-1-201](#),
- 404 the board, as that term is defined in Section [63H-1-102](#)~~[-]~~; and
- 405 (e) for the Utah Inland Port Authority, created in Section [11-58-201](#), the board, as
- 406 defined in Section [11-58-102](#).

407 (17) "Improvement" means a publicly or privately owned energy efficiency upgrade,
408 renewable energy system, or electric vehicle charging infrastructure that:

409 (a) a property owner has requested; or

410 (b) has been or is being installed on a property for the benefit of the property owner.

411 (18) "Incidental refunding costs" means any costs of issuing a refunding assessment
412 bond and calling, retiring, or paying prior bonds, including:

413 (a) legal and accounting fees;

414 (b) charges of financial advisors, escrow agents, certified public accountant verification
415 entities, and trustees;

416 (c) underwriting discount costs, printing costs, and the costs of giving notice;

417 (d) any premium necessary in the calling or retiring of prior bonds;

418 (e) fees to be paid to the local entity to issue the refunding assessment bond and to
419 refund the outstanding prior bonds;

420 (f) any other costs that the governing body determines are necessary and proper to incur
421 in connection with the issuance of a refunding assessment bond; and

422 (g) any interest on the prior bonds that is required to be paid in connection with the
423 issuance of the refunding assessment bond.

424 (19) "Installment payment date" means the date on which an installment payment of an
425 assessment is payable.

426 (20) "Jurisdictional boundaries" means:

427 (a) for the C-PACE district or any state interlocal entity, the boundaries of the state;

428 and

429 (b) for each local entity, the boundaries of the local entity.

430 (21) "Local district" means a local district under Title 17B, Limited Purpose Local
431 Government Entities - Local Districts.

432 (22) (a) "Local entity" means:

433 (i) a county, city, town, or metro township;

- 434 (ii) a special service district, a local district, or an interlocal entity as that term is
- 435 defined in Section [11-13-103](#);
- 436 (iii) a state interlocal entity;
- 437 (iv) the military installation development authority, created in Section [63H-1-201](#); ~~[or]~~
- 438 (v) the Utah Inland Port Authority, created in Section [11-58-201](#); or
- 439 ~~[(v)]~~ (vi) any political subdivision of the state.
- 440 (b) "Local entity" includes the C-PACE district solely in connection with:
- 441 (i) the designation of an energy assessment area;
- 442 (ii) the levying of an assessment; and
- 443 (iii) the assignment of an energy assessment lien to a third-party lender under Section
- 444 [11-42a-302](#).
- 445 (23) "Local entity obligations" means energy assessment bonds and refunding
- 446 assessment bonds that a local entity issues.
- 447 (24) "OED" means the Office of Energy Development created in Section [63M-4-401](#).
- 448 (25) "Overhead costs" means the actual costs incurred or the estimated costs to be
- 449 incurred in connection with an energy assessment area, including:
- 450 (a) appraisals, legal fees, filing fees, facilitation fees, and financial advisory charges;
- 451 (b) underwriting fees, placement fees, escrow fees, trustee fees, and paying agent fees;
- 452 (c) publishing and mailing costs;
- 453 (d) costs of levying an assessment;
- 454 (e) recording costs; and
- 455 (f) all other incidental costs.
- 456 (26) "Parameters resolution" means a resolution or ordinance that a local entity adopts
- 457 in accordance with Section [11-42a-201](#).
- 458 (27) "Prior bonds" means the energy assessment bonds refunded in part or in whole by
- 459 a refunding assessment bond.
- 460 (28) "Prior energy assessment ordinance" means the ordinance levying the assessments

461 from which the prior bonds are payable.

462 (29) "Prior energy assessment resolution" means the resolution levying the assessments
463 from which the prior bonds are payable.

464 (30) "Property" includes real property and any interest in real property, including water
465 rights and leasehold rights.

466 (31) "Public electrical utility" means a large-scale electric utility as that term is defined
467 in Section 54-2-1.

468 (32) "Reduced payment obligation" means the full obligation of an owner of property
469 within an energy assessment area to pay an assessment levied on the property after the local
470 entity has reduced the assessment because of the issuance of a refunding assessment bond, in
471 accordance with Section 11-42a-403.

472 (33) "Refunding assessment bond" means an assessment bond that a local entity issues
473 under Section 11-42a-403 to refund, in part or in whole, energy assessment bonds.

474 (34) (a) "Renewable energy system" means a product, system, device, or interacting
475 group of devices that is permanently affixed to commercial or industrial real property not
476 located in the certified service area of a distribution electrical cooperative, as that term is
477 defined in Section 54-2-1, and:

478 (i) produces energy from renewable resources, including:

479 (A) a photovoltaic system;

480 (B) a solar thermal system;

481 (C) a wind system;

482 (D) a geothermal system, including a generation system, a direct-use system, or a
483 ground source heat pump system;

484 (E) a microhydro system;

485 (F) a biofuel system; or

486 (G) any other renewable source system that the governing body of the local entity
487 approves;

488 (ii) stores energy, including:
489 (A) a battery storage system; or
490 (B) any other energy storing system that the governing body or chief executive officer
491 of a local entity approves; or
492 (iii) any improvement that relates physically or functionally to any of the products,
493 systems, or devices listed in Subsection (34)(a)(i) or (ii).
494 (b) "Renewable energy system" does not include a system described in Subsection
495 (34)(a)(i) if the system provides energy to property outside the energy assessment area, unless
496 the system:
497 (i) (A) existed before the creation of the energy assessment area; and
498 (B) beginning before January 1, 2017, provides energy to property outside of the area
499 that became the energy assessment area; or
500 (ii) provides energy to property outside the energy assessment area under an agreement
501 with a public electrical utility that is substantially similar to agreements for other renewable
502 energy systems that are not funded under this chapter.
503 (35) "Special service district" means the same as that term is defined in Section
504 [17D-1-102](#).
505 (36) "State interlocal entity" means:
506 (a) an interlocal entity created under [~~Title 11;~~] Chapter 13, Interlocal Cooperation Act,
507 by two or more counties, cities, towns, or metro townships that collectively represent at least a
508 majority of the state's population; or
509 (b) an entity that another state authorized, before January 1, 2017, to issue bonds,
510 notes, or other obligations or refunding obligations to finance or refinance projects in the state.
511 (37) "Third-party lender" means a trust company, savings bank, savings and loan
512 association, bank, credit union, or any other entity that provides loans directly to property
513 owners for improvements authorized under this chapter.
514 Section 3. Section **11-58-102** is amended to read:

515 **11-58-102. Definitions.**

516 As used in this chapter:

517 (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.

518 (2) "Authority jurisdictional land" means land within the authority boundary delineated
519 in the electronic shapefile that:

520 (a) is the electronic component of H.B. 2001, Utah Inland Port Authority Amendments,
521 2018 Second Special Session; and

522 (b) may be accessed via the Utah Legislature's website.

523 (3) "Base taxable value" means:

524 (a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the
525 authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year
526 2018; and

527 (ii) for an area described in Subsection 11-58-601(1)(c), the taxable value of that area
528 in calendar year 2017; or

529 (b) for a project area that consists of land outside the authority jurisdictional land, the
530 taxable value of property within any portion of a project area, as designated by board
531 resolution, from which the property tax differential will be collected, as shown upon the
532 assessment roll last equalized before the year in which the authority adopts a project area plan
533 for that area.

534 (4) "Board" means the authority's governing body, created in Section 11-58-301.

535 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about
536 development of the authority jurisdictional land to achieve the goals and objectives described
537 in Subsection 11-58-203(1), including the development and establishment of an inland port.

