

1 **COMMUNITY REINVESTMENT AGENCY MODIFICATIONS**

2 2019 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Kim F. Coleman**

5 Senate Sponsor: _____

6

LONG TITLE

7 **General Description:**

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

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ removes provisions that prevented the creation of an economic development project
- 12 area after 2016;
- 13 ▶ allows an economic development project area to receive tax increment through an
- 14 interlocal agreement between a taxing entity and the agency;
- 15 ▶ addresses measurement of the project area funds collection period;
- 16 ▶ requires a community that creates an agency having a housing allocation from tax
- 17 increment to create an affordable housing plan;
- 18 ▶ allows an agency to use the agency's housing allocation to implement the affordable
- 19 housing plan;
- 20 ▶ requires a description of how an agency used the agency's housing allocation in the
- 21 agency's annual budget report;
- 22 ▶ imposes certain requirements on jobs that will be created for post-performance
- 23 distribution;
- 24 ▶ for urban renewal project areas, removes the option to reduce the agency's housing
- 25 allocation;
- 26 ▶ requires an agency to start distributing the agency's housing allocation held from
- 27



28 project areas created in the past; and
29 ▶ makes technical and conforming changes.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 AMENDS:

- 36 **17C-1-102**, as last amended by Laws of Utah 2018, Chapter 364
- 37 **17C-1-102.5**, as enacted by Laws of Utah 2016, Chapter 350
- 38 **17C-1-401.5**, as last amended by Laws of Utah 2018, Chapter 364
- 39 **17C-1-402**, as last amended by Laws of Utah 2018, Chapter 364
- 40 **17C-1-405**, as last amended by Laws of Utah 2016, Chapter 350
- 41 **17C-1-407**, as last amended by Laws of Utah 2016, Chapter 350
- 42 **17C-1-412**, as last amended by Laws of Utah 2018, Chapter 312
- 43 **17C-1-603**, as last amended by Laws of Utah 2018, Chapter 364
- 44 **17C-1-806**, as last amended by Laws of Utah 2018, Chapter 364
- 45 **17C-2-203**, as last amended by Laws of Utah 2016, Chapter 350
- 46 **17C-3-103**, as last amended by Laws of Utah 2016, Chapter 350
- 47 **17C-3-109**, as last amended by Laws of Utah 2018, Chapter 364
- 48 **17C-3-201**, as last amended by Laws of Utah 2016, Chapter 350
- 49 **17C-3-203**, as last amended by Laws of Utah 2016, Chapter 350
- 50 **17C-3-205**, as last amended by Laws of Utah 2016, Chapter 350
- 51 **17C-5-307**, as enacted by Laws of Utah 2016, Chapter 350

52 REPEALS:

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



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

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

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

58 As used in this title:

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

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

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

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

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

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

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

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

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

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

78 (c) whose geographic boundaries are coterminous with:

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

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

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

83 (a) project area funds;

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

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

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

90 amended or as superseded by replacement regulations.

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

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

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

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

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

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

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

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

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

108 or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

175 (i) consists of at least 100 acres;

176 (ii) is occupied by an airport:

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

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

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

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

181 (iii) requires remediation because:

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

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

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

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

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

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

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

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

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

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

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

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

205 (i) a fire station;

206 (ii) a police station;

207 (iii) a city hall; or

208 (iv) a court or other judicial building.

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

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

213 (37) "Military installation project area" means a project area or a portion of a project

214 area located within a federal military installation ordered closed by the federal Defense Base
215 Realignment and Closure Commission.

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

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

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

222 (a) includes a description of:

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

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

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

226 and

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

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

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

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

238 (44) "Private," with respect to real property, means property not owned by a public
239 entity or any other governmental entity.

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

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

245 accordance with:

246 (a) for an urban renewal project area, Section 17C-2-202;

247 (b) for an economic development project area, Section 17C-3-202;

248 (c) for a community development project area, Section 17C-4-204; or

249 (d) for a community reinvestment project area, Section 17C-5-302.

