

**MILITARY DEVELOPMENT AUTHORITY**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions related to the Military Installation Development Authority.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ modifies the Military Installation Development Authority's ability to petition for annexation of certain areas;
- ▶ includes the Military Installation Development Authority as a local authority for purposes of a premises that is located within a project area and licensed by the Department of Alcoholic Beverage Control;
- ▶ addresses the exchange of real property between the Military Installation Development Authority and the Department of Transportation for purposes of constructing an interchange;
- ▶ provides limitations on challenges to a project area plan or a project area;
- ▶ extends an authorization for the Military Installation Development Authority to receive a portion of the property tax allocation;
- ▶ provides that certain property owned by the Military Installation Development Authority is not subject to property tax or privilege tax;
- ▶ extends to the Military Installation Development Authority the applicability of provisions relating to tax credit incentives for economic development; and



28           ▶ makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30           None

31 **Other Special Clauses:**

32           None

33 **Utah Code Sections Affected:**

34 AMENDS:

35           **10-2-402**, as last amended by Laws of Utah 2017, Chapter 367

36           **32B-1-102**, as last amended by Laws of Utah 2018, Chapters 249 and 313

37           **63H-1-102**, as last amended by Laws of Utah 2018, Chapter 442

38           **63H-1-202**, as last amended by Laws of Utah 2015, Chapter 377

39           **63H-1-302**, as last amended by Laws of Utah 2018, Chapter 442

40           **63H-1-403**, as last amended by Laws of Utah 2013, Chapter 362

41           **63H-1-501**, as last amended by Laws of Utah 2018, Chapter 442

42           **63N-2-103**, as last amended by Laws of Utah 2016, Chapter 350

43 ENACTS:

44           **63H-1-206**, Utah Code Annotated 1953



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

47           Section 1. Section **10-2-402** is amended to read:

48           **10-2-402. Annexation -- Limitations.**

49           (1) (a) A contiguous, unincorporated area that is contiguous to a municipality may be  
50 annexed to the municipality as provided in this part.

51           (b) An unincorporated area may not be annexed to a municipality unless:

52           (i) it is a contiguous area;

53           (ii) it is contiguous to the municipality;

54           (iii) annexation will not leave or create an unincorporated island or unincorporated  
55 peninsula:

56           (A) except as provided in Subsection **10-2-418(3)**; or

57           (B) unless the county and municipality have otherwise agreed; and

58           (iv) for an area located in a specified county with respect to an annexation that occurs

59 after December 31, 2002, the area is within the proposed annexing municipality's expansion  
60 area.

61 (2) Except as provided in Section 10-2-418, a municipality may not annex an  
62 unincorporated area unless a petition under Section 10-2-403 is filed requesting annexation.

63 (3) (a) An annexation under this part may not include part of a parcel of real property  
64 and exclude part of that same parcel unless the owner of that parcel has signed the annexation  
65 petition under Section 10-2-403.

66 (b) A piece of real property that has more than one parcel number is considered to be a  
67 single parcel for purposes of Subsection (3)(a) if owned by the same owner.

68 (4) A municipality may not annex an unincorporated area in a specified county for the  
69 sole purpose of acquiring municipal revenue or to retard the capacity of another municipality to  
70 annex the same or a related area unless the municipality has the ability and intent to benefit the  
71 annexed area by providing municipal services to the annexed area.

72 (5) The legislative body of a specified county may not approve urban development  
73 within a municipality's expansion area unless:

74 (a) the county notifies the municipality of the proposed development; and

75 (b) (i) the municipality consents in writing to the development; or

76 (ii) (A) within 90 days after the county's notification of the proposed development, the  
77 municipality submits to the county a written objection to the county's approval of the proposed  
78 development; and

79 (B) the county responds in writing to the municipality's objections.

80 (6) (a) An annexation petition may not be filed under this part proposing the  
81 annexation of an area located in a county that is not the county in which the proposed annexing  
82 municipality is located unless the legislative body of the county in which the area is located has  
83 adopted a resolution approving the proposed annexation.

84 (b) Each county legislative body that declines to adopt a resolution approving a  
85 proposed annexation described in Subsection (6)(a) shall provide a written explanation of its  
86 reasons for declining to approve the proposed annexation.

87 (7) (a) As used in this Subsection (7), "airport" means an area that the Federal Aviation  
88 Administration has, by a record of decision, approved for the construction or operation of a  
89 Class I, II, or III commercial service airport, as designated by the Federal Aviation

90 Administration in 14 C.F.R. Part 139.

91 (b) A municipality may not annex an unincorporated area within 5,000 feet of the  
92 center line of any runway of an airport operated or to be constructed and operated by another  
93 municipality unless the legislative body of the other municipality adopts a resolution  
94 consenting to the annexation.

95 (c) A municipality that operates or intends to construct and operate an airport and does  
96 not adopt a resolution consenting to the annexation of an area described in Subsection (7)(b)  
97 may not deny an annexation petition proposing the annexation of that same area to that  
98 municipality.

99 (8) (a) As used in this subsection, "project area" means a project area as defined in  
100 Section 63H-1-102 that is in a project area plan as defined in Section 63H-1-102 adopted by  
101 the Military Installation Development Authority under Title 63H, Chapter 1, Military  
102 Installation Development Authority Act.

103 (b) A municipality may not annex an unincorporated area located within a project area  
104 [~~described in a project area plan adopted by the military installation development authority~~  
105 ~~under Title 63H, Chapter 1, Military Installation Development Authority Act,~~] without the  
106 authority's approval.

107 [~~(b)~~] (c) (i) Except as provided in Subsection (8)[~~(b)~~](c)(ii), the Military Installation  
108 Development Authority may petition for annexation of [~~a project area and contiguous~~  
109 ~~surrounding land~~] the following areas to a municipality as if it was the sole private [~~property~~  
110 ~~owner of the project area and surrounding land, if the area to be annexed is entirely contained~~  
111 ~~within the boundaries of a military installation.~~] property owner within the area:

112 (A) an area within a project area;

113 (B) an area that is contiguous to a project area and within the boundaries of a military  
114 installation;

115 (C) an area owned by the Military Installation Development Authority; and

116 (D) an area that is contiguous to an area owned by the Military Installation

117 Development Authority that the Military Installation Development Authority plans to add to an  
118 existing project area.

119 [(ii) ~~Before petitioning for annexation under Subsection (8)(b)(i), the Military~~  
120 ~~Installation Development Authority shall provide the military installation with a copy of the~~

121 ~~petition for annexation. The military installation may object to the petition for annexation~~  
122 ~~within 14 days of receipt of the copy of the annexation petition. If the military installation~~  
123 ~~objects under this Subsection (8)(b)(ii), the Military Installation Development Authority may~~  
124 ~~not petition for the annexation as if it was the sole private property owner.]~~

125       [(iii)] (ii) If any portion of an area annexed under a petition for annexation filed by [a]  
126 the Military Installation Development Authority is located in a specified county:

- 127       (A) the annexation process shall follow the requirements for a specified county; and
- 128       (B) the provisions of Subsection 10-2-402(6) do not apply.

129       Section 2. Section **32B-1-102** is amended to read:

130       **32B-1-102. Definitions.**

131       As used in this title:

132       (1) "Airport lounge" means a business location:

- 133       (a) at which an alcoholic product is sold at retail for consumption on the premises; and
- 134       (b) that is located at an international airport with a United States Customs office on the  
135 premises of the international airport.