538 (6) "Development" means:

539 (a) the demolition, construction, reconstruction, modification, expansion, or
540 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
541 recreational amenity, or other facility, including publicly owned infrastructure and

542 improvements; and

543 (b) the planning of, arranging for, or participation in any of the activities listed in
544 Subsection (6)(a).

545 (7) "Development project" means a project for the development of land within a
546 project area.

547 (8) "Inland port" means one or more sites that:

548 (a) contain multimodal transportation assets and other facilities that:

549 (i) are related but may be separately owned and managed; and

550 (ii) together are intended to:

551 (A) allow global trade to be processed and altered by value-added services as goods
552 move through the supply chain;

553 (B) provide a regional merging point for transportation modes for the distribution of
554 goods to and from ports and other locations in other regions;

555 (C) provide cargo-handling services to allow freight consolidation and distribution,
556 temporary storage, customs clearance, and connection between transport modes; and

557 (D) provide international logistics and distribution services, including freight
558 forwarding, customs brokerage, integrated logistics, and information systems; and

559 (b) may include a satellite customs clearance terminal, an intermodal [distribution]
560 facility, a customs pre-clearance for international trade, or other facilities that facilitate,
561 encourage, and enhance regional, national, and international trade.

562 (9) "Inland port use" means a use of land:

563 (a) for an inland port;

564 (b) that directly implements or furthers the purposes of an inland port, as stated in
565 Subsection (8);

566 (c) that complements or supports the purposes of an inland port, as stated in Subsection
567 (8); or

568 (d) that depends upon the presence of the inland port for the viability of the use.

569 (10) "Intermodal facility" means a hub or other facility for trade combining any
570 combination of rail, trucking, air cargo, and other transportation services.

571 ~~[(10)]~~ (11) "Nonvoting member" means an individual appointed as a member of the
572 board under Subsection [11-58-302\(6\)](#) who does not have the power to vote on matters of
573 authority business.

574 ~~[(11)]~~ (12) "Project area" means:

575 (a) the authority jurisdictional land[;]; or

576 (b) land outside the authority jurisdictional land, whether consisting of a single
577 contiguous area or multiple noncontiguous areas, described in a project area plan or draft
578 project area plan, where the development project set forth in the project area plan or draft
579 project area plan takes place or is proposed to take place.

580 ~~[(12)]~~ (13) "Project area budget" means a multiyear projection of annual or cumulative
581 revenues and expenses and other fiscal matters pertaining to ~~[a]~~ the project area.

582 ~~[(13)]~~ (14) "Project area plan" means a written plan that, after its effective date, guides
583 and controls the development within a project area.

584 ~~[(14)]~~ (15) "Property tax" includes a privilege tax and each levy on an ad valorem basis
585 on tangible or intangible personal or real property.

586 ~~[(15)]~~ (16) "Property tax differential":

587 (a) means the difference between:

588 ~~[(a)]~~ (i) the amount of property tax revenues generated each tax year by all taxing
589 entities from a project area, using the current assessed value of the property; and

590 ~~[(b)]~~ (ii) the amount of property tax revenues that would be generated from that same
591 area using the base taxable value of the property[;]; and

592 (b) does not include property tax revenue from:

593 (i) a county additional property tax or multicounty assessing and collecting levy
594 imposed in accordance with Section [59-2-1602](#);

595 (ii) a judgment levy imposed by a taxing entity under Section [59-2-1328](#) or [59-2-1330](#);

596 or

597 (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general
598 obligation bond.

599 [~~16~~] (17) "Public entity" means:

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

601 (b) a county, city, town, metro township, school district, local district, special service
602 district, interlocal cooperation entity, community reinvestment agency, or other political
603 subdivision of the state.

604 [~~17~~] (18) "Publicly owned infrastructure and improvements":

605 (a) means infrastructure, improvements, facilities, or buildings that:

606 (i) benefit the public; and

607 (ii) (A) are owned by a public entity or a utility; or

608 (B) are publicly maintained or operated by a public entity;

609 (b) includes:

610 (i) facilities, lines, or systems that provide:

611 (A) water, chilled water, or steam; or

612 (B) sewer, storm drainage, natural gas, electricity, or telecommunications service; and

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

615 [~~18~~] (19) "Shapefile" means the digital vector storage format for storing geometric
616 location and associated attribute information.

617 [~~19~~] (20) "Taxable value" means the value of property as shown on the last equalized
618 assessment roll as certified by the county assessor.

619 [~~20~~] (21) "Taxing entity" means a public entity that levies a tax on property within a
620 project area.

621 [~~21~~] (22) "Voting member" means an individual appointed or designated as a member
622 of the board under Subsection 11-58-302(2).

623 Section 4. Section **11-58-201** is amended to read:

624 **11-58-201. Creation of Utah Inland Port Authority -- Status and purposes.**

625 (1) Under the authority of Article XI, Section 8 of the Utah Constitution, there is
626 created the Utah Inland Port Authority.

627 (2) The authority is:

628 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
629 succession;

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

631 (c) a public corporation, as defined in Section [63E-1-102](#).

632 (3) (a) The purpose of the authority is to fulfill the statewide public purpose of working
633 in concert with applicable state and local government entities, property owners and other
634 private parties, and other stakeholders to encourage and facilitate development of the authority
635 jurisdictional land and land in other authority project areas to maximize the long-term
636 economic and other benefit for the state, consistent with the strategies, policies, and objectives
637 described in this chapter, including:

638 (i) the development of inland port uses on the authority jurisdictional land and on land
639 in other authority project areas;

640 (ii) the development of infrastructure to support inland port uses and associated uses on
641 the authority jurisdictional land and on land in other authority project areas; and

642 (iii) other development on the authority jurisdictional land and on land in other
643 authority project areas.

644 (b) The duties and responsibilities of the authority under this chapter are beyond the
645 scope and capacity of a municipality, which has many other responsibilities and functions that
646 appropriately command the attention and resources of the municipality, and are not municipal
647 functions of purely local concern but are matters of regional and statewide concern,
648 importance, interest, and impact, due to multiple factors, including:

649 (i) the strategic location of the authority jurisdictional land in proximity to significant

650 existing and potential transportation infrastructure, including infrastructure provided and
651 maintained by the state, conducive to facilitating regional, national, and international trade and
652 the businesses and facilities that promote and complement that trade;

653 (ii) the enormous potential for regional and statewide economic and other benefit that
654 can come from the appropriate development of the authority jurisdictional land, including the
655 establishment of a thriving inland port;

656 (iii) the regional and statewide impact that the development of the authority
657 jurisdictional land will have; and

658 (iv) the considerable investment the state is making in connection with the
659 development of the new correctional facility and associated infrastructure located on the
660 authority jurisdictional land.

661 (c) The authority is the mechanism the state chooses to focus resources and efforts on
662 behalf of the state to ensure that the regional and statewide interests, concerns, and purposes
663 described in this Subsection (3) are properly addressed from more of a statewide perspective
664 than any municipality can provide.

665 Section 5. Section **11-58-202** is amended to read:

666 **11-58-202. Port authority powers and duties.**

667 (1) The authority has exclusive jurisdiction, responsibility, and power to coordinate the
668 efforts of all applicable state and local government entities, property owners and other private
669 parties, and other stakeholders to:

670 (a) develop and implement a business plan for the authority jurisdictional land, to
671 include an environmental sustainability component, developed in conjunction with the Utah
672 Department of Environmental Quality, incorporating policies and best practices to meet or
673 exceed applicable federal and state standards, including:

674 (i) emissions monitoring and reporting; and

675 (ii) strategies that use the best available technology to mitigate environmental impacts
676 from development and uses on the authority jurisdictional land;

677 (b) plan and facilitate the development of inland port uses on authority jurisdictional
678 land and on land in other authority project areas;

679 (c) manage any inland port located on land owned or leased by the authority; and

680 (d) establish a foreign trade zone, as provided under federal law, covering some or all
681 of the authority jurisdictional land or land in other authority project areas.