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

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

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

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

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

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

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

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

266 (h) relocating a business;

267 (i) improving public or private recreation areas or other public grounds;

268 (j) eliminating blight or the causes of blight;

269 (k) redevelopment as defined under the law in effect before May 1, 2006; or

270 (l) any activity described in this Subsection (47) outside of a project area that the board
271 determines to be a benefit to the project area.

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

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

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

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

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

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

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

290 (52) "Public entity" means:

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

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

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

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

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

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

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

306 and

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

308 (56) "Superfund site":

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

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

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

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

317 (b) blight exists within the survey area.

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

320 (59) "Taxable value" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

350 Beginning on May 10, 2016, an agency:

351 (1) may create:

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

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

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

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

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

357 ~~or]~~

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

359 Development; and

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

361 or a community development project area if:

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

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

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

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

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

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

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

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

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

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

377 (c) For an economic development project area plan that an agency adopts after May 9,
378 2019, the county in which the agency is located shall withhold tax increment that the agency is
379 authorized to receive from the project area until the agency provides the county evidence that
380 jobs have been created in accordance with Subsection [17C-3-103\(3\)](#).

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

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

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

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

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

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

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

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

398 (B) with respect to sales and use tax revenue, in accordance with the interlocal
399 agreement between the agency and the taxing entity that authorizes the agency to receive all or

400 a portion of the taxing entity's sales and use tax revenue; [or]

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

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

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

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

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

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

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

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

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

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

423 (5) (a) (i) The boundaries of one project area may overlap and include the boundaries
424 of another project area.

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

429 (b) (i) Before an agency may receive tax increment from the newly created overlapping
430 portion of a project area, the agency shall inform the county auditor regarding the respective

431 amount of tax increment that the agency is authorized to receive from the overlapping portion
432 of each of the project areas.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

463 **17C-1-402. Taxing entity committee.**

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

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

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

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

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

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

474 (A) two school district representatives appointed in accordance with Subsection
475 (2)(a)(ii);

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

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

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

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

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

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

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

492 (b) (i) Each taxing entity committee representative described in Subsection (2)(a) shall

493 be appointed within 30 days after the day on which the agency provides notice of the creation
494 of the taxing entity committee.

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

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

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

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

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

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

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

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

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

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

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

518 (i) an urban renewal project area plan;

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

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

523 (b) A taxing entity committee may:

- 524 (i) cast votes that are binding on all taxing entities;
- 525 (ii) negotiate with the agency concerning a proposed project area plan;
- 526 (iii) approve or disapprove:
 - 527 (A) an urban renewal project area budget as described in Section 17C-2-204;
 - 528 (B) for an economic development project area plan that is subject to a taxing entity
 - 529 committee, an economic development project area budget as described in Section 17C-3-203;
 - 530 or
 - 531 (C) for a community reinvestment project area plan that is subject to a taxing entity
 - 532 committee, a community reinvestment project area budget as described in Section 17C-5-302;
- 533 (iv) approve or disapprove an amendment to a project area budget as described in
- 534 Section 17C-2-206, 17C-3-205, or 17C-5-306;
- 535 (v) approve an exception to the limits on the value and size of a project area imposed
- 536 under this title;
- 537 (vi) approve:
 - 538 (A) an exception to the percentage of tax increment to be paid to the agency;
 - 539 (B) except for a project area funds collection period that is approved by an interlocal
 - 540 agreement, each project area funds collection period; and
 - 541 (C) an exception to the requirement for an urban renewal project area budget, an
 - 542 economic development project area budget, or a community reinvestment project area budget
 - 543 to include a maximum cumulative dollar amount of tax increment that the agency may receive;
- 544 (vii) approve the use of tax increment for publicly owned infrastructure and
- 545 improvements outside of a project area that the agency and community legislative body
- 546 determine to be of benefit to the project area, as described in Subsection
- 547 17C-1-409(1)(a)(iii)(D);
- 548 (viii) waive the restrictions described in Subsection 17C-2-202(1);
- 549 (ix) subject to Subsection (4)(c), designate the base taxable value for a project area
- 550 budget; and
- 551 (x) give other taxing entity committee approval or consent required or allowed under
- 552 this title.
- 553 (c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that
- 554 is earlier than five years before the beginning of a project area funds collection period.