136       (2) "Airport lounge license" means a license issued in accordance with Chapter 5,  
137 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

138       (3) "Alcoholic beverage" means the following:

- 139       (a) beer; or
- 140       (b) liquor.

141       (4) (a) "Alcoholic product" means a product that:

- 142       (i) contains at least .5% of alcohol by volume; and
- 143       (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other  
144 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol  
145 in an amount equal to or greater than .5% of alcohol by volume.

146       (b) "Alcoholic product" includes an alcoholic beverage.

147       (c) "Alcoholic product" does not include any of the following common items that  
148 otherwise come within the definition of an alcoholic product:

- 149       (i) except as provided in Subsection (4)(d), an extract;
- 150       (ii) vinegar;
- 151       (iii) preserved nonintoxicating cider;

- 152 (iv) essence;
- 153 (v) tincture;
- 154 (vi) food preparation; or
- 155 (vii) an over-the-counter medicine.
- 156 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
- 157 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 158 (5) "Alcohol training and education seminar" means a seminar that is:
- 159 (a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and
- 160 (b) described in Section [62A-15-401](#).
- 161 (6) "Banquet" means an event:
- 162 (a) that is held at one or more designated locations approved by the commission in or
- 163 on the premises of a:
  - 164 (i) hotel;
  - 165 (ii) resort facility;
  - 166 (iii) sports center; or
  - 167 (iv) convention center;
- 168 (b) for which there is a contract:
  - 169 (i) between a person operating a facility listed in Subsection (6)(a) and another person;
  - 170 and
  - 171 (ii) under which the person operating a facility listed in Subsection (6)(a) is required to
  - 172 provide an alcoholic product at the event; and
  - 173 (c) at which food and alcoholic products may be sold, offered for sale, or furnished.
- 174 (7) "Bar structure" means a surface or structure on a licensed premises if on or at any
- 175 place of the surface or structure an alcoholic product is:
  - 176 (a) stored; or
  - 177 (b) dispensed.
- 178 (8) (a) "Bar establishment license" means a license issued in accordance with Chapter
- 179 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.
- 180 (b) "Bar establishment license" includes:
  - 181 (i) a dining club license;
  - 182 (ii) an equity license;

- 183 (iii) a fraternal license; or
- 184 (iv) a bar license.
- 185 (9) "Bar license" means a license issued in accordance with Chapter 5, Retail License
- 186 Act, and Chapter 6, Part 4, Bar Establishment License.
- 187 (10) (a) Subject to Subsection (10)(d), "beer" means a product that:
- 188 (i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by
- 189 volume or 3.2% by weight; and
- 190 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 191 (b) "Beer" may or may not contain hops or other vegetable products.
- 192 (c) "Beer" includes a product that:
- 193 (i) contains alcohol in the percentages described in Subsection (10)(a); and
- 194 (ii) is referred to as:
- 195 (A) beer;
- 196 (B) ale;
- 197 (C) porter;
- 198 (D) stout;
- 199 (E) lager; or
- 200 (F) a malt or malted beverage.
- 201 (d) "Beer" does not include a flavored malt beverage.
- 202 (11) "Beer-only restaurant license" means a license issued in accordance with Chapter
- 203 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
- 204 (12) "Beer retailer" means a business that:
- 205 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
- 206 for consumption on or off the business premises; and
- 207 (b) is licensed as:
- 208 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 209 Retailer Local Authority; or
- 210 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 211 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 212 (13) "Beer wholesaling license" means a license:
- 213 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and

214 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more  
215 retail licensees or off-premise beer retailers.

216 (14) "Billboard" means a public display used to advertise, including:

217 (a) a light device;

218 (b) a painting;

219 (c) a drawing;

220 (d) a poster;

221 (e) a sign;

222 (f) a signboard; or

223 (g) a scoreboard.

224 (15) "Brewer" means a person engaged in manufacturing:

225 (a) beer;

226 (b) heavy beer; or

227 (c) a flavored malt beverage.

228 (16) "Brewery manufacturing license" means a license issued in accordance with  
229 Chapter 11, Part 5, Brewery Manufacturing License.

230 (17) "Certificate of approval" means a certificate of approval obtained from the  
231 department under Section [32B-11-201](#).

232 (18) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by  
233 a bus company to a group of persons pursuant to a common purpose:

234 (a) under a single contract;

235 (b) at a fixed charge in accordance with the bus company's tariff; and

236 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other  
237 motor vehicle, and a driver to travel together to one or more specified destinations.

238 (19) "Church" means a building:

239 (a) set apart for worship;

240 (b) in which religious services are held;

241 (c) with which clergy is associated; and

242 (d) that is tax exempt under the laws of this state.

243 (20) "Commission" means the Alcoholic Beverage Control Commission created in  
244 Section [32B-2-201](#).



- 245 (21) "Commissioner" means a member of the commission.
- 246 (22) "Community location" means:
- 247 (a) a public or private school;
- 248 (b) a church;
- 249 (c) a public library;
- 250 (d) a public playground; or
- 251 (e) a public park.
- 252 (23) "Community location governing authority" means:
- 253 (a) the governing body of the community location; or
- 254 (b) if the commission does not know who is the governing body of a community
- 255 location, a person who appears to the commission to have been given on behalf of the
- 256 community location the authority to prohibit an activity at the community location.
- 257 (24) "Container" means a receptacle that contains an alcoholic product, including:
- 258 (a) a bottle;
- 259 (b) a vessel; or
- 260 (c) a similar item.
- 261 (25) "Convention center" means a facility that is:
- 262 (a) in total at least 30,000 square feet; and
- 263 (b) otherwise defined as a "convention center" by the commission by rule.
- 264 (26) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 265 where seating is provided to a patron for service of food.
- 266 (b) "Counter" does not include a dispensing structure.
- 267 (27) "Department" means the Department of Alcoholic Beverage Control created in
- 268 Section [32B-2-203](#).
- 269 (28) "Department compliance officer" means an individual who is:
- 270 (a) an auditor or inspector; and
- 271 (b) employed by the department.
- 272 (29) "Department sample" means liquor that is placed in the possession of the
- 273 department for testing, analysis, and sampling.
- 274 (30) "Dining club license" means a license issued in accordance with Chapter 5, Retail
- 275 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the

276 commission as a dining club license.

277 (31) "Director," unless the context requires otherwise, means the director of the  
278 department.

279 (32) "Disciplinary proceeding" means an adjudicative proceeding permitted under this  
280 title:

281 (a) against a person subject to administrative action; and

282 (b) that is brought on the basis of a violation of this title.

283 (33) (a) Subject to Subsection (33)(b), "dispense" means:

284 (i) drawing an alcoholic product; and

285 (ii) using the alcoholic product at the location from which it was drawn to mix or  
286 prepare an alcoholic product to be furnished to a patron of the retail licensee.

287 (b) The definition of "dispense" in this Subsection (33) applies only to:

288 (i) a full-service restaurant license;

289 (ii) a limited-service restaurant license;

290 (iii) a reception center license; and

291 (iv) a beer-only restaurant license.

292 (34) "Dispensing structure" means a surface or structure on a licensed premises:

293 (a) where an alcoholic product is dispensed; or

294 (b) from which an alcoholic product is served.

