

COMMUNITY REINVESTMENT AGENCY AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Stephen G. Handy

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows an agency and certain taxing entities to enter into an interlocal agreement for the purpose of transferring project area incremental revenue;
- ▶ for an agency that enters into an interlocal agreement for the purpose of transferring project area incremental revenue:
 - authorizes the agency to levy a property tax on property within the agency's boundaries;
 - prohibits the agency from extending the scope of certain project area plans or project area budgets;
 - allows the agency to use property tax revenue for agency-wide project development;
 - requires the agency to adopt an implementation plan to guide agency-wide project development;
 - prohibits the agency from creating a new community reinvestment project area unless the purpose is for a cooperative development project or an economic



- 28 development project;
- 29 • describes the method by which an agency's certified tax rate is calculated;
- 30 • prohibits the agency from using eminent domain for agency-wide project
- 31 development; and
- 32 • describes how the agency accounts for property tax revenue; and
- 33 ▶ makes technical and conforming changes.

34 Money Appropriated in this Bill:

35 None

36 Other Special Clauses:

37 None

38 Utah Code Sections Affected:

39 **AMENDS:**

- 40 **10-5-109**, as last amended by Laws of Utah 2019, Chapter 322
- 41 **10-6-118**, as last amended by Laws of Utah 2019, Chapter 322
- 42 **17-36-15**, as last amended by Laws of Utah 2012, Chapter 17
- 43 **17C-1-102**, as last amended by Laws of Utah 2019, Chapters 376 and 480
- 44 **17C-1-202**, as last amended by Laws of Utah 2018, Chapters 364 and 366
- 45 **17C-1-402**, as last amended by Laws of Utah 2019, Chapter 376
- 46 **17C-1-409**, as last amended by Laws of Utah 2019, Chapter 376
- 47 **17C-1-502**, as last amended by Laws of Utah 2016, Chapter 350
- 48 **17C-1-605**, as last amended by Laws of Utah 2016, Chapter 350
- 49 **17C-2-110**, as last amended by Laws of Utah 2019, Chapter 376
- 50 **17C-2-206**, as last amended by Laws of Utah 2016, Chapter 350
- 51 **17C-2-207**, as last amended by Laws of Utah 2016, Chapter 350
- 52 **17C-3-109**, as last amended by Laws of Utah 2018, Chapter 364
- 53 **17C-3-205**, as last amended by Laws of Utah 2016, Chapter 350
- 54 **17C-3-206**, as last amended by Laws of Utah 2016, Chapter 350
- 55 **17C-4-108**, as last amended by Laws of Utah 2018, Chapter 364
- 56 **17C-5-102**, as enacted by Laws of Utah 2016, Chapter 350
- 57 **17C-5-112**, as last amended by Laws of Utah 2019, Chapter 376
- 58 **17C-5-306**, as last amended by Laws of Utah 2017, Chapter 456

59 **53F-8-201**, as last amended by Laws of Utah 2019, Chapter 186
 60 **53G-7-306**, as last amended by Laws of Utah 2019, Chapter 293
 61 **59-2-924**, as last amended by Laws of Utah 2018, Chapters 101, 368, and 415

62 ENACTS:

63 **17C-1-1001**, Utah Code Annotated 1953
 64 **17C-1-1002**, Utah Code Annotated 1953
 65 **17C-1-1003**, Utah Code Annotated 1953
 66 **17C-1-1004**, Utah Code Annotated 1953
 67 **17C-1-1005**, Utah Code Annotated 1953

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

70 Section 1. Section **10-5-109** is amended to read:

71 **10-5-109. Adoption of budgets -- Filing.**

72 (1) Before June 30 of each year, or September 1 in the case of a property tax increase
 73 under Sections **59-2-919** through **59-2-923**, the council shall by resolution or ordinance adopt a
 74 budget for the ensuing fiscal year for each fund for which a budget is required under this
 75 chapter.