682 (2) The authority may:

683 (a) facilitate and bring about the development of inland port uses on land that is part of
684 the authority jurisdictional land or that is in other authority project areas, including engaging in
685 marketing and business recruitment activities and efforts to encourage and facilitate:

686 (i) the development of an inland port on the authority jurisdictional land; and

687 (ii) other development of the authority jurisdictional land consistent with the policies
688 and objectives described in Subsection [11-58-203\(1\)](#);

689 (b) facilitate and provide funding for the development of the authority jurisdictional
690 land and land in other authority project areas, including the development of publicly owned
691 infrastructure and improvements and other infrastructure and improvements on or related to the
692 authority jurisdictional land;

693 (c) engage in marketing and business recruitment activities and efforts to encourage
694 and facilitate development of the authority jurisdictional land;

695 (d) apply for and take all other necessary actions for the establishment of a foreign
696 trade zone, as provided under federal law, covering some or all of the authority jurisdictional
697 land;

698 (e) as the authority considers necessary or advisable to carry out any of its duties or
699 responsibilities under this chapter:

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

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

- 704 (iii) enter into a lease agreement on real or personal property, either as lessee or lessor;
- 705 (f) sue and be sued;
- 706 (g) enter into contracts generally;
- 707 (h) provide funding for the development of publicly owned infrastructure and
- 708 improvements or other infrastructure and improvements on or related to the authority
- 709 jurisdictional land or other authority project areas;
- 710 (i) exercise powers and perform functions under a contract, as authorized in the
- 711 contract;
- 712 (j) receive the property tax differential, as provided in this chapter;
- 713 (k) accept financial or other assistance from any public or private source for the
- 714 authority's activities, powers, and duties, and expend any funds so received for any of the
- 715 purposes of this chapter;
- 716 (l) borrow money, contract with, or accept financial or other assistance from the federal
- 717 government, a public entity, or any other source for any of the purposes of this chapter and
- 718 comply with any conditions of the loan, contract, or assistance;
- 719 (m) issue bonds to finance the undertaking of any development objectives of the
- 720 authority, including bonds under [~~Title 17,~~] Chapter 17, Utah Industrial Facilities and
- 721 Development Act, [~~and~~] bonds under [~~Title 17,~~] Chapter 42, Assessment Area Act, and bonds
- 722 under Chapter 42a, Commercial Property Assessed Clean Energy Act;
- 723 (n) hire employees, including contract employees;
- 724 (o) transact other business and exercise all other powers provided for in this chapter;
- 725 (p) engage one or more consultants to advise or assist the authority in the performance
- 726 of the authority's duties and responsibilities;
- 727 (q) enter into an agreement with a taxing entity to share property tax differential for
- 728 services that the taxing entity provides within the authority jurisdictional land;
- 729 (r) work with other political subdivisions and neighboring property owners and
- 730 communities to mitigate potential negative impacts from the development of authority

731 jurisdictional land; [~~and~~]

732 (s) own and operate an intermodal facility if the authority considers the authority's
733 ownership and operation of an intermodal facility to be necessary or desirable;

734 (t) own and operate publicly owned infrastructure and improvements in a project area
735 outside the authority jurisdictional land; and

736 [~~s~~] (u) exercise powers and perform functions that the authority is authorized by
737 statute to exercise or perform.

738 (3) Beginning January 1, 2020, the authority shall:

739 (a) be the repository of the official delineation of the boundary of the authority
740 jurisdictional land, identical to the boundary as delineated in the shapefile that is the electronic
741 component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special
742 Session, subject to any later changes to the boundary enacted by the Legislature; and

743 (b) maintain an accurate digital file of the boundary that is easily accessible by the
744 public.

745 (4) An intermodal facility owned by the authority is subject to a privilege tax under
746 Title 59, Chapter 4, Privilege Tax.

747 Section 6. Section **11-58-203** is amended to read:

748 **11-58-203. Policies and objectives of the port authority -- Additional duties of the**
749 **port authority.**

750 (1) The policies and objectives of the authority are to:

751 (a) maximize long-term economic benefits to the area, the region, and the state;

752 (b) maximize the creation of high-quality jobs;

753 (c) respect and maintain sensitivity to the unique natural environment of areas in
754 proximity to the authority jurisdictional land and land in other authority project areas;

755 (d) improve air quality and minimize resource use;

756 (e) respect existing land use and other agreements and arrangements between property
757 owners within the authority jurisdictional land and within other authority project areas and

758 applicable governmental authorities;

759 (f) promote and encourage development and uses that are compatible with or
760 complement uses in areas in proximity to the authority jurisdictional land or land in other
761 authority project areas;

762 (g) take advantage of the authority jurisdictional land's strategic location and other
763 features, including the proximity to transportation and other infrastructure and facilities, that
764 make the authority jurisdictional land attractive to:

765 (i) businesses that engage in regional, national, or international trade; and

766 (ii) businesses that complement businesses engaged in regional, national, or
767 international trade;

768 (h) facilitate the transportation of goods;

769 (i) coordinate trade-related opportunities to export Utah products nationally and
770 internationally;

771 (j) support and promote land uses on the authority jurisdictional land and land in other
772 authority project areas that generate economic development, including rural economic
773 development;

774 (k) establish a project of regional significance;

775 (l) facilitate [~~a hub for trade combining rail, trucking, air cargo, and other~~
776 ~~transportation services~~] an intermodal facility;

777 (m) support uses of the authority jurisdictional land for inland port uses, including
778 warehousing, light manufacturing, and distribution facilities;

779 (n) facilitate an increase in trade in the region and in global commerce; [~~and~~]

780 (o) promote the development of facilities that help connect local businesses to potential
781 foreign markets for exporting or that increase foreign direct investment[-]; and

782 (p) encourage all class 5 through 8 designated truck traffic entering the authority
783 jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and
784 urban bus exhaust emission standards for year 2007 and later.

785 (2) In fulfilling its duties and responsibilities relating to the development of the
786 authority jurisdictional land and land in other authority project areas and to achieve and
787 implement the development policies and objectives under Subsection (1), the authority shall:

788 (a) work to identify funding sources, including federal, state, and local government
789 funding and private funding, for capital improvement projects in and around the authority
790 jurisdictional land and land in other authority project areas and for an inland port;

791 (b) review and identify land use and zoning policies and practices to recommend to
792 municipal land use policymakers and administrators that are consistent with and will help to
793 achieve:

794 (i) the policies and objectives stated in Subsection (1); and

795 (ii) the mutual goals of the state and local governments that have authority
796 jurisdictional land with their boundaries with respect to the authority jurisdictional land; and

797 (c) consult and coordinate with other applicable governmental entities to improve and
798 enhance transportation and other infrastructure and facilities in order to maximize the potential
799 of the authority jurisdictional land to attract, retain, and service users who will help maximize
800 the long-term economic benefit to the state.

801 Section 7. Section **11-58-205** is amended to read:

802 **11-58-205. Applicability of other law -- Cooperation of state and local**
803 **governments -- Municipality to consider board input -- Prohibition relating to natural**
804 **resources -- Inland port as permitted or conditional use -- Municipal services -- Sharing**
805 **property tax differential -- Disclosure by nonauthority governing body member.**

806 (1) Except as provided in Part 4, Appeals to Appeals Panel, the authority does not have
807 and may not exercise any powers relating to the regulation of land uses on the authority
808 jurisdictional land.