295 (35) "Distillery manufacturing license" means a license issued in accordance with  
296 Chapter 11, Part 4, Distillery Manufacturing License.

297 (36) "Distressed merchandise" means an alcoholic product in the possession of the  
298 department that is saleable, but for some reason is unappealing to the public.

299 (37) "Educational facility" includes:

300 (a) a nursery school;

301 (b) an infant day care center; and

302 (c) a trade and technical school.

303 (38) "Equity license" means a license issued in accordance with Chapter 5, Retail  
304 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the  
305 commission as an equity license.

306 (39) "Event permit" means:

- 307 (a) a single event permit; or
- 308 (b) a temporary beer event permit.
- 309 (40) "Exempt license" means a license exempt under Section 32B-1-201 from being
- 310 considered in determining the total number of retail licenses that the commission may issue at
- 311 any time.
- 312 (41) (a) "Flavored malt beverage" means a beverage:
- 313 (i) that contains at least .5% alcohol by volume;
- 314 (ii) that is treated by processing, filtration, or another method of manufacture that is not
- 315 generally recognized as a traditional process in the production of a beer as described in 27
- 316 C.F.R. Sec. 25.55;
- 317 (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
- 318 extract; and
- 319 (iv) (A) for which the producer is required to file a formula for approval with the
- 320 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or
- 321 (B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.
- 322 (b) "Flavored malt beverage" is considered liquor for purposes of this title.
- 323 (42) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
- 324 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 325 commission as a fraternal license.
- 326 (43) "Full-service restaurant license" means a license issued in accordance with
- 327 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.
- 328 (44) (a) "Furnish" means by any means to provide with, supply, or give an individual
- 329 an alcoholic product, by sale or otherwise.
- 330 (b) "Furnish" includes to:
- 331 (i) serve;
- 332 (ii) deliver; or
- 333 (iii) otherwise make available.
- 334 (45) "Guest" means an individual who meets the requirements of Subsection
- 335 32B-6-407(9).
- 336 (46) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.
- 337 (47) "Health care practitioner" means:

- 338 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
- 339 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
- 340 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
- 341 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
- 342 Act;
- 343 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
- 344 Nurse Practice Act;
- 345 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
- 346 Practice Act;
- 347 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
- 348 Therapy Practice Act;
- 349 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
- 350 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
- 351 Professional Practice Act;
- 352 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
- 353 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
- 354 Practice Act;
- 355 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
- 356 Hygienist Practice Act; and
- 357 (m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.
- 358 (48) (a) "Heavy beer" means a product that:
- 359 (i) contains more than 4% alcohol by volume; and
- 360 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 361 (b) "Heavy beer" is considered liquor for the purposes of this title.
- 362 (49) "Hotel" is as defined by the commission by rule.
- 363 (50) "Hotel license" means a license issued in accordance with Chapter 5, Retail
- 364 License Act, and Chapter 8b, Hotel License Act.
- 365 (51) "Identification card" means an identification card issued under Title 53, Chapter 3,
- 366 Part 8, Identification Card Act.
- 367 (52) "Industry representative" means an individual who is compensated by salary,
- 368 commission, or other means for representing and selling an alcoholic product of a

369 manufacturer, supplier, or importer of liquor.

370 (53) "Industry representative sample" means liquor that is placed in the possession of  
371 the department for testing, analysis, and sampling by a local industry representative on the  
372 premises of the department to educate the local industry representative of the quality and  
373 characteristics of the product.

374 (54) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing  
375 of an alcoholic product is prohibited by:

- 376 (a) law; or
- 377 (b) court order.

378 (55) "Intoxicated" means that a person:

379 (a) is significantly impaired as to the person's mental or physical functions as a result of  
380 the use of:

- 381 (i) an alcoholic product;
- 382 (ii) a controlled substance;
- 383 (iii) a substance having the property of releasing toxic vapors; or
- 384 (iv) a combination of Subsections (55)(a)(i) through (iii); and

385 (b) exhibits plain and easily observed outward manifestations of behavior or physical  
386 signs produced by the overconsumption of an alcoholic product.

387 (56) "Investigator" means an individual who is:

- 388 (a) a department compliance officer; or
- 389 (b) a nondepartment enforcement officer.

390 (57) "Invitee" means the same as that term is defined in Section [32B-8-102](#).

391 (58) "License" means:

- 392 (a) a retail license;
- 393 (b) a license issued in accordance with Chapter 11, Manufacturing and Related  
394 Licenses Act;

395 (c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;  
396 or

397 (d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act.

398 (59) "Licensee" means a person who holds a license.

399 (60) "Limited-service restaurant license" means a license issued in accordance with

400 Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.

401 (61) "Limousine" means a motor vehicle licensed by the state or a local authority, other  
402 than a bus or taxicab:

403 (a) in which the driver and a passenger are separated by a partition, glass, or other  
404 barrier;

405 (b) that is provided by a business entity to one or more individuals at a fixed charge in  
406 accordance with the business entity's tariff; and

407 (c) to give the one or more individuals the exclusive use of the limousine and a driver  
408 to travel to one or more specified destinations.

409 (62) (a) (i) "Liquor" means a liquid that:

410 (A) is:

411 (I) alcohol;

412 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;

413 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or

414 (IV) other drink or drinkable liquid; and

415 (B) (I) contains at least .5% alcohol by volume; and

416 (II) is suitable to use for beverage purposes.

417 (ii) "Liquor" includes:

418 (A) heavy beer;

419 (B) wine; and

420 (C) a flavored malt beverage.

421 (b) "Liquor" does not include beer.

422 (63) "Liquor Control Fund" means the enterprise fund created by Section [32B-2-301](#).

423 (64) "Liquor warehousing license" means a license that is issued:

424 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and

425 (b) to a person, other than a licensed manufacturer, who engages in the importation for  
426 storage, sale, or distribution of liquor regardless of amount.

427 (65) "Local authority" means:

428 (a) for premises that are located in an unincorporated area of a county, the governing  
429 body of a county; ~~or~~

430 (b) for premises that are located in an incorporated city, town, or metro township, the

431 governing body of the city, town, or metro township[-]; or

432 (c) for premises that are located in a project area as defined in Section [63H-1-201](#) and

433 in a project area plan adopted by the Military Installation Development Authority under Title

434 [63H, Chapter 1, Military Installation Development Authority Act, the Military Installation](#)

435 [Development Authority](#).

436 (66) "Lounge or bar area" is as defined by rule made by the commission.

437 (67) "Manufacture" means to distill, brew, rectify, mix, compound, process, ferment, or  
438 otherwise make an alcoholic product for personal use or for sale or distribution to others.

439 (68) "Member" means an individual who, after paying regular dues, has full privileges  
440 in an equity licensee or fraternal licensee.

441 (69) (a) "Military installation" means a base, air field, camp, post, station, yard, center,  
442 or homeport facility for a ship:

443 (i) (A) under the control of the United States Department of Defense; or

444 (B) of the National Guard;

445 (ii) that is located within the state; and

446 (iii) including a leased facility.

447 (b) "Military installation" does not include a facility used primarily for:

448 (i) civil works;

449 (ii) a rivers and harbors project; or

450 (iii) a flood control project.

451 (70) "Minor" means an individual under the age of 21 years.

452 (71) "Nondepartment enforcement agency" means an agency that:

453 (a) (i) is a state agency other than the department; or

454 (ii) is an agency of a county, city, town, or metro township; and

455 (b) has a responsibility to enforce one or more provisions of this title.