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

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

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

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

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

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

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

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

566 (A) an inactive industrial site;

567 (B) an inactive airport site; or

568 (C) a closed military base; or

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

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

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

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

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

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

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

581 (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or
582 17C-5-105(12);

583 (D) the blight study;

584 (E) the agency's resolution making a finding of blight under Subsection
585 17C-2-102(1)(a)(ii)(B) or Subsection 17C-5-402(2)(c)(ii); and

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

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

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

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

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

599 (9) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and
600 Public Meetings Act.

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

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

603 (b) maintained by the agency in accordance with Section [17C-1-209](#).

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

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

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

614 and

615 (ii) the assessed value.

616 (b) With respect to the information required under Subsection (12)(a), the auditor shall

617 provide:

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

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

622 (c) The auditor of the county in which the agency is located shall provide a report
623 under this Subsection (12):

624 (i) at least annually; and

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

629 (13) This section does not apply to:

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

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

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

635 (i) is final; and

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

638 (b) The provisions of Subsection (14)(a) apply regardless of when the resolution is
639 adopted.

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

641 **17C-1-405. Tax increment under a project area plan adopted on or after May 1,**
642 **2006.**

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

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

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

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

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

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

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

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

659 **17C-1-407. Limitations on tax increment.**

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

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

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

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

677 (b) If the taxing entity committee or each taxing entity that is a party to an interlocal
678 agreement with the agency does not approve payment of the increased taxes to the agency

679 under Subsection (2)(a), the county shall distribute to the taxing entity the taxes attributable to
680 the tax rate increase in the same manner as other property taxes.

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

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

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

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

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

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

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

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

702 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance**
703 **of bonds for housing -- Action to compel agency to provide housing allocation.**

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

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

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

709 (iii) lend, grant, or contribute money to a person, public entity, housing authority,

710 private entity or business, or nonprofit corporation for income targeted housing within the
711 boundary of the agency;

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

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

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

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

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

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

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

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

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

729 (ix) relocate mobile home park residents displaced by project area development; or
730 (x) subject to Subsection (6), transfer funds to a community that created the agency.

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

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

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

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

738 (A) income targeted housing within the county;

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

741 (C) homeless assistance within the county; or
742 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
743 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within
744 the community.

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

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

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

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

754 (3) An agency may:

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

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

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

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

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

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

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

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

774 (6) For the purpose of offsetting the community's annual local contribution to the
775 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in
776 a calendar year to a community under Subsections (1)(a)(x), [17C-1-409\(1\)\(a\)\(v\)](#), and
777 [17C-1-411\(1\)\(d\)](#) may not exceed the community's annual local contribution as defined in
778 Section [35A-8-606](#).

779 (7) (a) If the community that created the agency is a municipality, the community shall
780 create an affordable housing plan in accordance with this Subsection (7).

781 (b) (i) A community described in Subsection (7)(a) shall ensure that the affordable
782 housing plan that the community creates includes:

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

785 (B) a plan to provide an opportunity to meet the estimated needs described in
786 Subsection (7)(b)(i)(A) if long-term projections for land use and development occur.

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

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

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

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

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

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

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

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

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

799 (c) In drafting the moderate income housing plan, the community:

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

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

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

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

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

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

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

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

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

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

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

821 (iii) may include an analysis of why any recommendation described in Subsection
822 (7)(c)(ii) provides a realistic opportunity for the development of moderate income housing
823 within the planning horizon.

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

825 **17C-1-603. Annual report.**

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

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

828 (b) submit the annual report electronically to the community in which the agency
829 operates, the county auditor, the State Tax Commission, the State Board of Education, and each
830 taxing entity from which the agency receives project area funds;

831 (c) post the annual report on the agency's website; and

832 (d) ensure that the community in which the agency operates posts the annual report on
833 the community's website.

