

Senator Wayne A. Harper proposes the following substitute bill:

COMMUNITY REINVESTMENT AGENCY AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Stephen G. Handy

LONG TITLE

General Description:

This bill amends provisions in Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act.

Highlighted Provisions:

This bill:

- ▶ limits an agency's reporting requirements to only the reports required by law;
- ▶ prohibits a taxing entity from reducing the amount of project area funds under an interlocal agreement by a certain amount;
- ▶ removes the requirement for an agency to provide a housing allocation if the county and agency agree and the community reinvestment project area plan:
 - provides solely for nonresidential project area development; and
 - provides for a percentage of the jobs created within the project area to have a certain annual gross wage; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **17C-5-204**, as enacted by Laws of Utah 2016, Chapter 350

29 **17C-5-307**, as enacted by Laws of Utah 2016, Chapter 350

30 ENACTS:

31 **17C-1-609**, Utah Code Annotated 1953



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

34 Section 1. Section **17C-1-609** is enacted to read:

35 **17C-1-609. Agency reporting limitations.**

36 Except as required under this title, an agency is not required to submit to a public entity
37 information or a report related to the agency's operations or project areas.

38 Section 2. Section **17C-5-204** is amended to read:

39 **17C-5-204. Community reinvestment project area subject to interlocal agreement**
40 **-- Consent of a taxing entity to an agency receiving project area funds.**

41 (1) As used in this section, "successor taxing entity" means a taxing entity that:

42 (a) is created after the day on which an interlocal agreement is executed to allow an
43 agency to receive a taxing entity's project area funds; and

44 (b) levies or imposes a tax within the community reinvestment project area.

45 (2) This section applies to a community reinvestment project area that is subject to an
46 interlocal agreement under Subsection **17C-5-202(1)(a)**.

47 (3) For the purpose of implementing a community reinvestment project area plan, an
48 agency may negotiate with a taxing entity for all or a portion of the taxing entity's project area
49 funds.

50 (4) A taxing entity may agree to allow an agency to receive the taxing entity's project
51 area funds by executing an interlocal agreement with the agency in accordance with Title 11,
52 Chapter 13, Interlocal Cooperation Act.

53 (5) Before an agency may use project area funds received under an interlocal
54 agreement described in Subsection (4), the agency shall:

55 (a) obtain a written certification, signed by an attorney licensed to practice law in the
56 state, stating that the agency and the taxing entity have each followed all legal requirements

57 relating to the adoption of the interlocal agreement; and

58 (b) provide a signed copy of the certification described in Subsection (5)(a) to the
59 taxing entity.

60 (6) An interlocal agreement described in Subsection (4) shall:

61 (a) if the interlocal agreement provides for the agency to receive tax increment, state:

62 (i) the method of calculating the amount of the taxing entity's tax increment from the
63 community reinvestment project area that the agency receives, including the base year and base
64 taxable value;

65 (ii) the project area funds collection period; and

66 (iii) the percentage of the taxing entity's tax increment or the maximum cumulative
67 dollar amount of the taxing entity's tax increment that the agency receives;

68 (b) if the interlocal agreement provides for the agency to receive the taxing entity's
69 sales and use tax revenue, state:

70 (i) the method of calculating the amount of the taxing entity's sales and use tax revenue
71 that the agency receives;

72 (ii) the project area funds collection period; and

73 (iii) the percentage of sales and use tax revenue or the maximum cumulative dollar
74 amount of sales and use tax revenue that the agency receives; [~~and~~]

75 (c) include a copy of the community reinvestment project area budget[-]; and

76 (d) prohibit a taxing entity from proportionately reducing the amount of project area
77 funds the taxing entity consents to pay to an agency under this section by the amount of any
78 direct expenditures the taxing entity makes within the project area for the benefit of the project
79 area or the agency.

80 (7) A school district may consent to allow an agency to receive tax increment from the
81 school district's basic levy only to the extent that the school district also consents to allow the
82 agency to receive tax increment from the school district's local levy.

83 (8) The parties may amend an interlocal agreement under this section by mutual
84 consent.

85 (9) A taxing entity's consent to allow an agency to receive project area funds under this
86 section is not subject to the requirements of Section 10-8-2.

87 (10) An interlocal agreement executed by a taxing entity under this section may be

88 enforced by or against any successor taxing entity.

89 Section 3. Section 17C-5-307 is amended to read:

90 **17C-5-307. Allocating project area funds for housing.**

91 (1) Except as provided in Subsection (4), an agency shall allocate the agency's project
92 area funds for housing in accordance with this section.

93 [~~(1)~~] (2) (a) For a community reinvestment project area that is subject to a taxing entity
94 committee, an agency shall allocate at least 20% of the agency's annual tax increment for
95 housing in accordance with Section 17C-1-412 if the community reinvestment project area
96 budget provides for more than \$100,000 of annual tax increment to be distributed to the
97 agency.

98 (b) The taxing entity committee may waive a portion of the allocation described in
99 Subsection [~~(1)~~] (2)(a) if:

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

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

105 [~~(2)~~] (3) For a community reinvestment project area that is subject to an interlocal
106 agreement, an agency shall allocate at least 10% of the project area funds for housing in
107 accordance with Section 17C-1-412 if the community reinvestment project area budget
108 provides for more than \$100,000 of annual project area funds to be distributed to the agency.

109 (4) An agency is not required to allocate the agency's community reinvestment project
110 area funds for housing under this section if:

111 (a) the agency and the county mutually agree in the interlocal agreement described in
112 Subsection (3) that the agency will not make the allocation; and

113 (b) the community reinvestment project area plan:

114 (i) provides solely for nonresidential project area development; and

115 (ii) provides for 60% of the jobs created within the project area to have an annual gross
116 wage, not including healthcare or other paid or unpaid benefits, that is at least 125% of the
117 average wage of the county in which the project area is located.