456 (72) "Nondepartment enforcement officer" means an individual who is:

457 (a) a peace officer, examiner, or investigator; and

458 (b) employed by a nondepartment enforcement agency.

459 (73) (a) "Off-premise beer retailer" means a beer retailer who is:

460 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and

461 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's

462 premises.

463 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.

464 (74) "Off-premise beer retailer state license" means a state license issued in accordance  
465 with Chapter 7, Part 4, Off-premise Beer Retailer State License.

466 (75) "On-premise banquet license" means a license issued in accordance with Chapter  
467 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.

468 (76) "On-premise beer retailer" means a beer retailer who is:

469 (a) authorized to sell, offer for sale, or furnish beer under a license issued in  
470 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer  
471 Retailer License; and

472 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's  
473 premises:

474 (i) regardless of whether the beer retailer sells beer for consumption off the licensed  
475 premises; and

476 (ii) on and after March 1, 2012, operating:

477 (A) as a tavern; or

478 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).

479 (77) "Opaque" means impenetrable to sight.

480 (78) "Package agency" means a retail liquor location operated:

481 (a) under an agreement with the department; and

482 (b) by a person:

483 (i) other than the state; and

484 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package  
485 Agency, to sell packaged liquor for consumption off the premises of the package agency.

486 (79) "Package agent" means a person who holds a package agency.

487 (80) "Patron" means an individual to whom food, beverages, or services are sold,  
488 offered for sale, or furnished, or who consumes an alcoholic product including:

489 (a) a customer;

490 (b) a member;

491 (c) a guest;

492 (d) an attendee of a banquet or event;



- 493 (e) an individual who receives room service;
- 494 (f) a resident of a resort;
- 495 (g) a public customer under a resort spa sublicense, as defined in Section [32B-8-102](#);

496 or

- 497 (h) an invitee.
- 498 (81) "Permittee" means a person issued a permit under:

- 499 (a) Chapter 9, Event Permit Act; or
- 500 (b) Chapter 10, Special Use Permit Act.

- 501 (82) "Person subject to administrative action" means:

- 502 (a) a licensee;
- 503 (b) a permittee;
- 504 (c) a manufacturer;
- 505 (d) a supplier;
- 506 (e) an importer;
- 507 (f) one of the following holding a certificate of approval:
  - 508 (i) an out-of-state brewer;
  - 509 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
  - 510 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 511 (g) staff of:
  - 512 (i) a person listed in Subsections (82)(a) through (f); or
  - 513 (ii) a package agent.

514 (83) "Premises" means a building, enclosure, or room used in connection with the  
515 storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic product,  
516 unless otherwise defined in this title or rules made by the commission.

- 517 (84) "Prescription" means an order issued by a health care practitioner when:

518 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,  
519 to prescribe a controlled substance, other drug, or device for medicinal purposes;

520 (b) the order is made in the course of that health care practitioner's professional  
521 practice; and

522 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.

- 523 (85) (a) "Private event" means a specific social, business, or recreational event:

524 (i) for which an entire room, area, or hall is leased or rented in advance by an identified  
525 group; and

526 (ii) that is limited in attendance to people who are specifically designated and their  
527 guests.

528 (b) "Private event" does not include an event to which the general public is invited,  
529 whether for an admission fee or not.

530 (86) (a) "Proof of age" means:

531 (i) an identification card;

532 (ii) an identification that:

533 (A) is substantially similar to an identification card;

534 (B) is issued in accordance with the laws of a state other than Utah in which the  
535 identification is issued;

536 (C) includes date of birth; and

537 (D) has a picture affixed;

538 (iii) a valid driver license certificate that:

539 (A) includes date of birth;

540 (B) has a picture affixed; and

541 (C) is issued:

542 (I) under Title 53, Chapter 3, Uniform Driver License Act; or

543 (II) in accordance with the laws of the state in which it is issued;

544 (iv) a military identification card that:

545 (A) includes date of birth; and

546 (B) has a picture affixed; or

547 (v) a valid passport.

548 (b) "Proof of age" does not include a driving privilege card issued in accordance with  
549 Section [53-3-207](#).

550 (87) (a) "Public building" means a building or permanent structure that is:

551 (i) owned or leased by:

552 (A) the state; or

553 (B) a local government entity; and

554 (ii) used for:

- 555 (A) public education;
- 556 (B) transacting public business; or
- 557 (C) regularly conducting government activities.

558 (b) "Public building" does not include a building owned by the state or a local  
559 government entity when the building is used by a person, in whole or in part, for a proprietary  
560 function.

561 (88) "Public conveyance" means a conveyance that the public or a portion of the public  
562 has access to and a right to use for transportation, including an airline, railroad, bus, boat, or  
563 other public conveyance.

564 (89) "Reception center" means a business that:

- 565 (a) operates facilities that are at least 5,000 square feet; and
- 566 (b) has as its primary purpose the leasing of the facilities described in Subsection  
567 (89)(a) to a third party for the third party's event.

568 (90) "Reception center license" means a license issued in accordance with Chapter 5,  
569 Retail License Act, and Chapter 6, Part 8, Reception Center License.

570 (91) (a) "Record" means information that is:

- 571 (i) inscribed on a tangible medium; or
- 572 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 573 (b) "Record" includes:
  - 574 (i) a book;
  - 575 (ii) a book of account;
  - 576 (iii) a paper;
  - 577 (iv) a contract;
  - 578 (v) an agreement;
  - 579 (vi) a document; or
  - 580 (vii) a recording in any medium.

581 (92) "Residence" means a person's principal place of abode within Utah.

582 (93) "Resident," in relation to a resort, means the same as that term is defined in  
583 Section [32B-8-102](#).

584 (94) "Resort" means the same as that term is defined in Section [32B-8-102](#).

585 (95) "Resort facility" is as defined by the commission by rule.

586 (96) "Resort license" means a license issued in accordance with Chapter 5, Retail  
587 License Act, and Chapter 8, Resort License Act.

588 (97) "Responsible alcohol service plan" means a written set of policies and procedures  
589 that outlines measures to prevent employees from:

590 (a) over-serving alcoholic beverages to customers;

591 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously  
592 intoxicated; and

593 (c) serving alcoholic beverages to minors.

594 (98) "Restaurant" means a business location:

595 (a) at which a variety of foods are prepared;

596 (b) at which complete meals are served; and

597 (c) that is engaged primarily in serving meals.

598 (99) "Retail license" means one of the following licenses issued under this title:

599 (a) a full-service restaurant license;

600 (b) a master full-service restaurant license;

601 (c) a limited-service restaurant license;

602 (d) a master limited-service restaurant license;

603 (e) a bar establishment license;

604 (f) an airport lounge license;

605 (g) an on-premise banquet license;

606 (h) an on-premise beer license;

607 (i) a reception center license;

608 (j) a beer-only restaurant license;

609 (k) a resort license; or

610 (l) a hotel license.

611 (100) "Room service" means furnishing an alcoholic product to a person in a guest  
612 room of a:

613 (a) hotel; or

614 (b) resort facility.

615 (101) (a) "School" means a building used primarily for the general education of minors.

616 (b) "School" does not include an educational facility.

617 (102) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for  
618 consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered,  
619 delivered for value, or by a means or under a pretext is promised or obtained, whether done by  
620 a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules  
621 made by the commission.