- 834 (2) The annual report shall, for each active project area whose project area funds
835 collection period has not expired, contain the following information:
- 836 (a) an assessment of the change in marginal value, including:
- 837 (i) the base year;
- 838 (ii) the base taxable value;
- 839 (iii) the prior year's assessed value;
- 840 (iv) the estimated current assessed value;
- 841 (v) the percentage change in marginal value; and
- 842 (vi) a narrative description of the relative growth in assessed value;
- 843 (b) the amount of project area funds the agency received for each year of the project
844 area funds collection period, including:
- 845 (i) a comparison of the actual project area funds received for each year to the amount of
846 project area funds forecasted for each year when the project area was created, if available;
- 847 (ii) (A) the agency's historical receipts of project area funds, including the tax year for
848 which the agency first received project area funds from the project area; or
- 849 (B) if the agency has not yet received project area funds from the project area, the year
850 in which the agency expects each project area funds collection period to begin;
- 851 (iii) a list of each taxing entity that levies or imposes a tax within the project area and a
852 description of the benefits that each taxing entity receives from the project area; and
- 853 (iv) the amount paid to other taxing entities under Section 17C-1-410, if applicable;
- 854 (c) a description of how the agency expended the agency's housing allocation, if
855 applicable;
- 856 [~~(c)~~] (d) a description of current and anticipated project area development, including:
- 857 (i) a narrative of any significant project area development, including infrastructure
858 development, site development, participation agreements, or vertical construction; and
- 859 (ii) other details of development within the project area, including:
- 860 (A) the total developed acreage;
- 861 (B) the total undeveloped acreage;
- 862 (C) the percentage of residential development; and
- 863 (D) the total number of housing units authorized, if applicable;
- 864 [~~(d)~~] (e) the project area budget, if applicable, or other project area funds analyses,

- 865 including:
- 866 (i) each project area funds collection period, including:
- 867 (A) the start and end date of the project area funds collection period; and
- 868 (B) the number of years remaining in each project area funds collection period;
- 869 (ii) the amount of project area funds the agency is authorized to receive from the
- 870 project area cumulatively and from each taxing entity, including:
- 871 (A) the total dollar amount; and
- 872 (B) the percentage of the total amount of project area funds generated within the
- 873 project area;
- 874 (iii) the remaining amount of project area funds the agency is authorized to receive
- 875 from the project area cumulatively and from each taxing entity; and
- 876 (iv) the amount of project area funds the agency is authorized to use to pay for the
- 877 agency's administrative costs, as described in Subsection [~~17B-1-409~~] 17C-1-409(1), including:
- 878 (A) the total dollar amount; and
- 879 (B) the percentage of the total amount of all project area funds;
- 880 [~~(e)~~] (f) the estimated amount of project area funds that the agency is authorized to
- 881 receive from the project area for the current calendar year;
- 882 [~~(f)~~] (g) the estimated amount of project area funds to be paid to the agency for the next
- 883 calendar year;
- 884 [~~(g)~~] (h) a map of the project area; and
- 885 [~~(h)~~] (i) any other relevant information the agency elects to provide.
- 886 (3) A report prepared in accordance with this section:
- 887 (a) is for informational purposes only; and
- 888 (b) does not alter the amount of project area funds that an agency is authorized to
- 889 receive from a project area.
- 890 (4) The provisions of this section apply regardless of when the agency or project area is
- 891 created.

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

893 **17C-1-806. Requirements for notice provided by agency.**

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

895 (a) (i) publishing one notice, excluding the map referred to in Subsection (3)(b), in a

896 newspaper of general circulation within the county in which the project area or proposed
897 project area is located, at least 14 days before the hearing;

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

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

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

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

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

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

909 (ii) the State Tax Commission;

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

912 (iv) (A) if a project area is subject to a taxing entity committee, each member of the
913 taxing entity committee and the State Board of Education; or

914 (B) if a project area is not subject to a taxing entity committee, the legislative body or
915 governing board of each taxing entity within the boundaries of the project area or proposed
916 project area.