76 (2) The council shall file a copy of the final budget for each fund with the state auditor
 77 within 30 days after adoption.

78 (3) If a town enters into an interlocal agreement under Title 17C, Chapter 1, Part 10,
 79 Agency Taxing Authority, for the purpose of transferring project area incremental revenue to a
 80 community reinvestment agency, the council shall ensure that the town's budget complies with
 81 Section **17C-1-1002**.

82 Section 2. Section **10-6-118** is amended to read:

83 **10-6-118. Adoption of final budget -- Certification and filing.**

84 (1) Before June 30 of each fiscal period, or, in the case of a property tax increase under
 85 Sections **59-2-919** through **59-2-923**, before September 1 of the year for which a property tax
 86 increase is proposed, the governing body shall by resolution or ordinance adopt a budget for the
 87 ensuing fiscal period for each fund for which a budget is required under this chapter.

88 (2) The budget officer of the governing body shall certify a copy of the final budget and
 89 file the copy with the state auditor within 30 days after adoption.

90 (3) If a city enters into an interlocal agreement under Title 17C, Chapter 1, Part 10,
91 Agency Taxing Authority, for the purpose of transferring project area incremental revenue to a
92 community reinvestment agency, the city's governing body shall ensure that the city's budget
93 complies with Section 17C-1-1002.

94 Section 3. Section 17-36-15 is amended to read:

95 **17-36-15. Adoption of budget -- Immunity.**

96 (1) (a) On or before the last day of each fiscal period, the governing body by resolution
97 shall adopt the budget.

98 (b) A budget adopted in accordance with Subsection (1)(a) is, unless amended, in
99 effect for the next fiscal period.

100 (c) The budget officer shall:

101 (i) certify a copy of the final budget, and of any subsequent budget amendment; and

102 (ii) file a copy with the state auditor not later than 30 days after the day on which the
103 governing body adopts the budget.

104 (d) The budget officer shall file a certified copy of the budget in the office of the
105 budget officer for inspection by the public during business hours.

106 (2) (a) Except as provided in Subsection (2)(b), a county officer or county employee
107 may not file a legal action in state or federal court against the county, a department, or a county
108 officer for any matter related to the following:

109 (i) the adoption of a county budget;

110 (ii) a county appropriation;

111 (iii) a county personnel allocation; or

112 (iv) a fund related to the county budget, a county appropriation, or a county personnel
113 allocation.

114 (b) A county or district attorney may enforce a procedural requirement that governs the
115 adoption or approval of a budget in accordance with this chapter.

116 (3) If a county enters into an interlocal agreement under Title 17C, Chapter 1, Part 10,
117 Agency Taxing Authority, for the purpose of transferring project area incremental revenue to a
118 community reinvestment agency, the county's governing body shall ensure that the county's
119 budget complies with Section 17C-1-1002.

120 Section 4. Section 17C-1-102 is amended to read:

121 **17C-1-102. Definitions.**

122 As used in this title:

123 (1) "Active project area" means a project area that has not been dissolved in accordance
124 with Section [17C-1-702](#).125 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,
126 that an agency is authorized to receive:127 (a) for a pre-July 1, 1993, project area plan, under Section [17C-1-403](#), excluding tax
128 increment under Subsection [17C-1-403\(3\)](#);129 (b) for a post-June 30, 1993, project area plan, under Section [17C-1-404](#), excluding tax
130 increment under Section [17C-1-406](#);

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

132 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
133 tax increment.134 (3) "Affordable housing" means housing owned or occupied by a low or moderate
135 income family, as determined by resolution of the agency.136 (4) "Agency" or "community reinvestment agency" means a separate body corporate
137 and politic, created under Section [17C-1-201.5](#) or as a redevelopment agency or community
138 development and renewal agency under previous law:

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

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

142 (c) whose geographic boundaries are coterminous with:

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

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

145 (5) "Agency funds" means money that an agency collects or receives for agency
146 operations, implementing a project area plan or an implementation plan as defined in Section
147 [17C-1-1001](#), or other agency purposes, including:

148 (a) project area funds;

149 (b) income, proceeds, revenue, or property derived from or held in connection with the
150 agency's undertaking and implementation of project area development or agency-wide project
151 development as defined in Section [17C-1-1001](#); [or]

152 (c) a contribution, loan, grant, or other financial assistance from any public or private
153 source[-];

154 (d) project area incremental revenue as defined in Section 17C-1-1001; or

155 (e) property tax revenue as defined in Section 17C-1-1001.