622 (103) "Serve" means to place an alcoholic product before an individual.

623 (104) "Sexually oriented entertainer" means a person who while in a state of  
624 seminudity appears at or performs:

625 (a) for the entertainment of one or more patrons;

626 (b) on the premises of:

627 (i) a bar licensee; or

628 (ii) a tavern;

629 (c) on behalf of or at the request of the licensee described in Subsection (104)(b);

630 (d) on a contractual or voluntary basis; and

631 (e) whether or not the person is designated as:

632 (i) an employee;

633 (ii) an independent contractor;

634 (iii) an agent of the licensee; or

635 (iv) a different type of classification.

636 (105) "Single event permit" means a permit issued in accordance with Chapter 9, Part  
637 3, Single Event Permit.

638 (106) "Small brewer" means a brewer who manufactures less than 60,000 barrels of  
639 beer, heavy beer, and flavored malt beverages per year.

640 (107) "Special use permit" means a permit issued in accordance with Chapter 10,  
641 Special Use Permit Act.

642 (108) (a) "Spirituous liquor" means liquor that is distilled.

643 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by  
644 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

645 (109) "Sports center" is as defined by the commission by rule.

646 (110) (a) "Staff" means an individual who engages in activity governed by this title:

647 (i) on behalf of a business, including a package agent, licensee, permittee, or certificate

648 holder;

649 (ii) at the request of the business, including a package agent, licensee, permittee, or  
650 certificate holder; or

651 (iii) under the authority of the business, including a package agent, licensee, permittee,  
652 or certificate holder.

653 (b) "Staff" includes:

654 (i) an officer;

655 (ii) a director;

656 (iii) an employee;

657 (iv) personnel management;

658 (v) an agent of the licensee, including a managing agent;

659 (vi) an operator; or

660 (vii) a representative.

661 (111) "State of nudity" means:

662 (a) the appearance of:

663 (i) the nipple or areola of a female human breast;

664 (ii) a human genital;

665 (iii) a human pubic area; or

666 (iv) a human anus; or

667 (b) a state of dress that fails to opaquely cover:

668 (i) the nipple or areola of a female human breast;

669 (ii) a human genital;

670 (iii) a human pubic area; or

671 (iv) a human anus.

672 (112) "State of seminudity" means a state of dress in which opaque clothing covers no  
673 more than:

674 (a) the nipple and areola of the female human breast in a shape and color other than the  
675 natural shape and color of the nipple and areola; and

676 (b) the human genitals, pubic area, and anus:

677 (i) with no less than the following at its widest point:

678 (A) four inches coverage width in the front of the human body; and

679 (B) five inches coverage width in the back of the human body; and  
680 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

681 (113) (a) "State store" means a facility for the sale of packaged liquor:

682 (i) located on premises owned or leased by the state; and

683 (ii) operated by a state employee.

684 (b) "State store" does not include:

685 (i) a package agency;

686 (ii) a licensee; or

687 (iii) a permittee.

688 (114) (a) "Storage area" means an area on licensed premises where the licensee stores  
689 an alcoholic product.

690 (b) "Store" means to place or maintain in a location an alcoholic product.

691 (115) "Sublicense" means the same as that term is defined in Section [32B-8-102](#) or  
692 [32B-8b-102](#).

693 (116) "Supplier" means a person who sells an alcoholic product to the department.

694 (117) "Tavern" means an on-premise beer retailer who is:

695 (a) issued a license by the commission in accordance with Chapter 5, Retail License  
696 Act, and Chapter 6, Part 7, On-Premise Beer Retailer License; and

697 (b) designated by the commission as a tavern in accordance with Chapter 6, Part 7,  
698 On-Premise Beer Retailer License.

699 (118) "Temporary beer event permit" means a permit issued in accordance with  
700 Chapter 9, Part 4, Temporary Beer Event Permit.

701 (119) "Temporary domicile" means the principal place of abode within Utah of a  
702 person who does not have a present intention to continue residency within Utah permanently or  
703 indefinitely.

704 (120) "Translucent" means a substance that allows light to pass through, but does not  
705 allow an object or person to be seen through the substance.

706 (121) "Unsaleable liquor merchandise" means a container that:

707 (a) is unsaleable because the container is:

708 (i) unlabeled;

709 (ii) leaky;

710 (iii) damaged;  
711 (iv) difficult to open; or  
712 (v) partly filled;  
713 (b) (i) has faded labels or defective caps or corks;  
714 (ii) has contents that are:  
715 (A) cloudy;  
716 (B) spoiled; or  
717 (C) chemically determined to be impure; or  
718 (iii) contains:  
719 (A) sediment; or  
720 (B) a foreign substance; or  
721 (c) is otherwise considered by the department as unfit for sale.  
722 (122) (a) "Wine" means an alcoholic product obtained by the fermentation of the  
723 natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or not  
724 another ingredient is added.  
725 (b) "Wine" includes:  
726 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.  
727 4.10; and  
728 (ii) hard cider.  
729 (c) "Wine" is considered liquor for purposes of this title, except as otherwise provided  
730 in this title.  
731 (123) "Winery manufacturing license" means a license issued in accordance with  
732 Chapter 11, Part 3, Winery Manufacturing License.  
733 Section 3. Section **63H-1-102** is amended to read:  
734 **63H-1-102. Definitions.**  
735 As used in this chapter:  
736 (1) "Authority" means the Military Installation Development Authority, created under  
737 Section [63H-1-201](#).  
738 (2) "Base taxable value" means:  
739 (a) for military land or other land that was exempt from a property tax at the time that a  
740 project area was created that included the military land or other land, a taxable value of zero; or



741 (b) for private property that is included in a project area, the taxable value of the  
742 property within any portion of the project area, as designated by board resolution, from which  
743 the property tax allocation will be collected, as shown upon the assessment roll last equalized  
744 before the year in which the authority creates the project area.

745 (3) "Board" means the governing body of the authority created under Section  
746 63H-1-301.

747 (4) (a) "Dedicated tax collections" means the property tax that remains after the  
748 authority is paid the property tax allocation the authority is entitled to receive under Subsection  
749 63H-1-501(1), for a property tax levied by:

750 (i) a county, including a district the county has established under Subsection 17-34-3(2)  
751 to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated  
752 Areas; or

753 (ii) an included municipality.

754 (b) "Dedicated tax collections" does not include a county additional property tax or  
755 multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602.

756 (5) (a) "Development" means an activity occurring:

757 (i) on land within a project area that is owned or operated by the military, the authority,  
758 another public entity, or a private entity; or

759 (ii) on military land associated with a project area.

760 (b) "Development" includes the demolition, construction, reconstruction, modification,  
761 expansion, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or  
762 recreational amenity.

763 (6) "Development project" means a project to develop land within a project area.

764 (7) "Elected member" means a member of the authority board who:

765 (a) is a mayor or member of a legislative body appointed under Subsection  
766 63H-1-302(2)(b); or

767 (b) (i) is appointed to the authority board under Subsection 63H-1-302(2)(a) or (3); and

768 (ii) concurrently serves in an elected state, county, or municipal office.

769 (8) "Included municipality" means a municipality, some or all of which is included  
770 within a project area.

771 (9) (a) "Military" means a branch of the armed forces of the United States, including

772 the Utah National Guard.