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

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

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

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

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

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

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

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

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

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

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

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

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

943 (B) one or more taxing entities agree to share property tax revenue under an interlocal
944 agreement and each taxing entity that is party to the interlocal agreement consents; and

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

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

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

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

953 **17C-2-203. Part of tax increment funds in urban renewal project area budget to**
954 **be used for housing -- Waiver of requirement.**

955 (1) (a) Except as provided in [~~Subsections (1)(b) and (c)~~] Subsection (1)(b), each urban
956 renewal project area budget adopted on or after May 1, 2000, that provides for more than
957 \$100,000 of annual tax increment to be paid to the agency shall allocate at least 20% of the tax

958 increment for housing as provided in Section 17C-1-412.

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

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

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

965 (ii) the inactive industrial site's remediation costs are estimated to exceed 20% of the
966 project area funds under the urban renewal project area budget.

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

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

972 **17C-3-103. Economic development project area plan requirements.**

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

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

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

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

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

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

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

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

989 (h) identify how a participant will be selected to undertake the project area
990 development and identify each participant currently involved in the project area development;
991 (i) state the reasons for the selection of the project area;
992 (j) describe the physical, social, and economic conditions existing in the project area;
993 (k) describe any tax incentives offered private entities for facilities located in the
994 project area;
995 (l) include an analysis, as provided in Subsection (2), of whether adoption of the
996 project area plan is beneficial under a benefit analysis;
997 (m) if any of the existing buildings or uses in the project area are included in or eligible
998 for inclusion in the National Register of Historic Places or the State Register, state that the
999 agency shall comply with Subsection 9-8-404(1) as though the agency were a state agency; and
1000 (n) include other information that the agency determines to be necessary or advisable.
1001 (2) Each analysis under Subsection (1)(l) shall consider:
1002 (a) the benefit of any financial assistance or other public subsidy proposed to be
1003 provided by the agency, including:
1004 (i) an evaluation of the reasonableness of the costs of project area development;
1005 (ii) efforts the agency or participant has made or will make to maximize private
1006 investment;
1007 (iii) the rationale for use of tax increment, including an analysis of whether the
1008 proposed project area development might reasonably be expected to occur in the foreseeable
1009 future solely through private investment; and
1010 (iv) an estimate of the total amount of tax increment that will be expended in
1011 undertaking project area development and the length of time for which it will be expended; and
1012 (b) the anticipated public benefit to be derived from the project area development,
1013 including:
1014 (i) the beneficial influences upon the tax base of the community;
1015 (ii) the associated business and economic activity likely to be stimulated; ~~and~~
1016 (iii) the number of jobs or employment anticipated to be generated or preserved[-]; and
1017 (iv) the salary associated with any jobs generated or preserved.
1018 (3) For an economic development project area plan adopted after May 9, 2019, an
1019 agency shall require that project area development under the plan creates at least 50 new jobs

1020 that pay a salary that is 150% of area median income for the county in which the agency is
1021 located.

1022 Section 12. Section **17C-3-109** is amended to read:

1023 **17C-3-109. Amending an economic development project area plan.**

1024 (1) An economic development project area plan may be amended as provided in this
1025 section.

1026 (2) If an agency proposes to amend an economic development project area plan to
1027 enlarge the project area:

1028 (a) the requirements under this part that apply to adopting a project area plan apply
1029 equally to the proposed amendment as if it were a proposed project area plan;

1030 (b) the base year for the new area added to the project area shall be determined under
1031 Subsection **17C-1-102(9)** using the date of the taxing entity committee's consent [~~referred to~~]
1032 or the taxing entities' consent described in Subsection (2)(c); and

1033 (c) the agency shall obtain the consent of the taxing entity committee or each taxing
1034 entity that is party to an interlocal agreement with the agency before the agency may collect tax
1035 increment from the area added to the project area by the amendment.