809 (2) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),
810 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed
811 by Title 63E, Independent Entities Code.

812 (3) A department, division, or other agency of the state and a political subdivision of
813 the state shall cooperate with the authority to the fullest extent possible to provide whatever
814 support, information, or other assistance the board requests that is reasonably necessary to help
815 the authority fulfill its duties and responsibilities under this chapter.

816 (4) In making decisions affecting the authority jurisdictional land, the legislative body
817 of a municipality in which the authority jurisdictional land is located shall consider input from
818 the authority board.

819 (5) (a) No later than December 31, 2018, the ordinances of a municipality with
820 authority jurisdictional land within its boundary shall allow an inland port as a permitted or
821 conditional use, subject to standards that are:

- 822 (i) determined by the municipality; and
- 823 (ii) consistent with the policies and objectives stated in Subsection 11-58-203(1).

824 (b) A municipality whose ordinances do not comply with Subsection (5)(a) within the
825 time prescribed in that subsection shall allow an inland port as a permitted use without regard
826 to any contrary provision in the municipality's land use ordinances.

827 (6) The transporting, unloading, loading, transfer, or temporary storage of natural
828 resources may not be prohibited on the authority jurisdictional land.

829 (7) (a) (i) A municipality whose boundary includes authority jurisdictional land shall
830 provide the same municipal services to the area of the municipality that is within the authority
831 jurisdictional land as the municipality provides to other areas of the municipality with similar
832 zoning and a similar development level.

833 (ii) The level and quality of municipal services that a municipality provides within
834 authority jurisdictional land shall be fairly and reasonably consistent with the level and quality
835 of municipal services that the municipality provides to other areas of the municipality with
836 similar zoning and a similar development level.

837 (b) (i) The board shall negotiate and enter into an agreement with a municipality
838 providing municipal services, as described in Subsection (7)(a), with respect to the appropriate

839 amount of property tax differential the authority should share with the municipality to cover the
840 cost of providing those municipal services.

841 (ii) Under an agreement described in Subsection (7)(b)(i), the board and municipality
842 shall establish a method of determining the amount of property tax differential the authority
843 shares over time with a municipality to cover the cost of providing municipal services, taking
844 into account:

845 (A) the cost of those services as documented in the audited financial statements under
846 Subsection (7)(c); and

847 (B) the variable level of need for those services within the authority jurisdictional land
848 depending on the level, amount, and location of development and other relevant factors.

849 (c) A municipality providing municipal services, as described in Subsection (7)(a),
850 shall, as requested by the board, provide the board audited financial statements documenting
851 the cost of the municipal services the municipality provides within the authority jurisdictional
852 land.

853 (8) (a) The board shall negotiate and enter into an agreement with a municipality or
854 other taxing entity in which the authority jurisdictional land is located to share some of the
855 increase in property tax differential that occurs over time as development occurs and the
856 amount of property tax revenue increases.

857 (b) In an agreement described in Subsection (8)(a), the board and municipality or other
858 taxing entity shall establish a method of determining the amount of property tax differential the
859 authority shares over time to allow the municipality or other taxing entity to share in the benefit
860 from increasing property tax revenue.

861 [~~8~~] (9) The board may consult with other taxing entities, in addition to a municipality
862 under Subsection (7), for the purpose of receiving input from those taxing entities on the
863 appropriate allocation of property tax differential, considering the needs of the authority and
864 the needs of the other taxing entities.

865 [~~9~~] (10) (a) The board shall review and reassess the amount of property tax

866 differential the authority retains and the amount the authority shares with other taxing entities
867 so that the authority retains property tax differential it reasonably needs to meet its
868 responsibilities and purposes and adjusts the amount the authority shares with other taxing
869 entities accordingly.

870 (b) The board shall meet with taxing entities to review and reassess, as provided in
871 Subsection ~~[(9)]~~ (10)(a):

872 (i) before December 31, 2020; and

873 (ii) at least every other year after 2020.

874 (11) (a) As used in this Subsection (11):

875 (i) "Direct financial benefit" means the same as that term is defined in Section
876 [11-58-304](#).

877 (ii) "Nonauthority governing body member" means a member of the board or other
878 body that has authority to make decisions for a nonauthority government owner.

879 (iii) "Nonauthority government owner" mean a state agency or nonauthority local
880 government entity that owns land that is part of the authority jurisdictional land.

881 (iv) "Nonauthority local government entity":

882 (A) means a county, city, town, metro township, local district, special service district,
883 community reinvestment agency, or other political subdivision of the state; and

884 (B) excludes the authority.

885 (v) "State agency" means a department, division, or other agency or instrumentality of
886 the state, including an independent state agency.

887 (b) A nonauthority governing body member who owns or has a financial interest in
888 land that is part of the authority jurisdictional land or who reasonably expects to receive a
889 direct financial benefit from development of authority jurisdictional land shall submit a written
890 disclosure to the authority board and the nonauthority government owner.

891 (c) A written disclosure under Subsection (11)(b) shall describe, as applicable:

892 (i) the nonauthority governing body member's ownership or financial interest in

893 property that is part of the authority jurisdictional land; and
894 (ii) the direct financial benefit the nonauthority governing body member expects to
895 receive from development of authority jurisdictional land.

896 (d) A nonauthority governing body member required under Subsection (11)(b) to
897 submit a written disclosure shall submit the disclosure no later than 30 days after:

898 (i) the nonauthority governing body member:

899 (A) acquires an ownership or financial interest in property that is part of the authority
900 jurisdictional land; or

901 (B) first knows that the nonauthority governing body member expects to receive a
902 direct financial benefit from the development of authority jurisdictional land; or

903 (ii) the effective date of this Subsection (11), if that date is later than the period
904 described in Subsection (11)(d)(i).

905 (e) A written disclosure submitted under this Subsection (11) is a public record.

906 Section 8. Section **11-58-206** is amended to read:

907 **11-58-206. Port authority funds.**

908 The authority may use authority funds for any purpose authorized under this chapter,
909 including:

910 (1) promoting, facilitating, and advancing inland port uses; [~~and~~]

911 (2) owning and operating an intermodal facility; and

912 [~~(2)~~] (3) paying any consulting fees and staff salaries and other administrative,
913 overhead, legal, and operating expenses of the authority.

914 Section 9. Section **11-58-305** is amended to read:

915 **11-58-305. Executive director.**

916 (1) On or before [~~November 1, 2018~~] July 1, 2019, the board shall hire a full-time
917 executive director to manage and oversee the day-to-day operations of the authority and to
918 perform other functions, as directed by the board.

919 (2) The executive director shall have the education, experience, and training necessary

920 to perform the executive director's duties in a way that maximizes the potential for successfully
921 achieving and implementing the strategies, policies, and objectives stated in Subsection
922 [11-58-203](#)(1).

923 (3) An executive director is an at-will employee who serves at the pleasure of the board
924 and may be removed by the board at any time.

925 (4) The board shall establish the duties, compensation, and benefits of an executive
926 director.

927 Section 10. Section **11-58-501** is amended to read:

928 **11-58-501. Preparation of project area plan -- Required contents of project area**
929 **plan.**

930 (1) (a) The authority jurisdictional land constitutes a single project area.

931 (b) The authority is not required to adopt a project area plan for a project area
932 consisting of the authority jurisdictional land.