773 (b) "Military" includes, in relation to property, property that is occupied by the military  
774 and is owned by the government of the United States or the state.

775 (10) "Military Installation Development Authority accommodations tax" or "MIDA  
776 accommodations tax" means the tax imposed under Section [63H-1-205](#).

777 (11) "Military Installation Development Authority energy tax" or "MIDA energy tax"  
778 means the tax levied under Section [63H-1-204](#).

779 (12) "Military land" means land or a facility, including leased land or a leased facility,  
780 that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the  
781 jurisdiction of the United States Department of Defense or the Utah National Guard.

782 (13) "Municipal energy tax" means a municipal energy sales and use tax under Title  
783 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

784 (14) "Municipal services revenue" means revenue that the authority:

785 (a) collects from the authority's:

786 (i) levy of a municipal energy tax;

787 (ii) levy of a MIDA energy tax;

788 (iii) levy of a telecommunications tax;

789 (iv) imposition of a transient room tax; and

790 (v) imposition of a resort communities tax;

791 (b) receives under Subsection [59-12-205\(2\)\(b\)\(ii\)](#); and

792 (c) receives as dedicated tax collections.

793 (15) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA  
794 accommodations tax, telecommunications tax, transient room tax, or resort communities tax.

795 (16) "Project area" means the land, including military land, whether consisting of a  
796 single contiguous area or multiple noncontiguous areas, described in a project area plan or draft  
797 project area plan, where the development project set forth in the project area plan or draft  
798 project area plan takes place or is proposed to take place.

799 (17) "Project area budget" means a multiyear projection of annual or cumulative  
800 revenues and expenses and other fiscal matters pertaining to a project area that includes:

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

802 (b) the projected property tax allocation expected to be generated within the project

803 area;

804 (c) the amount of the property tax allocation expected to be shared with other taxing  
805 entities;

806 (d) the amount of the property tax allocation expected to be used to implement the  
807 project area plan, including the estimated amount of the property tax allocation to be used for  
808 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other  
809 incentives to private and public entities;

810 (e) the property tax allocation expected to be used to cover the cost of administering  
811 the project area plan;

812 (f) if the property tax allocation is to be collected at different times or from different  
813 portions of the project area, or both:

814 (i) (A) the tax identification numbers of the parcels from which the property tax  
815 allocation will be collected; or

816 (B) a legal description of the portion of the project area from which the property tax  
817 allocation will be collected; and

818 (ii) an estimate of when other portions of the project area will become subject to  
819 collection of the property tax allocation; and

820 (g) for property that the authority owns or leases and expects to sell or sublease, the  
821 expected total cost of the property to the authority and the expected selling price or lease  
822 payments.

823 (18) "Project area plan" means a written plan that, after the plan's effective date, guides  
824 and controls the development within a project area.

825 (19) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4,  
826 Privilege Tax, except as described in Subsection (19)(b), and each levy on an ad valorem basis  
827 on tangible or intangible personal or real property.

828 (b) "Property tax" does not include a privilege tax on the taxable value:

829 (i) attributable to a portion of a facility leased to the military for a calendar year when:

830 (A) a lessee of military land has constructed a facility on the military land that is part of  
831 a project area;

832 (B) the lessee leases space in the facility to the military for the entire calendar year; and

833 (C) the lease rate paid by the military for the space is \$1 or less for the entire calendar

834 year, not including any common charges that are reimbursements for actual expenses; or  
835 (ii) of ~~[a hotel that is]~~ the following property owned by the authority, regardless of  
836 whether the authority enters into a long-term operating agreement with a privately owned entity  
837 ~~[in]~~ under which the privately owned entity agrees to operate the ~~[hotel:]~~ property:

- 838 (A) a hotel;
- 839 (B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3;  
840 and
- 841 (C) a commercial condominium unit in a condominium project, as defined in Section  
842 57-8-3.

843 (20) "Property tax allocation" means the difference between:

844 (a) the amount of property tax revenues generated each tax year by all taxing entities  
845 from the area within a project area designated in the project area plan as the area from which  
846 the property tax allocation is to be collected, using the current assessed value of the property;  
847 and

848 (b) the amount of property tax revenues that would be generated from that same area  
849 using the base taxable value of the property.

850 (21) "Public entity" means:

- 851 (a) the state, including each department or agency of the state; or
- 852 (b) a political subdivision of the state, including a county, city, town, school district,  
853 local district, special service district, or interlocal cooperation entity.

854 (22) (a) "Publicly owned infrastructure and improvements" means infrastructure,  
855 improvements, facilities, or buildings that benefit the public and are:

- 856 (i) publicly owned by the military, the authority, or another public entity;
- 857 (ii) owned by a utility; or
- 858 (iii) publicly maintained or operated by the military, the authority, or another public  
859 entity.

860 (b) "Publicly owned infrastructure and improvements" includes:

- 861 (i) facilities, lines, or systems that provide water, chilled water, steam, sewer, storm  
862 drainage, natural gas, electricity, or telecommunications; and
- 863 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking  
864 facilities, and public transportation facilities.

865 (23) "Remaining municipal services revenue" means municipal services revenue that  
866 the authority has not:

867 (a) spent during the authority's fiscal year for municipal services as provided in  
868 Subsection [63H-1-503\(1\)](#); or

869 (b) redirected to use in accordance with Subsection [63H-1-502\(3\)](#).

870 (24) "Resort communities tax" means a sales and use tax imposed under Section  
871 [59-12-401](#).

872 (25) "Taxable value" means the value of property as shown on the last equalized  
873 assessment roll as certified by the county assessor.

874 (26) "Taxing entity" means a public entity that levies a tax on property within a project  
875 area.

876 (27) "Telecommunications tax" means a telecommunications license tax under Title  
877 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

878 (28) "Transient room tax" means a tax under Section [59-12-352](#).

879 Section 4. Section **63H-1-202** is amended to read:

880 **63H-1-202. Applicability of other law.**

881 (1) The authority or land within a project area is not subject to:

882 (a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act;

883 (b) Title 17, Chapter 27a, County Land Use, Development, and Management Act;

884 (c) ordinances or regulations of a county or municipality, including those relating to  
885 land use, health, business license, or franchise; or

886 (d) the jurisdiction of a local district under Title 17B, Limited Purpose Local  
887 Government Entities - Local Districts, or a special service district under Title 17D, Chapter 1,  
888 Special Service District Act.

889 (2) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),  
890 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed  
891 by Title 63E, Independent Entities Code.

892 (3) (a) The definitions in Section [57-8-3](#) apply to this Subsection (3).

893 (b) Notwithstanding the provisions of Title 57, Chapter 8, Condominium Ownership  
894 Act, or any other provision of law:

895 (i) if the military is the owner of land in a project area on which a condominium project

896 is constructed, the military is not required to sign, execute, or record a declaration of a  
897 condominium project; and

898 (ii) if a condominium unit in a project area is owned by the military or owned by the  
899 authority and leased to the military for \$1 or less per calendar year, not including any common  
900 charges that are reimbursements for actual expenses:

901 (A) the condominium unit is not subject to any liens under Title 57, Chapter 8,  
902 Condominium Ownership Act;

903 (B) condominium unit owners within the same building or commercial condominium  
904 project may agree on any method of allocation and payment of common area expenses,  
905 regardless of the size or par value of each unit; and

906 (C) the condominium project may not be dissolved without the consent of all the  
907 condominium unit owners.