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

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

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

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

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

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

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

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

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

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

176 or

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

179 (d) for a community development project area plan or a community reinvestment
180 project area plan that is subject to an interlocal agreement, as described in the interlocal
181 agreement.

182 (10) "Basic levy" means the portion of a school district's tax levy constituting the

183 minimum basic levy under Section 59-2-902.

184 (11) "Board" means the governing body of an agency, as described in Section
185 17C-1-203.

186 (12) "Budget hearing" means the public hearing on a proposed project area budget
187 required under Subsection 17C-2-201(2)(d) for an urban renewal project area budget,
188 Subsection 17C-3-201(2)(d) for an economic development project area budget, or Subsection
189 17C-5-302(2)(e) for a community reinvestment project area budget.

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

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

197 (15) "Community" means a county or municipality.

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

200 (17) "Community legislative body" means the legislative body of the community that
201 created the agency.

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

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

206 (20) "Development impediment" means a condition of an area that meets the
207 requirements described in Section 17C-2-303 for an urban renewal project area or Section
208 17C-5-405 for a community reinvestment project area.

209 (21) "Development impediment hearing" means a public hearing regarding whether a
210 development impediment exists within a proposed:

211 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
212 17C-2-302; or

213 (b) community reinvestment project area under Section 17C-5-404.

214 (22) "Development impediment study" means a study to determine whether a
215 development impediment exists within a survey area as described in Section 17C-2-301 for an
216 urban renewal project area or Section 17C-5-403 for a community reinvestment project area.

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

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

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

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

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

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

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

236 (28) "Housing allocation" means project area funds allocated for housing under Section
237 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

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

240 (a) project area funds, project area incremental revenue as defined in Section
241 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001 allocated for the
242 purposes described in Section 17C-1-411; or

243 (b) an agency's housing allocation.

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

- 245 (i) consists of at least 100 acres;
- 246 (ii) is occupied by an airport:
- 247 (A) (I) that is no longer in operation as an airport; or
- 248 (II) (Aa) that is scheduled to be decommissioned; and
- 249 (Bb) for which a replacement commercial service airport is under construction; and
- 250 (B) that is owned or was formerly owned and operated by a public entity; and
- 251 (iii) requires remediation because:
- 252 (A) of the presence of hazardous waste or solid waste; or
- 253 (B) the site lacks sufficient public infrastructure and facilities, including public roads,
- 254 electric service, water system, and sewer system, needed to support development of the site.
- 255 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
- 256 described in Subsection (30)(a).
- 257 (31) (a) "Inactive industrial site" means land that:
- 258 (i) consists of at least 1,000 acres;
- 259 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
- 260 facility; and
- 261 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 262 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
- 263 described in Subsection (31)(a).
- 264 (32) "Income targeted housing" means housing that is owned or occupied by a family
- 265 whose annual income is at or below 80% of the median annual income for a family within the
- 266 county in which the housing is located.
- 267 (33) "Incremental value" means a figure derived by multiplying the marginal value of
- 268 the property located within a project area on which tax increment is collected by a number that
- 269 represents the adjusted tax increment from that project area that is paid to the agency.
- 270 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board,
- 271 established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 272 (35) (a) " Local government building" means a building owned and operated by a
- 273 community for the primary purpose of providing one or more primary community functions,
- 274 including:
- 275 (i) a fire station;

- 276 (ii) a police station;
- 277 (iii) a city hall; or
- 278 (iv) a court or other judicial building.