933 ~~[(1)]~~ (2) (a) The board may adopt a project area plan for land that is outside the
934 authority jurisdictional land, as provided in this part[-], if the board receives written consent to
935 include the land in the project area described in the project area plan from:

936 (i) as applicable:

937 (A) the legislative body of the county in whose unincorporated area the land is located;

938 or

939 (B) the legislative body of the municipality in which the land is located; and

940 (ii) the owner of the land.

941 (b) Land included or to be included within a project area need not be contiguous or in
942 close proximity to the authority jurisdictional land.

943 ~~[(b)]~~ (c) In order to adopt a project area plan, the board shall:

944 (i) prepare a draft project area plan;

945 (ii) give notice as required under Subsection [11-58-502](#)(2);

946 (iii) hold at least one public meeting, as required under Subsection [11-58-502](#)(1); and

947 (iv) after holding at least one public meeting and subject to Subsection ~~[(1)(c)]~~ (2)(d),
948 adopt the draft project area plan as the project area plan.

949 ~~[(c)]~~ (d) Before adopting a draft project area plan as the project area plan, the board
950 may make modifications to the draft project area plan that the board considers necessary or
951 appropriate.

952 ~~[(2)]~~ (3) Each project area plan and draft project area plan shall contain:

- 953 (a) a legal description of the boundary of the project area;
- 954 (b) the authority's purposes and intent with respect to the project area; and
- 955 (c) the board's findings and determination that:
 - 956 (i) there is a need to effectuate a public purpose;
 - 957 (ii) there is a public benefit to the proposed development project;
 - 958 (iii) it is economically sound and feasible to adopt and carry out the project area plan;

959 and

960 (iv) carrying out the project area plan will promote the goals and objectives stated in
961 Subsection 11-58-203(1).

962 Section 11. Section 11-58-502 is amended to read:

963 **11-58-502. Public meeting to consider and discuss draft project area plan --**
964 **Notice -- Adoption of plan.**

965 (1) The board shall hold at least one public meeting to consider and discuss a draft
966 project area plan.

967 (2) At least 10 days before holding a public meeting under Subsection (1), the board
968 shall give notice of the public meeting:

- 969 (a) to each taxing entity;
- 970 (b) to a municipality in which the proposed project area is located or that is located
971 within one-half mile of the proposed project area; and

972 (c) on the Utah Public Notice Website created in Section 63F-1-701.

973 (3) Following consideration and discussion of the draft project area plan, and any

974 modification of the project area plan under Subsection 11-58-501~~(1)(c)~~(2)(d), the board may
975 adopt the draft project area plan or modified draft project area plan as the project area plan.

976 Section 12. Section 11-58-503 is amended to read:

977 **11-58-503. Notice of project area plan adoption -- Effective date of plan -- Time**
978 **for challenging a project area plan or project area.**

979 (1) Upon the board's adoption of a project area plan, the board shall provide notice as
980 provided in Subsection (2) by publishing or causing to be published legal notice:

981 (a) in a newspaper of general circulation within or near the project area; and

982 (b) as required by Section 45-1-101.

983 (2) (a) Each notice under Subsection (1) shall include:

984 ~~(a)~~ (i) the board resolution adopting the project area plan or a summary of the
985 resolution; and

986 ~~(b)~~ (ii) a statement that the project area plan is available for general public inspection
987 and the hours for inspection.

988 (b) The statement required under Subsection (2)(a)(ii) may be included within the
989 board resolution adopting the project area plan or within the summary of the resolution.

990 (3) The project area plan shall become effective on the date ~~[of publication of the~~
991 ~~notice]~~ designated in the board resolution.

992 (4) The authority shall make the adopted project area plan available to the general
993 public at its offices during normal business hours.

994 (5) Within 10 days after the day on which a project area plan is adopted that establishes
995 a project area, or after an amendment to a project area plan is adopted under which the
996 boundary of a project area is modified, the authority shall send notice of the establishment or
997 modification of the project area and an accurate map or plat of the project area to:

998 (a) the State Tax Commission;

999 (b) the Automated Geographic Reference Center created in Section 63F-1-506; and

1000 (c) the assessor and recorder of each county where the project area is located.

1001 (6) (a) A legal action or other challenge to a project area plan or a project area
1002 described in a project area plan is barred unless brought within 30 days after the effective date
1003 of the project area plan.

1004 (b) A legal action or other challenge to a project area that consists of authority
1005 jurisdictional land is barred unless brought within 30 days after the board adopts a business
1006 plan under Subsection 11-58-202(1)(a) for the authority jurisdictional land.

1007 Section 13. Section **11-58-505** is amended to read:

1008 **11-58-505. Project area budget.**

1009 (1) Before the authority may ~~[receive or]~~ use the property tax differential from a project
1010 area, the board shall prepare and adopt a project area budget.

1011 (2) A project area budget shall include:

1012 (a) the base taxable value of property in the project area;

1013 (b) the projected property tax differential expected to be generated within the project
1014 area;

1015 (c) the amount of the property tax differential expected to be shared with other taxing
1016 entities;

1017 (d) the amount of the property tax differential expected to be used to implement the
1018 project area plan, including the estimated amount of the property tax differential to be used for
1019 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
1020 incentives to private and public entities;

1021 (e) the property tax differential expected to be used to cover the cost of administering
1022 the project area plan; and

1023 ~~[(f) if the property tax differential is to be collected at different times or from different~~
1024 ~~portions of the project area, or both:]~~

1025 ~~[(i) (A) the tax identification numbers of the parcels from which the property tax~~
1026 ~~differential will be collected; or]~~

1027 ~~[(B) a legal description of the portion of the project area from which the property tax~~

1028 differential will be collected; and]

1029 [(ii) an estimate of when other portions of the project area will become subject to
1030 collection of the property tax differential; and]

1031 [(g)] (f) for property that the authority owns or leases and expects to sell or sublease,
1032 the expected total cost of the property to the authority and the expected selling price or lease
1033 payments.

1034 (3) The board may amend an adopted project area budget as and when the board
1035 considers it appropriate.

1036 (4) [~~If a project area plan defines the project area as all~~] For a project area that consists
1037 of the authority jurisdictional land, the budget requirements of this part are met by the authority
1038 complying with the budget requirements of Part 8, Port Authority Budget, Reporting, and
1039 Audits.

1040 Section 14. Section **11-58-601** is amended to read:

1041 **11-58-601. Port authority receipt and use of property tax differential --**
1042 **Distribution of property tax differential.**

1043 (1) (a) The authority [~~may~~]:

1044 (i) subject to Subsections (1)(b), (c), and (d)[~~receive up to~~];

1045 (A) shall be paid 100% of the property tax differential, as provided in Subsection (3),
1046 for a period [~~ending up to~~] of 25 years after a certificate of occupancy is issued with respect to
1047 improvements on a parcel, as determined by the board and as provided in this part; and

1048 (B) may be paid up to 100% of the property tax differential, as provided in Subsection
1049 (3), for a period of 15 additional years beyond the period stated in Subsection (1)(a)(i)(A) if the
1050 board determines that the additional years of property tax differential will produce a significant
1051 benefit; and

1052 (ii) may use the property tax differential before, during, and after the period described
1053 in Subsection (1)(a)(i).

1054 (b) With respect to a parcel located within a project area, the [~~25-year~~] period described

1055 in Subsection (1)(a)(i) begins on the day on which the authority receives the first property tax
1056 differential from that parcel.