908 (4) Notwithstanding any other provision, when a law requires the consent of a local  
909 government, the authority is the consenting entity for a project area.

910 Section 5. Section **63H-1-206** is enacted to read:

911 **63H-1-206. Property exchange -- Freeway interchange construction.**

912 (1) If the authority receives title to real property from a military installation for  
913 construction of an interchange by the Department of Transportation, the authority shall  
914 exchange the real property intended for the interchange with the Department of Transportation  
915 for any unused remainder of real property that the Department of Transportation does not need  
916 for the freeway after the interchange is complete.

917 (2) An exchange described in Subsection (1) shall occur at no cost to the authority or  
918 the Department of Transportation, regardless of the value of the real property.

919 Section 6. Section **63H-1-302** is amended to read:

920 **63H-1-302. Number of board members -- Appointment.**

921 (1) The authority's board shall consist of seven members.

922 (2) The governor shall appoint five members of the board as follows:

923 (a) one member shall be appointed who is interested in supporting military efforts in  
924 the state;

925 (b) subject to Subsection (4)(d), three members shall be appointed, each of whom is a  
926 mayor or member of the legislative body of a municipality or county that is adjacent or in close

927 proximity to a project area or proposed project area; and

928 (c) one member shall be appointed from the executive branch or a state agency that is  
929 involved with military issues.

930 (3) The president of the Senate and the speaker of the House of Representatives shall  
931 each appoint one board member.

932 (4) (a) Each vacancy shall be filled in the same manner under this section as the  
933 appointment of the member whose vacancy is being filled.

934 (b) Each person appointed to fill a vacancy shall serve the remaining unexpired term of  
935 the member whose vacancy the person is filling.

936 (c) If a mayor or member of a legislative body appointed under Subsection (2)(b)  
937 leaves office as mayor or a member of the legislative body, a vacancy on the board occurs and  
938 the governor shall appoint another mayor or member of a legislative body, as provided in  
939 Subsection (2)(b), to fill the vacancy.

940 (d) If there are more than three project areas where development is actively occurring  
941 located in different counties or municipalities, the governor:

942 (i) shall appoint at least one member under Subsection (2)(b) who represents a  
943 municipality or county that is adjacent to or in close proximity to the highest-value project area,  
944 as measured by the planned taxable value of the land within the project area to be developed by  
945 the private sector;

946 (ii) shall appoint at least one member under Subsection (2)(b) who represents a  
947 municipality or county that is adjacent to or in close proximity to the second-highest-value  
948 project area, as measured by the planned taxable value of the land within the project area to be  
949 developed by the private sector; and

950 (iii) may appoint one member under Subsection (2)(b) who represents a municipality or  
951 county that is adjacent to or in close proximity to a project area where development is actively  
952 occurring for which there is no representation on the board.

953 (e) A member of the board appointed by the governor, president of the Senate, or  
954 speaker of the House of Representatives serves at the pleasure of and may be removed and  
955 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker  
956 of the House of Representatives, respectively.

957 (5) The authority may:

958 (a) appoint nonvoting members of the board, including a member from a municipality  
959 or county that is adjacent to or in close proximity to a project area for which there is no  
960 representation on the board under Subsection (2)(b); and

961 (b) set terms for nonvoting members appointed under Subsection (5)(a).

962 Section 7. Section **63H-1-403** is amended to read:

963 **63H-1-403. Notice of project area plan adoption -- Effective date of plan --**  
964 **Contesting the formation of the plan.**

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

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

968 (b) as required by Section [45-1-101](#).

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

970 [~~(a)~~] (i) the board resolution adopting the project area plan or a summary of the  
971 resolution; and

972 [~~(b)~~] (ii) a statement that the project area plan is available for general public inspection  
973 and the hours for inspection.

974 (b) The statement required under Subsection (2)(a)(ii) may be included in the board  
975 resolution or summary described in Subsection (2)(a)(i).

976 (3) The project area plan shall become effective on the date of publication of the  
977 notice.

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

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

984 (a) the State Tax Commission;

985 (b) the Automated Geographic Reference Center created in Section [63F-1-506](#); and

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

987 (6) (a) A legal action or other challenge to a project area plan or a project area  
988 described in a project area plan is barred unless brought within 30 days after the effective date



989 of the project area plan.

990 (b) For a project area created before December 1, 2018, a legal action or other  
991 challenge is barred.

992 (c) For a project area created after December 1, 2018, and before May 14, 2019, a legal  
993 action or other challenge is barred after July 1, 2019.

994 Section 8. Section **63H-1-501** is amended to read:

995 **63H-1-501. Authority receipt and use of property tax allocation -- Contractual**  
996 **annual payment -- Distribution of property tax allocation.**

997 (1) (a) The authority may:

998 (i) subject to Subsection (1)(b)[~~7~~]:

999 (A) receive up to 75% of the property tax allocation for up to 25 years, as provided in  
1000 this part; and

1001 (B) after the time period described in Subsection (1)(a)(i)(A) expires, receive up to  
1002 75% of the property tax allocation for up to 15 years, if the board determines the additional  
1003 years will produce significant benefit; and

1004 (ii) use the property tax allocation before, during, and after the period described in  
1005 Subsection (1)(a)(i).

1006 (b) With respect to a parcel located within a project area, the 25-year period described  
1007 in Subsection (1)(a)(i)(A) shall begin on the day on which the authority receives the first  
1008 property tax allocation from that parcel.

1009 (2) Improvements on a parcel within a project area become subject to property tax on  
1010 January 1 immediately following the day on which the authority or an entity designated by the  
1011 authority issues a certificate of occupancy with respect to those improvements.

1012 (3) (a) If the authority or an entity designated by the authority has not issued a  
1013 certificate of occupancy for a private parcel within a project area, the private parcel owner shall  
1014 enter into a contract with the authority to make an annual payment to the authority:

1015 (i) that is equal to 1.2% of the taxable value of the parcel above the base taxable value  
1016 of the parcel; and

1017 (ii) until the parcel becomes subject to the property tax described in Subsection (2).

1018 (b) The authority may use the revenue from payments described in Subsection (3)(a)  
1019 for any purpose described in Subsection **63H-1-502(1)**.

1020 (4) Each county that collects property tax on property within a project area shall pay  
1021 and distribute to the authority the property tax allocation and dedicated tax collections that the  
1022 authority is entitled to collect under this title, in the manner and at the time provided in Section  
1023 [59-2-1365](#).

1024 (5) (a) The board shall determine by resolution when the entire project area or an  
1025 individual parcel within a project area is subject to property tax allocation.

1026 (b) The board shall amend the project area budget to reflect whether a parcel within a  
1027 project area is subject to property tax allocation.

1028 (6) The following property owned by the authority is not subject to any property tax  
1029 under Title 59, Chapter 2, Property Tax Act, or any privilege tax under Title 59, Chapter 4,  
1030 Privilege Tax, regardless of whether the authority enters into a long-term operating agreement  
1031 with a privately owned entity under which the privately owned entity agrees to operate the  
1032 property:

1033 (a) a hotel;

1034 (b) a hotel condominium unit in a condominium project, as defined in Section [57-8-3](#);  
1035 and

1036 (c) a commercial condominium unit in a condominium project, as defined in Section  
1037 [57-8-3](#).