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

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

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

286 (38) "Municipality" means a city, town, or metro township as defined in Section
287 [10-2a-403](#).

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

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

292 (a) includes a description of:

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

296 and

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

298 (41) "Plan hearing" means the public hearing on a proposed project area plan required
299 under Subsection [17C-2-102\(1\)\(a\)\(vi\)](#) for an urban renewal project area plan, Subsection
300 [17C-3-102\(1\)\(d\)](#) for an economic development project area plan, Subsection [17C-4-102\(1\)\(d\)](#)
301 for a community development project area plan, or Subsection [17C-5-104\(3\)\(e\)](#) for a
302 community reinvestment project area plan.

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

306 (43) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July

307 1, 1993, whether or not amended subsequent to the project area plan's adoption.

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

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

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

316 (a) for an urban renewal project area, Section [17C-2-201](#);

317 (b) for an economic development project area, Section [17C-3-201](#);

318 (c) for a community development project area, Section [17C-4-204](#); or

319 (d) for a community reinvestment project area, Section [17C-5-302](#).

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

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

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

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

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

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

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

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

336 (h) relocating a business;

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

338 (j) eliminating a development impediment or the causes of a development impediment;
339 (k) redevelopment as defined under the law in effect before May 1, 2006; or
340 (l) any activity described in this Subsection (47) outside of a project area that the board
341 determines to be a benefit to the project area.

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

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

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

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

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

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

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

360 (52) "Public entity" means:

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

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

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

366 (53) "Publicly owned infrastructure and improvements" means water, sewer, storm
367 drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,
368 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or

369 other facilities, infrastructure, and improvements benefitting the public and to be publicly
370 owned or publicly maintained or operated.

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

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

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

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

378 (56) "Superfund site":

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

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

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

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

387 (b) a development impediment exists within the survey area.

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

390 (59) "Taxable value" means:

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

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

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

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

399 (i) the amount of property tax revenue generated each tax year by a taxing entity from

400 the area within a project area designated in the project area plan as the area from which tax
401 increment is to be collected, using the current assessed value of the property and each taxing
402 entity's current certified tax rate as defined in Section 59-2-924; and

403 (ii) the amount of property tax revenue that would be generated from that same area
404 using the base taxable value of the property and each taxing entity's current certified tax rate as
405 defined in Section 59-2-924.

406 (b) "Tax increment" does not include taxes levied and collected under Section
407 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

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

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

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

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

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

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

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

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

420 Section 5. Section 17C-1-202 is amended to read:

421 **17C-1-202. Agency powers.**

422 (1) An agency may:

423 (a) sue and be sued;

424 (b) enter into contracts generally;

425 (c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real
426 or personal property;

427 (d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal
428 property;

429 (e) own, hold, maintain, utilize, manage, or operate real or personal property, which
430 may include the use of agency funds or the collection of revenue;

431 (f) enter into a lease agreement on real or personal property, either as lessee or lessor;

432 (g) provide for project area development as provided in this title;

433 (h) receive and use agency funds as provided in this title;

434 (i) if disposing of or leasing land, retain controls or establish restrictions and covenants

435 running with the land consistent with the project area plan;

436 (j) accept financial or other assistance from any public or private source for the

437 agency's activities, powers, and duties, and expend any funds the agency receives for any

438 purpose described in this title;

439 (k) borrow money or accept financial or other assistance from a public entity or any

440 other source for any of the purposes of this title and comply with any conditions of any loan or

441 assistance;

442 (l) issue bonds to finance the undertaking of any project area development or for any of

443 the agency's other purposes, including:

444 (i) reimbursing an advance made by the agency or by a public entity to the agency;

445 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and

446 (iii) refunding bonds to pay or retire bonds previously issued by the community that

447 created the agency for expenses associated with project area development;

448 (m) pay an impact fee, exaction, or other fee imposed by a community in connection

449 with land development; [or]

450 (n) subject to Part 10, Agency Taxing Authority, levy a property tax; or

451 [~~(n)~~] (o) transact other business and exercise all other powers described in this title.