1036 (3) If a proposed amendment does not propose to enlarge an economic development
1037 project area, a board may adopt a resolution approving an amendment to an economic
1038 development project area plan after:

1039 (a) the agency gives notice, as provided in Chapter 1, Part 8, Hearing and Notice
1040 Requirements, of the proposed amendment and of the public hearing required by Subsection
1041 (3)(b);

1042 (b) the board holds a public hearing on the proposed amendment that meets the
1043 requirements of a plan hearing;

1044 (c) the agency obtains the taxing entity committee's consent to the amendment or the
1045 consent of each taxing entity that is party to an interlocal agreement with the agency, if the
1046 amendment proposes:

1047 (i) to enlarge the area within the project area from which tax increment is received; or

1048 (ii) to permit the agency to receive a greater percentage of tax increment or to extend
1049 the project area funds collection period under the economic development project area plan; and

1050 (d) the agency obtains the consent of the legislative body or governing board of each

1051 taxing entity affected, if the amendment proposes to permit the agency to receive, from less
1052 than all taxing entities, a greater percentage of tax increment or to extend the project area funds
1053 collection period, or both, than allowed under the economic development project area plan.

1054 (4) (a) An economic development project area plan may be amended without
1055 complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and
1056 (b) and without obtaining [~~taxing entity committee approval~~] consent under Subsection (3)(c) if
1057 the amendment:

1058 (i) makes a minor adjustment in the boundary description of a project area boundary
1059 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
1060 or

1061 (ii) subject to Subsection (4)(b), removes one or more parcels from a project area
1062 because the agency determines that each parcel removed is:

1063 (A) tax exempt; or

1064 (B) no longer necessary or desirable to the project area.

1065 (b) An amendment removing one or more parcels from a project area under Subsection
1066 (4)(a) may be made without the consent of the record property owner of each parcel being
1067 removed.

1068 (5) (a) An amendment approved by board resolution under this section may not take
1069 effect until adopted by ordinance of the legislative body of the community in which the project
1070 area that is the subject of the project area plan being amended is located.

1071 (b) Upon a community legislative body passing an ordinance adopting an amendment
1072 to a project area plan, the agency whose project area plan was amended shall comply with the
1073 requirements of Sections [17C-3-107](#) and [17C-3-108](#) to the same extent as if the amendment
1074 were a project area plan.

1075 (6) (a) Within 30 days after the day on which an amendment to a project area plan
1076 becomes effective, a person may contest the amendment to the project area plan or the
1077 procedure used to adopt the amendment to the project area plan if the amendment or procedure
1078 fails to comply with a provision of this title.

1079 (b) After the 30-day period described in Subsection (6)(a) expires, a person may not
1080 contest the amendment to the project area plan or procedure used to adopt the amendment to
1081 the project area plan for any cause.

1082 Section 13. Section **17C-3-201** is amended to read:

1083 **17C-3-201. Economic development project area budget -- Requirements for**
1084 **adopting -- Contesting the budget or procedure -- Time limit.**

1085 (1) (a) If an agency anticipates funding all or a portion of [~~a post-June 30, 1993~~] an
1086 economic development project area plan with tax increment, the agency shall, subject to
1087 Section **17C-3-202**, adopt a project area budget as provided in this part.

1088 (b) An economic development project area budget adopted on or after March 30, 2009,
1089 shall specify:

1090 (i) for a project area budget adopted on or after March 30, 2009:

1091 (A) the project area funds collection period; and

1092 (B) the percentage of tax increment the agency is authorized to receive from the project
1093 area under the project area budget; and

1094 (ii) for a project area budget adopted on or after March 30, 2013, unless approval is
1095 obtained under Subsection **17C-1-402(4)(b)(vi)(C)**, the maximum cumulative dollar amount of
1096 tax increment that the agency may receive from the project area under the project area budget.