1038 Section 9. Section **63N-2-103** is amended to read:

1039 **63N-2-103. Definitions.**

1040 As used in this part:

1041 (1) "Authority project area" means a project area of the Military Installation  
1042 Development Authority, created in Section [63H-1-201](#).

1043 ~~[(1)]~~ (2) "Business entity" means a person that enters into an agreement with the office  
1044 to initiate a new commercial project in Utah that will qualify the person to receive a tax credit  
1045 under Section [59-7-614.2](#) or [59-10-1107](#).

1046 ~~[(2)]~~ (3) "Community reinvestment agency" ~~[has]~~ means the same ~~[meaning]~~ as that  
1047 term is defined in Section [17C-1-102](#).

1048 ~~[(3)]~~ (4) "Development zone" means an economic development zone created under  
1049 Section [63N-2-104](#).

1050 (5) "Gross wages" does not include health care or other paid or unpaid benefits.

1051 ~~[(4)]~~ (6) "High paying jobs" means:

1052 (a) with respect to a business entity, the aggregate average annual gross wages~~[-not~~  
1053 ~~including healthcare or other paid or unpaid benefits,];~~

1054 (i) of newly created full-time employment positions in a business entity; and

1055 (ii) that are at least 110% of the average wage of a community in which the  
1056 employment positions will exist;

1057 (b) with respect to a county, the aggregate average annual gross wages~~[-not including~~  
1058 ~~healthcare or other paid or unpaid benefits,];~~

1059 (i) of newly created full-time employment positions in a new commercial project  
1060 within the county; and

1061 (ii) that are at least 110% of the average wage of the county in which the employment  
1062 positions will exist; ~~[or]~~

1063 (c) with respect to a city or town, the aggregate average annual gross wages~~[-not~~  
1064 ~~including healthcare or other paid or unpaid benefits];~~

1065 (i) of newly created full-time employment positions in a new commercial project  
1066 within the city or town; and

1067 (ii) that are at least 110% of the average wages of the city or town in which the  
1068 employment positions will exist~~[-];~~ or

1069 (d) with respect to the Military Installation Development Authority, the aggregate  
1070 average annual gross wages:

1071 (i) of newly created full-time employment positions in a new commercial project  
1072 within the city or town that is closest to the location of the authority project area; and

1073 (ii) that are at least 110% of the average wages of the city or town.

1074 ~~[(5)]~~ (7) "Local government entity" means:

1075 (a) a county, city, or town that enters into an agreement with the office to have a new  
1076 commercial project that:

1077 ~~[(a)]~~ (i) is initiated within the county's, city's, or town's boundaries; and

1078 ~~[(b)]~~ (ii) qualifies the county, city, or town to receive a tax credit under Section  
1079 [59-7-614.2](#)~~[-];~~ or

1080 (b) the Military Installation Development Authority, if the Military Installation  
1081 Development Authority enters into an agreement described in Subsection (7)(a).

1082           ~~[(6)]~~ (8) (a) "New commercial project" means an economic development opportunity  
1083 that involves new or expanded industrial, manufacturing, distribution, or business services in  
1084 Utah.

1085           (b) "New commercial project" does not include retail business.

1086           ~~[(7)]~~ (9) (a) "New incremental jobs" means full-time employment positions that are  
1087 filled by employees who work at least 30 hours per week and that are:

1088           (i) with respect to a business entity, created in addition to the baseline count of  
1089 employment positions that existed within the business entity before the new commercial  
1090 project;

1091           (ii) with respect to a county, created as a result of a new commercial project with  
1092 respect to which the county or a community development and renewal agency seeks to claim a  
1093 tax credit under Section 59-7-614.2; or

1094           (iii) with respect to a city or town or the Military Installation Development Authority,  
1095 created as a result of a new commercial project with respect to which the city, town, ~~[or a]~~  
1096 community development and renewal agency, or Military Installation Development Authority  
1097 seeks to claim a tax credit under Section 59-7-614.2.

1098           (b) "New incremental jobs" may include full-time equivalent positions that are filled by  
1099 more than one employee, if each employee who works less than 30 hours per week is provided  
1100 benefits comparable to a full-time employee.

1101           (c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction  
1102 in the state to another jurisdiction in the state.

1103           ~~[(8)]~~ (10) "New state revenues" means:

1104           (a) with respect to a business entity:

1105           (i) incremental new state sales and use tax revenues that a business entity pays under  
1106 Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a  
1107 development zone;

1108           (ii) incremental new state tax revenues that a business entity pays as a result of a new  
1109 commercial project in a development zone under:

1110           (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

1111           (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and  
1112 Information;

- 1113 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
- 1114 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
- 1115 (E) a combination of Subsections [~~(8)~~] (10)(a)(ii)(A) through (D);
- 1116 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
- 1117 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
- 1118 employees of a new or expanded industrial, manufacturing, distribution, or business service
- 1119 within a new commercial project as evidenced by payroll records that indicate the amount of
- 1120 employee income taxes withheld and transmitted to the State Tax Commission by the new or
- 1121 expanded industrial, manufacturing, distribution, or business service within the new
- 1122 commercial project; or
- 1123 (iv) a combination of Subsections [~~(8)~~] (10)(a)(i) through (iii); or
- 1124 (b) with respect to a local government entity:
- 1125 (i) incremental new state sales and use tax revenues that are collected under Title 59,
- 1126 Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development
- 1127 zone;
- 1128 (ii) incremental new state tax revenues that are collected as a result of a new
- 1129 commercial project in a development zone under:
- 1130 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 1131 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
- 1132 Information;
- 1133 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
- 1134 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
- 1135 (E) a combination of Subsections [~~(8)~~] (10)(b)(ii)(A) through (D);
- 1136 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
- 1137 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
- 1138 employees of a new or expanded industrial, manufacturing, distribution, or business service
- 1139 within a new commercial project as evidenced by payroll records that indicate the amount of
- 1140 employee income taxes withheld and transmitted to the State Tax Commission by the new or
- 1141 expanded industrial, manufacturing, distribution, or business service within the new
- 1142 commercial project; or
- 1143 (iv) a combination of Subsections [~~(8)~~] (10)(b)(i) through (iii).

1144           ~~[(9)]~~ (11) "Significant capital investment" means an amount of at least \$10,000,000 to  
1145 purchase capital or fixed assets, which may include real property, personal property, and other  
1146 fixtures related to a new commercial project:

- 1147           (a) that represents an expansion of existing operations in the state; or
- 1148           (b) that maintains or increases the business entity's existing work force in the state.

1149           ~~[(10)]~~ (12) "Tax credit" means an economic development tax credit created by Section  
1150 [59-7-614.2](#) or [59-10-1107](#).

1151           ~~[(11)]~~ (13) "Tax credit amount" means the amount the office lists as a tax credit on a  
1152 tax credit certificate for a taxable year.

1153           ~~[(12)]~~ (14) "Tax credit certificate" means a certificate issued by the office that:

- 1154           (a) lists the name of the business entity, local government entity, or community  
1155 development and renewal agency to which the office authorizes a tax credit;
- 1156           (b) lists the business entity's, local government entity's, or community development and  
1157 renewal agency's taxpayer identification number;
- 1158           (c) lists the amount of tax credit that the office authorizes the business entity, local  
1159 government entity, or community development and renewal agency for the taxable year; and
- 1160           (d) may include other information as determined by the office.