1057 (c) The authority may not receive property tax differential from:

1058 (i) an area included within a community reinvestment project area, as defined in
1059 Section 17C-1-102, under a community reinvestment project area plan, as defined in Section
1060 17C-1-102, adopted before ~~[March]~~ October 1, 2018, from a taxing entity that has, before
1061 ~~[March]~~ October 1, 2018, entered into a fully executed, legally binding agreement under which
1062 the taxing entity agrees to the use of its tax increment, as defined in Section 17C-1-102, under
1063 the community reinvestment project area plan[-]; or

1064 (ii) a parcel of land for which a certificate of occupancy was issued before December 1,
1065 2018.

1066 ~~[(d) The authority shall pay to a community reinvestment agency 10% of the property~~
1067 ~~tax differential generated from land located within that community reinvestment agency, to be~~
1068 ~~used for affordable housing as provided in Section 17C-1-412.]~~

1069 (d) (i) As used in this Subsection (1)(d):

1070 (A) "Agency land" means authority jurisdictional land that is within the boundary of an
1071 eligible community reinvestment agency and from which the authority is paid property tax
1072 differential.

1073 (B) "Eligible community reinvestment agency" means the community reinvestment
1074 agency in which agency land is located.

1075 (ii) The authority shall pay 10% of the property tax differential generated from agency
1076 land to the eligible community reinvestment agency, to be used for affordable housing as
1077 provided in Section 17C-1-412.

1078 (2) A county that collects property tax on property within a project area shall pay and
1079 distribute to the authority the property tax differential that the authority is entitled to collect
1080 under this title, in the manner and at the time provided in Section 59-2-1365.

1081 ~~[(3) (a) The board shall determine by resolution when the entire project area or an~~

1082 individual parcel within a project area is subject to property tax differential.]

1083 [~~(b) The board shall amend the project area budget to reflect whether a parcel within a~~
1084 ~~project area is subject to property tax differential.~~]

1085 (3) Until the end of the period described in Subsection (1)(a)(i), the county shall pay to
1086 the authority all property tax differential collected from a parcel within a project area,
1087 beginning:

1088 (a) for a parcel that is part of the authority jurisdictional land, November 2019; and

1089 (b) for a parcel in any other project area, November of the year following the year that
1090 forms the basis of the base taxable value calculation.

1091 Section 15. Section **11-58-602** is amended to read:

1092 **11-58-602. Allowable uses of property tax differential and other funds.**

1093 (1) The authority may use the property tax differential, money the authority receives
1094 from the state, money the authority receives under Subsection 59-12-205(2)(b)(iii), and other
1095 funds available to the authority:

1096 (a) for any purpose authorized under this chapter;

1097 (b) subject to Subsection (4), for administrative, overhead, legal, consulting, and other
1098 operating expenses of the authority;

1099 (c) to pay for, including financing or refinancing, all or part of the development of land
1100 within ~~[the] a~~ project area ~~[from which the property tax differential or other funds were~~
1101 ~~collected]~~, including assisting the ongoing operation of a development or facility within the
1102 project area;

1103 (d) to pay the cost of the installation and construction of publicly owned infrastructure
1104 and improvements within the project area from which the property tax differential funds were
1105 collected;

1106 (e) to pay the cost of the installation of publicly owned infrastructure and
1107 improvements outside ~~[the] a~~ project area if the board determines by resolution that the
1108 infrastructure and improvements are of benefit to the project area;

1109 (f) to pay for municipal services that a municipality provides within the authority
1110 jurisdictional land;

1111 (g) to pay for other services that a taxing entity provides within the authority
1112 jurisdictional land; ~~and~~

1113 (h) to share growth in the amount of property tax differential over time with other
1114 taxing entities;

1115 (i) to pay to a community reinvestment agency for affordable housing, as provided in
1116 Subsection 11-58-601(1)(d); and

1117 ~~(h)~~ (j) to pay the principal and interest on bonds issued by the authority.

1118 (2) The authority may use revenue generated from the operation of publicly owned
1119 infrastructure operated by the authority or improvements, including an intermodal facility,
1120 operated by the authority to:

1121 (a) operate and maintain the infrastructure or improvements; and
1122 (b) pay for authority operating expenses, including administrative, overhead, and legal
1123 expenses.

1124 (3) The determination of the board under Subsection (1)(e) regarding benefit to the
1125 project area is final.

1126 (4) The authority may not use more than ~~2%~~ 5% of property tax differential revenue
1127 collected during the period described in Subsection 11-58-601(1)(a)(i) to pay for authority
1128 operating expenses, including:

1129 (a) administrative and overhead expenses; and
1130 (b) legal expenses, except legal fees and expenses with respect to potential or pending
1131 litigation involving the authority.

1132 (5) The authority may not use property tax differential revenue collected from one
1133 project area for a development project within another project area.

1134 (6) Until the authority adopts a business plan under Subsection 11-58-202(1)(a), the
1135 authority may not spend property tax differential revenue collected from authority jurisdictional

1136 land.

1137 (7) (a) As used in this Subsection (7):

1138 (i) "Authority sales and use tax revenue" means money distributed to the authority
1139 under Subsection 59-12-205(2)(b)(iii).

1140 (ii) "Eligible county" means a county that would be entitled to receive sales and use tax
1141 revenue under Subsection 59-12-205(2)(b)(i) in the absence of Subsection 59-12-205(2)(b)(iii).

1142 (iii) "Eligible municipality" means a municipality that would be entitled to receive
1143 sales and use tax revenue under Subsection 59-12-205(2)(b)(i) in the absence of Subsection
1144 59-12-205(2)(b)(iii).

1145 (iv) "Point of sale portion" means:

1146 (A) for an eligible county, the amount of sales and use tax revenue the eligible county
1147 would have received under Subsection 59-12-205(2)(b)(i) in the absence of Subsection
1148 59-12-205(2)(b)(iii), excluding the retail sales portion; and

1149 (B) for an eligible municipality, the amount of sales and use tax revenue the eligible
1150 municipality would have received under Subsection 59-12-205(2)(b)(i) in the absence of
1151 Subsection 59-12-205(2)(b)(iii), excluding the retail sales portion.

1152 (v) "Retail sales portion" means the amount of sales and use tax revenue collected
1153 under Subsection 59-12-205(2)(b)(i) from retail sales transactions that occur on authority
1154 jurisdictional land.

1155 (b) Within 45 days after receiving authority sales and use tax revenue, the authority
1156 shall:

1157 (i) distribute half of the point of sale portion to each eligible county and eligible
1158 municipality; and

1159 (ii) distribute all of the retail sales portion to each eligible county and eligible
1160 municipality.

1161 Section 16. Section **11-58-702** is amended to read:

1162 **11-58-702. Sources from which bonds may be made payable -- Port authority**

1163 **powers regarding bonds.**

1164 (1) The principal and interest on bonds issued by the authority may be made payable
1165 from:

1166 (a) the income and revenues of the projects financed with the proceeds of the bonds;

1167 (b) the income and revenues of certain designated projects whether or not they were
1168 financed in whole or in part with the proceeds of the bonds;

1169 (c) the income, proceeds, revenues, property, and funds the authority derives from or
1170 holds in connection with its undertaking and carrying out development of authority
1171 jurisdictional land;

1172 (d) property tax differential funds;

1173 (e) authority revenues generally;

1174 (f) a contribution, loan, grant, or other financial assistance from the federal government
1175 or a public entity in aid of the [~~development of military land~~] authority; or

1176 (g) funds derived from any combination of the methods listed in Subsections (1)(a)
1177 through (f).