452 (2) The establishment of controls or restrictions and covenants under Subsection (1)(i)

453 is a public purpose.

454 (3) An agency may acquire real property under Subsection (1)(c) that is outside a

455 project area only if the board determines that the property will benefit a project area.

456 (4) An agency is not subject to Section 10-8-2 or 17-50-312.

457 Section 6. Section 17C-1-402 is amended to read:

458 **17C-1-402. Taxing entity committee.**

459 (1) The provisions of this section apply to a taxing entity committee that is created by

460 an agency for:

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

462 project area plan;

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

465 (c) a community reinvestment project area plan adopted before May 14, 2019, that is
466 subject to a taxing entity committee.

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

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

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

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

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

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

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

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

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

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

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

492 (c) (i) A taxing entity committee representative may be appointed for a set term or

493 period of time, as determined by the appointing authority under Subsection (2)(a)(i).

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

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

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

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

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

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

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

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

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

512 (i) an urban renewal project area plan;

513 (ii) an economic development project area plan; or

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

516 (b) A taxing entity committee may:

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

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

519 (iii) approve or disapprove:

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

521 (B) an economic development project area budget as described in Section [17C-3-203](#);

522 or

523 (C) for a community reinvestment project area plan that is subject to a taxing entity

524 committee, a community reinvestment project area budget as described in Section [17C-5-302](#);

525 (iv) approve or disapprove an amendment to a project area budget as described in

526 Section [17C-2-206](#), [17C-3-205](#), or [17C-5-306](#);

527 (v) approve an exception to the limits on the value and size of a project area imposed

528 under this title;

529 (vi) approve:

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

531 (B) except for a project area funds collection period that is approved by an interlocal

532 agreement, each project area funds collection period; and

533 (C) an exception to the requirement for an urban renewal project area budget, an

534 economic development project area budget, or a community reinvestment project area budget

535 to include a maximum cumulative dollar amount of tax increment that the agency may receive;

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

537 improvements outside of a project area that the agency and community legislative body

538 determine to be of benefit to the project area, as described in Subsection

539 [17C-1-409\(1\)\(a\)\(iii\)](#)~~(D)~~(E);

540 (viii) waive the restrictions described in Subsection [17C-2-202\(1\)](#);

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

542 budget; and

543 (x) give other taxing entity committee approval or consent required or allowed under

544 this title.

545 (c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that

546 is earlier than five years before the beginning of a project area funds collection period.

547 (ii) The taxing entity committee may approve a base year that is earlier than the year

548 described in Subsection (4)(c)(i).

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

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

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

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

553 (a) the affirmative vote of a majority of all members present at a taxing entity

554 committee meeting:

- 555 (i) at which a quorum is present; and
- 556 (ii) considering an action relating to a project area budget for, or approval of a
557 development impediment determination within, a project area or proposed project area that
558 contains:
- 559 (A) an inactive industrial site;
- 560 (B) an inactive airport site; or
- 561 (C) a closed military base; or
- 562 (b) for any other action not described in Subsection (6)(a)(ii), the affirmative vote of
563 two-thirds of all members present at a taxing entity committee meeting at which a quorum is
564 present.
- 565 (7) (a) An agency may call a meeting of the taxing entity committee by sending written
566 notice to the members of the taxing entity committee at least 10 days before the date of the
567 meeting.
- 568 (b) Each notice under Subsection (7)(a) shall be accompanied by:
- 569 (i) the proposed agenda for the taxing entity committee meeting; and
- 570 (ii) if not previously provided and if the documents exist and are to be considered at
571 the meeting:
- 572 (A) the project area plan or proposed project area plan;
- 573 (B) the project area budget or proposed project area budget;
- 574 (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or
575 17C-5-105(12);
- 576 (D) the development impediment study;
- 577 (E) the agency's resolution making a development impediment determination under
578 Subsection 17C-2-102(1)(a)(ii)(B) or 17C-5-402(2)(c)(ii); and
- 579 (F) other documents to be considered by the taxing entity committee at the meeting.
- 580 (c) (i) An agency may not schedule a taxing entity committee meeting on a day on
581 which the Legislature is in session.
- 582 (ii) Notwithstanding Subsection (7)(c)(i), a taxing entity committee may, by unanimous
583 consent, waive the scheduling restriction described in Subsection (7)(c)(i).
- 584 (8) (a) A taxing entity committee may not vote on a proposed project area budget or
585 proposed amendment to a project area budget at the first meeting at which the proposed project