1097 (2) To adopt an economic development project area budget, the agency shall:

1098 (a) prepare a proposed economic development project area budget;

1099 (b) make a copy of the proposed project area budget available to the public at the
1100 agency's offices during normal business hours;

1101 (c) provide notice of the budget hearing as required by Chapter 1, Part 8, Hearing and
1102 Notice Requirements;

1103 (d) hold a public hearing on the proposed project area budget and, at that public
1104 hearing, allow public comment on:

1105 (i) the proposed project area budget; and

1106 (ii) whether the proposed project area budget should be revised, adopted, or rejected;

1107 (e) (i) if required under Subsection **17C-3-203(1)**, obtain the approval of the taxing
1108 entity committee on the proposed project area budget or a revised version of the proposed
1109 project area budget; or

1110 (ii) if applicable, comply with the requirements of Subsection **17C-3-203(2)**;

1111 (f) if required under Subsection **17C-3-203(3)**, obtain approval on the proposed project
1112 area budget or a revised version of the proposed project area budget from each taxing entity

1113 that is party to an interlocal agreement with the agency;

1114 [~~(f)~~] (g) if approval of the taxing entity committee is required under Subsection
1115 (2)(e)(i) or if approval of each taxing entity is required under Subsection (2)(f), obtain a written
1116 certification, signed by an attorney licensed to practice law in this state, stating that the taxing
1117 entity committee followed the appropriate procedures to approve the project area budget; and

1118 [~~(g)~~] (h) after the budget hearing, hold a board meeting in the same meeting as the
1119 public hearing or in a subsequent meeting to:

1120 (i) consider comments made and information presented at the public hearing relating to
1121 the proposed project area budget; and

1122 (ii) adopt by resolution the proposed project area budget, with any revisions, as the
1123 project area budget.

1124 (3) (a) For a period of 30 days after the agency's adoption of the project area budget
1125 under Subsection (2)[~~(g)~~](h), any person may contest the project area budget or the procedure
1126 used to adopt the project area budget if the budget or procedure fails to comply with applicable
1127 statutory requirements.

1128 (b) After the 30-day period under Subsection (3)(a) expires, a person may not contest:

1129 (i) the project area budget or procedure used by either the taxing entity committee, a
1130 taxing entity committee that is party to an interlocal agreement with the agency, or the agency
1131 to approve and adopt the project area budget;

1132 (ii) a distribution of tax increment to the agency under the project area budget; or

1133 (iii) the agency's use of tax increment under the project area budget.

1134 Section 14. Section **17C-3-203** is amended to read:

1135 **17C-3-203. Consent of taxing entity committee required for economic**
1136 **development project area budget -- Exception.**

1137 (1) (a) Except as provided in Subsection (1)(b) or (3) and subject to Subsection (2),
1138 each agency shall obtain the consent of the taxing entity committee for each economic
1139 development project area budget under a post-June 30, 1993₂ economic development project
1140 area plan before the agency may collect any tax increment from the project area.

1141 (b) For an economic development project area budget adopted from July 1, 1998₂
1142 through May 1, 2000₂ that allocates 20% or more of the tax increment for housing as provided
1143 in Section **17C-1-412**, an agency:

1144 (i) need not obtain the consent of the taxing entity committee for the project area
1145 budget; and

1146 (ii) may not receive any tax increment from all or part of the project area until after:

1147 (A) the loan fund board has certified the project area budget as complying with the
1148 requirements of Section 17C-1-412; and

1149 (B) the board has approved and adopted the project area budget by a two-thirds vote.

1150 (2) (a) Before a taxing entity committee may consent to an economic development
1151 project area budget adopted on or after May 1, 2000, that allocates 20% of tax increment for
1152 housing under Subsection 17C-3-202(2)(a) or (3), the agency shall:

1153 (i) adopt a housing plan showing the uses for the housing funds; and

1154 (ii) provide a copy of the housing plan to the taxing entity committee and the loan fund
1155 board.

1156 (b) If an agency amends a housing plan prepared under Subsection (2)(a), the agency
1157 shall provide a copy of the amendment to the taxing entity committee and the loan fund board.

1158 (3) Notwithstanding Subsection (1), an agency:

1159 (a) may enter into an interlocal agreement with each taxing entity within the economic
1160 development project area; and

1161 (b) for a project area subject to an interlocal agreement, shall obtain the consent of a
1162 taxing entity before collecting tax increment attributable to that taxing entity from the project
1163 area.

1164 Section 15. Section 17C-3-205 is amended to read:

1165 **17C-3-205. Amending an economic development project area budget.**

1166 (1) An agency may by resolution amend an economic development project area budget
1167 as provided in this section.