1178 (2) In connection with the issuance of authority bonds, the authority may:

1179 (a) pledge all or any part of its gross or net rents, fees, or revenues to which its right
1180 then exists or may thereafter come into existence;

1181 (b) encumber by mortgage, deed of trust, or otherwise all or any part of its real or
1182 personal property, then owned or thereafter acquired; and

1183 (c) make the covenants and take the action that may be necessary, convenient, or
1184 desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to
1185 make the bonds more marketable, even though such covenants or actions are not specifically
1186 enumerated in this chapter.

1187 Section 17. Section **54-17-806** is amended to read:

1188 **54-17-806. Qualified utility renewable energy tariff.**

1189 (1) The commission may authorize a qualified utility to implement a renewable energy

1190 tariff in accordance with this section if the commission determines the tariff that the qualified
 1191 utility proposes is reasonable and in the public interest.

1192 (2) ~~[H]~~ The commission may authorize a tariff ~~[is authorized]~~ under Subsection (1)~~;~~
 1193 to apply to:

1194 (a) a qualified utility customer with an aggregated electrical load of at least five
 1195 megawatts ~~[and who agrees to]; or~~

1196 (b) a combination of qualified utility customers who are separately metered if:

1197 (i) the aggregated electrical load of the qualified utility customers is at least five
 1198 megawatts; and

1199 (ii) each of the qualified utility customers and the renewable energy source are located
 1200 within authority jurisdictional land, as defined in Section [11-58-102](#).

1201 (3) A customer who agrees to take service that is subject to the renewable energy tariff
 1202 under this section shall pay:

1203 (a) the customer's normal tariff rate;

1204 (b) an incremental charge in an amount equal to the difference between the cost to the
 1205 qualified utility to supply renewable generation to the renewable energy tariff customer and the
 1206 qualified utility's avoided costs as defined in Subsection [54-2-1\(1\)](#), or a different methodology
 1207 recommended by the qualified utility; and

1208 (c) an administrative fee in an amount approved by the commission.

1209 ~~[(3)]~~ (4) The commission shall allow a qualified utility to recover the qualified utility's
 1210 prudently incurred cost of renewable generation procured pursuant to the tariff established in
 1211 this section that is not otherwise recovered from the proceeds of the tariff paid by customers
 1212 agreeing to service that is subject to the renewable energy tariff.

1213 Section 18. Section **59-12-205** is amended to read:

1214 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
 1215 **tax revenue -- Determination of population.**

1216 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section

1217 [59-12-204](#), a county, city, or town shall adopt amendments to the county's, city's, or town's
1218 sales and use tax ordinances:

1219 (a) within 30 days of the day on which the state makes an amendment to an applicable
1220 provision of Part 1, Tax Collection; and

1221 (b) as required to conform to the amendments to Part 1, Tax Collection.

1222 (2) Except as provided in Subsections (3) through (5) and subject to Subsection (6):

1223 (a) 50% of each dollar collected from the sales and use tax authorized by this part shall
1224 be distributed to each county, city, and town on the basis of the percentage that the population
1225 of the county, city, or town bears to the total population of all counties, cities, and towns in the
1226 state; and

1227 (b) (i) except as provided in [~~Subsection~~] Subsections (2)(b)(ii) and (iii), 50% of each
1228 dollar collected from the sales and use tax authorized by this part shall be distributed to each
1229 county, city, and town on the basis of the location of the transaction as determined under
1230 Sections [59-12-211](#) through [59-12-215](#); [~~and~~]

1231 (ii) 50% of each dollar collected from the sales and use tax authorized by this part
1232 within a project area described in a project area plan adopted by the military installation
1233 development authority under Title 63H, Chapter 1, Military Installation Development
1234 Authority Act, shall be distributed to the military installation development authority created in
1235 Section [63H-1-201](#)[~~;~~]; and

1236 (iii) 50% of each dollar collected from the sales and use tax authorized by this part
1237 within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be
1238 distributed to the Utah Inland Port Authority, created in Section [11-58-201](#).

1239 (3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall
1240 distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

1241 (i) the county, city, or town is a:

1242 (A) county of the third, fourth, fifth, or sixth class;

1243 (B) city of the fifth class; or

1244 (C) town;

1245 (ii) the county, city, or town received a distribution under this section for the calendar
1246 year beginning on January 1, 2008, that was less than the distribution under this section that the
1247 county, city, or town received for the calendar year beginning on January 1, 2007;

1248 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
1249 within the unincorporated area of the county for one or more days during the calendar year
1250 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
1251 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
1252 American Industry Classification System of the federal Executive Office of the President,
1253 Office of Management and Budget; or

1254 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
1255 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
1256 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
1257 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
1258 2002 North American Industry Classification System of the federal Executive Office of the
1259 President, Office of Management and Budget; and

1260 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
1261 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for
1262 one or more days during the calendar year beginning on January 1, 2008, was not the holder of
1263 a direct payment permit under Section [59-12-107.1](#); or

1264 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
1265 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
1266 city or town for one or more days during the calendar year beginning on January 1, 2008, was
1267 not the holder of a direct payment permit under Section [59-12-107.1](#).

1268 (b) The commission shall make the distribution required by this Subsection (3) to a
1269 county, city, or town described in Subsection (3)(a):

1270 (i) from the distribution required by Subsection (2)(a); and

1271 (ii) before making any other distribution required by this section.

1272 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
1273 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

1274 (ii) For purposes of Subsection (3)(c)(i):

1275 (A) the numerator of the fraction is the difference calculated by subtracting the
1276 distribution a county, city, or town described in Subsection (3)(a) received under this section
1277 for the calendar year beginning on January 1, 2008, from the distribution under this section that
1278 the county, city, or town received for the calendar year beginning on January 1, 2007; and

1279 (B) the denominator of the fraction is \$333,583.

1280 (d) A distribution required by this Subsection (3) is in addition to any other distribution
1281 required by this section.

1282 (4) (a) As used in this Subsection (4):

1283 (i) "Eligible county, city, or town" means a county, city, or town that:

1284 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)
1285 equal to the amount described in Subsection (4)(b)(ii); and

1286 (B) does not impose a sales and use tax under Section [59-12-2103](#) on or before July 1,
1287 2016.

1288 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
1289 distributions an eligible county, city, or town received from a tax imposed in accordance with
1290 this part for fiscal year 2004-05.

1291 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
1292 imposed in accordance with this part equal to the greater of:

1293 (i) the payment required by Subsection (2); or

1294 (ii) the minimum tax revenue distribution.

1295 (5) (a) For purposes of this Subsection (5):

1296 (i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to
1297 1.8% of the participating local government's tax revenue distribution amount under Subsection

1298 (2)(a) for the previous fiscal year.

1299 (ii) "Participating local government" means a county or municipality, as defined in
1300 Section 10-1-104, that is not an eligible municipality or grant eligible entity certified in
1301 accordance with Section 35A-8-609.

1302 (b) For revenue collected from the tax authorized by this part that is distributed on or
1303 after January 1, 2019, the commission, before making a tax revenue distribution under
1304 Subsection (2)(a) to a participating local government, shall:

1305 (i) subtract one-twelfth of the annual local contribution for each participating local
1306 government from the participating local government's tax revenue distribution under
1307 Subsection (2)(a); and

1308 (ii) deposit the amount described in Subsection (5)(b)(i) into the Homeless Shelter
1309 Cities Mitigation Restricted Account created in Section 35A-8a-606.

1310 (c) The commission shall make the calculation and distribution described in this
1311 Subsection (5) after making the distributions described in Subsections (3) and (4).

1312 (6) (a) Population figures for purposes of this section shall be based on the most recent
1313 official census or census estimate of the United States Bureau of the Census.

1314 (b) If a needed population estimate is not available from the United States Bureau of
1315 the Census, population figures shall be derived from the estimate from the Utah Population
1316 Committee.