586 area budget or amendment is considered unless all members of the taxing entity committee
587 present at the meeting consent.

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

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

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

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

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

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

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

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

608 (ii) the assessed value.

609 (b) With respect to the information required under Subsection (12)(a), the auditor shall
610 provide:

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

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

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

617 (i) at least annually; and
618 (ii) upon request of the taxing entity committee, before a taxing entity committee
619 meeting at which the committee considers whether to allow the agency to receive tax
620 increment, to increase the amount of tax increment that the agency receives, or to extend a
621 project area funds collection period.

622 (13) This section does not apply to:

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

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

626 (14) (a) A taxing entity committee resolution approving a development impediment
627 determination, approving a project area budget, or approving an amendment to a project area
628 budget:

629 (i) is final; and

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

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

634 Section 7. Section **17C-1-409** is amended to read:

635 **17C-1-409. Allowable uses of agency funds.**

636 (1) (a) An agency may use agency funds:

637 (i) for any purpose authorized under this title;

638 (ii) for administrative, overhead, legal, or other operating expenses of the agency,
639 including consultant fees and expenses under Subsection **17C-2-102(1)(b)(ii)(B)** or funding for
640 a business resource center;

641 (iii) to pay for, including financing or refinancing, all or part of:

642 (A) project area development in a project area, including environmental remediation
643 activities occurring before or after adoption of the project area plan;

644 (B) housing-related expenditures, projects, or programs as described in Section
645 **17C-1-411** or **17C-1-412**;

646 (C) an incentive or other consideration paid to a participant under a participation
647 agreement;

648 (D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of the
649 installation and construction of any publicly owned building, facility, structure, landscaping, or
650 other improvement within the project area from which the project area funds are collected; or

651 (E) the cost of the installation of publicly owned infrastructure and improvements
652 outside the project area from which the project area funds are collected if the board and the
653 community legislative body determine by resolution that the publicly owned infrastructure and
654 improvements benefit the project area;

655 (iv) in an urban renewal project area that includes some or all of an inactive industrial
656 site and subject to Subsection (1)(e), to reimburse the Department of Transportation created
657 under Section 72-1-201, or a public transit district created under Title 17B, Chapter 2a, Part 8,
658 Public Transit District Act, for the cost of:

659 (A) construction of a public road, bridge, or overpass;

660 (B) relocation of a railroad track within the urban renewal project area; or

661 (C) relocation of a railroad facility within the urban renewal project area; [or]

662 (v) subject to Subsection (5), to transfer funds to a community that created the agency;

663 or

664 (vi) subject to Subsection (1)(f), for agency-wide project development under Part 10,
665 Agency Taxing Authority.

666 (b) The determination of the board and the community legislative body under
667 Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.

668 (c) An agency may not use project area funds received from a taxing entity for the
669 purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an
670 economic development project area plan, or a community reinvestment project area plan
671 without the community legislative body's consent.

672 (d) (i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a
673 project area fund to another project area fund if:

674 (A) the board approves; and

675 (B) the community legislative body approves.

676 (ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the
677 projections for agency funds are sufficient to repay the loan amount.

678 (iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5,

679 Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal
680 Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for
681 Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.