1168 (2) To amend an adopted economic development project area budget, the agency shall:

1169 (a) advertise and hold one public hearing on the proposed amendment as provided in
1170 Subsection (3);

1171 (b) if approval of the taxing entity committee or each taxing entity that is a party to an
1172 interlocal agreement with the agency was required for adoption of the original project area
1173 budget, obtain the approval of the taxing entity committee or each taxing entity that is a party
1174 to an interlocal agreement with the agency to the same extent that the agency was required to

1175 obtain [~~the consent of the taxing entity committee~~] consent for the project area budget as
1176 originally adopted;

1177 (c) if approval of the taxing entity committee or each taxing entity that is a party to an
1178 interlocal agreement with the agency is required under Subsection (2)(b), obtain a written
1179 certification, signed by an attorney licensed to practice law in this state, stating that the taxing
1180 entity committee or each taxing entity that is a party to an interlocal agreement with the agency
1181 followed the appropriate procedures to approve the project area budget; and

1182 (d) adopt a resolution amending the project area budget.

1183 (3) The public hearing required under Subsection (2)(a) shall be conducted according
1184 to the procedures and requirements of Section 17C-3-201, except that if the amended project
1185 area budget proposes that the agency be paid a greater proportion of tax increment from a
1186 project area than was to be paid under the previous project area budget, the notice shall state
1187 the percentage paid under the previous project area budget and the percentage proposed under
1188 the amended project area budget.

1189 (4) If the removal of a parcel under Subsection 17C-3-109(4)(a)(ii) reduces the base
1190 taxable value of the project area, an agency may amend the project area budget to conform with
1191 the new base taxable value without:

1192 (a) complying with Subsections (2)(a) and (3); and

1193 (b) if applicable, obtaining taxing entity committee approval or the approval of each
1194 taxing entity that is a party to an interlocal agreement with the agency as described in
1195 Subsection (2)(b).

1196 (5) If a proposed amendment is not adopted, the agency shall continue to operate under
1197 the previously adopted economic development project area budget without the proposed
1198 amendment.

1199 (6) (a) A person may contest the agency's adoption of a budget amendment within 30
1200 days after the day on which the agency adopts the amendment.

1201 (b) A person who fails to contest a budget amendment under Subsection (6)(a):

1202 (i) forfeits any claim against an agency's adoption of the amendment; and

1203 (ii) may not contest:

1204 (A) a distribution of tax increment to the agency under the budget amendment; or

1205 (B) an agency's use of a tax increment under a budget amendment.

1206 Section 16. Section **17C-5-307** is amended to read:

1207 **17C-5-307. Allocating project area funds for housing.**

1208 (1) (a) For a community reinvestment project area that is subject to a taxing entity
1209 committee, which does not include an economic development project area under Chapter 3,
1210 Economic Development, an agency shall allocate at least 20% of the agency's annual tax
1211 increment for housing in accordance with Section **17C-1-412** if the community reinvestment
1212 project area budget provides for more than \$100,000 of annual tax increment to be distributed
1213 to the agency.

1214 (b) The taxing entity committee may waive a portion of the allocation described in this
1215 Subsection (1)~~(a)~~ if:

1216 (i) the taxing entity committee determines that 20% of the agency's annual tax
1217 increment is more than is needed to address the community's need for income targeted housing
1218 or homeless assistance; and

1219 (ii) after the waiver, the agency's housing allocation is equal to at least 10% of the
1220 agency's annual tax increment.

1221 (2) For a community reinvestment project area that is subject to an interlocal
1222 agreement, an agency shall allocate at least 10% of the project area funds for housing in
1223 accordance with Section **17C-1-412** if the community reinvestment project area budget
1224 provides for more than \$100,000 of annual project area funds to be distributed to the agency.

1225 (3) The agency may use the housing allocation described in Subsection (1) to achieve
1226 the affordable housing plan the community establishes in accordance with Section **17C-1-412.**

1227 Section 17. **Repealer.**

1228 This bill repeals:

1229 Section **17C-3-101.2, Applicability of chapter.**