1317 (c) The population of a county for purposes of this section shall be determined only
1318 from the unincorporated area of the county.

1319 Section 19. Section 63N-2-103 is amended to read:

1320 **63N-2-103. Definitions.**

1321 As used in this part:

1322 (1) "Authority project area" means a project area of the inland port authority.

1323 ~~(1)~~ (2) "Business entity" means a person that enters into an agreement with the office
1324 to initiate a new commercial project in Utah that will qualify the person to receive a tax credit

1325 under Section 59-7-614.2 or 59-10-1107.

1326 ~~[(2)]~~ (3) "Community reinvestment agency" ~~[has]~~ means the same ~~[meaning]~~ as that
1327 term is defined in Section 17C-1-102.

1328 ~~[(3)]~~ (4) "Development zone" means an economic development zone created under
1329 Section 63N-2-104.

1330 (5) "Gross wages" does not include healthcare or other paid or unpaid benefits.

1331 ~~[(4)]~~ (6) "High paying jobs" means:

1332 (a) with respect to a business entity, the aggregate average annual gross wages~~[-not~~
1333 ~~including healthcare or other paid or unpaid benefits,];~~

1334 (i) of newly created full-time employment positions in a business entity; and

1335 (ii) that are at least 110% of the average wage of a community in which the
1336 employment positions will exist;

1337 (b) with respect to a county, the aggregate average annual gross wages~~[-not including~~
1338 ~~healthcare or other paid or unpaid benefits,];~~

1339 (i) of newly created full-time employment positions in a new commercial project
1340 within the county; and

1341 (ii) that are at least 110% of the average wage of the county in which the employment
1342 positions will exist; ~~[or]~~

1343 (c) with respect to a city or town, the aggregate average annual gross wages~~[-not~~
1344 ~~including healthcare or other paid or unpaid benefits];~~

1345 (i) of newly created full-time employment positions in a new commercial project
1346 within the city or town; and

1347 (ii) that are at least 110% of the average wages of the city or town in which the
1348 employment positions will exist[-]; or

1349 (d) with respect to the inland port authority, the aggregate average annual gross wages:

1350 (i) of newly created full-time employment positions in a new commercial project
1351 within the city or town that is closest to the location of the authority project area; and

1352 (ii) that are at least 110% of the average wages of the city or town.

1353 (7) "Inland port authority" means the Utah Inland Port Authority, created in Section

1354 [11-58-201](#).

1355 ~~[(5)]~~ (8) "Local government entity" means a county, city, ~~[or]~~ town, or inland port

1356 authority that enters into an agreement with the office to have a new commercial project that:

1357 (a) is initiated within ~~[the county's, city's, or town's boundaries; and];~~

1358 (i) the boundary of the county, city, or town; or

1359 (ii) a project area of the inland port authority; and

1360 (b) qualifies the county, city, ~~[or]~~ town, or inland port authority to receive a tax credit

1361 under Section [59-7-614.2](#).

1362 ~~[(6)]~~ (9) (a) "New commercial project" means an economic development opportunity

1363 that involves new or expanded industrial, manufacturing, distribution, or business services in

1364 Utah.

1365 (b) "New commercial project" does not include retail business.

1366 ~~[(7)]~~ (10) (a) "New incremental jobs" means full-time employment positions that are

1367 filled by employees who work at least 30 hours per week and that are:

1368 (i) with respect to a business entity, created in addition to the baseline count of

1369 employment positions that existed within the business entity before the new commercial

1370 project;

1371 (ii) with respect to a county, created as a result of a new commercial project with

1372 respect to which the county or a community development and renewal agency seeks to claim a

1373 tax credit under Section [59-7-614.2](#); or

1374 (iii) with respect to a city or town or the inland port authority, created as a result of a

1375 new commercial project with respect to which the city, town, or a community development and

1376 renewal agency, or inland port authority seeks to claim a tax credit under Section [59-7-614.2](#).

1377 (b) "New incremental jobs" may include full-time equivalent positions that are filled by

1378 more than one employee, if each employee who works less than 30 hours per week is provided

1379 benefits comparable to a full-time employee.

1380 (c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction
1381 in the state to another jurisdiction in the state.

1382 [~~(8)~~] (11) "New state revenues" means:

1383 (a) with respect to a business entity:

1384 (i) incremental new state sales and use tax revenues that a business entity pays under
1385 Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a
1386 development zone;

1387 (ii) incremental new state tax revenues that a business entity pays as a result of a new
1388 commercial project in a development zone under:

1389 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

1390 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
1391 Information;

1392 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;

1393 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or

1394 (E) a combination of Subsections [~~(8)~~] (11)(a)(ii)(A) through (D);

1395 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
1396 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
1397 employees of a new or expanded industrial, manufacturing, distribution, or business service
1398 within a new commercial project as evidenced by payroll records that indicate the amount of
1399 employee income taxes withheld and transmitted to the State Tax Commission by the new or
1400 expanded industrial, manufacturing, distribution, or business service within the new
1401 commercial project; or

1402 (iv) a combination of Subsections [~~(8)~~] (11)(a)(i) through (iii); or

1403 (b) with respect to a local government entity:

1404 (i) incremental new state sales and use tax revenues that are collected under Title 59,
1405 Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development

- 1406 zone;
- 1407 (ii) incremental new state tax revenues that are collected as a result of a new
- 1408 commercial project in a development zone under:
 - 1409 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
 - 1410 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
 - 1411 Information;
 - 1412 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
 - 1413 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
 - 1414 (E) a combination of Subsections [~~(8)~~] (11)(b)(ii)(A) through (D);
- 1415 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
- 1416 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
- 1417 employees of a new or expanded industrial, manufacturing, distribution, or business service
- 1418 within a new commercial project as evidenced by payroll records that indicate the amount of
- 1419 employee income taxes withheld and transmitted to the State Tax Commission by the new or
- 1420 expanded industrial, manufacturing, distribution, or business service within the new
- 1421 commercial project; or
- 1422 (iv) a combination of Subsections [~~(8)~~] (11)(b)(i) through (iii).
- 1423 [~~(9)~~] (12) "Significant capital investment" means an amount of at least \$10,000,000 to
- 1424 purchase capital or fixed assets, which may include real property, personal property, and other
- 1425 fixtures related to a new commercial project:
 - 1426 (a) that represents an expansion of existing operations in the state; or
 - 1427 (b) that maintains or increases the business entity's existing work force in the state.
- 1428 [~~(10)~~] (13) "Tax credit" means an economic development tax credit created by Section
- 1429 [59-7-614.2](#) or [59-10-1107](#).
- 1430 [~~(11)~~] (14) "Tax credit amount" means the amount the office lists as a tax credit on a
- 1431 tax credit certificate for a taxable year.
- 1432 [~~(12)~~] (15) "Tax credit certificate" means a certificate issued by the office that:

1433 (a) lists the name of the business entity, local government entity, or community
1434 development and renewal agency to which the office authorizes a tax credit;

1435 (b) lists the business entity's, local government entity's, or community development and
1436 renewal agency's taxpayer identification number;

1437 (c) lists the amount of tax credit that the office authorizes the business entity, local
1438 government entity, or community development and renewal agency for the taxable year; and

1439 (d) may include other information as determined by the office.

1440 Section 20. **Effective date.**

1441 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members
1442 elected to each house, this bill takes effect upon approval by the governor, or the day following
1443 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
1444 signature, or in the case of a veto, the date of veto override.

1445 (2) The amendments to Section [59-12-205](#) take effect January 1, 2020.