682 (e) Before an agency may pay any tax increment or sales tax revenue under Subsection
683 (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the
684 reimbursement with:

685 (i) the Department of Transportation; or

686 (ii) a public transit district.

687 (f) Before an agency may use project area funds for agency-wide project development,
688 as defined in Section 17C-1-1001, the agency shall obtain the consent of the taxing entity
689 committee or each taxing entity party to an interlocal agreement with the agency.

690 (2) (a) Sales and use tax revenue that an agency receives from a taxing entity is not
691 subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Sales and Use
692 Tax Incentive Payments Act.

693 (b) An agency may use sales and use tax revenue that the agency receives under an
694 interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the
695 interlocal agreement.

696 (3) (a) An agency may contract with the community that created the agency or another
697 public entity to use agency funds to reimburse the cost of items authorized by this title to be
698 paid by the agency that are paid by the community or other public entity.

699 (b) If land is acquired or the cost of an improvement is paid by another public entity
700 and the land or improvement is leased to the community, an agency may contract with and
701 make reimbursement from agency funds to the community.

702 (4) Notwithstanding any other provision of this title, an agency may not use project
703 area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax
704 revenue as defined in Section 17C-1-1001, to construct a local government building unless the
705 taxing entity committee or each taxing entity party to an interlocal agreement with the agency
706 consents.

707 (5) For the purpose of offsetting the community's annual local contribution to the
708 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in
709 a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and

710 17C-1-412~~[(3)]~~(1)(a)(x) may not exceed the community's annual local contribution as defined
711 in Section 35A-8-606.

712 Section 8. Section 17C-1-502 is amended to read:

713 **17C-1-502. Sources from which bonds may be made payable -- Agency powers**
714 **regarding bonds.**

715 ~~[(1) The principal and interest on a bond issued by an agency may be paid from:]~~

716 (1) An agency may pay the principal and interest on a bond issued by the agency from:

717 (a) the income and revenues of the project area development financed with the
718 proceeds of the bond;

719 (b) the income and revenue of certain designated project area development regardless
720 of whether the project area development is financed in whole or in part with the proceeds of the
721 bond;

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

724 (d) project area funds;

725 (e) agency revenues generally;

726 (f) a contribution, loan, grant, or other financial assistance from a public entity in aid of
727 project area development, including the assignment of revenue or taxes in support of an agency
728 bond; ~~[or]~~

729 (g) project area incremental revenue or property tax revenue as those terms are defined
730 in Section 17C-1-1001; or

731 (h) funds derived from any combination of the methods listed in Subsections (1)(a)
732 through ~~[(f)]~~ (g).

733 (2) In connection with the issuance of an agency bond, an agency may:

734 (a) pledge all or any part of the agency's gross or net rents, fees, or revenues to which
735 the agency's right then exists or may thereafter come into existence;

736 (b) encumber by mortgage, deed of trust, or otherwise all or any part of the agency's
737 real or personal property, then owned or thereafter acquired; and

738 (c) make the covenants and take the action that:

739 (i) may be necessary, convenient, or desirable to secure the bond; or

740 (ii) except as otherwise provided in this chapter, will tend to make the bond more

741 marketable, even though such covenants or actions are not specifically enumerated in this
742 chapter.

743 Section 9. Section **17C-1-605** is amended to read:

744 **17C-1-605. Audit report.**

745 (1) Each agency required to be audited under Section **17C-1-604** shall, within 180 days
746 after the end of the agency's fiscal year, file a copy of the audit report with the county auditor,
747 the State Tax Commission, the State Board of Education, and each taxing entity from which
748 the agency receives tax increment.

749 (2) Each audit report under Subsection (1) shall include:

750 (a) the tax increment collected by the agency for each project area;

751 (b) the amount of tax increment paid to each taxing entity under Section **17C-1-410**;

752 (c) the outstanding principal amount of bonds issued or other loans incurred to finance
753 the costs associated with the agency's project areas; ~~and~~

754 (d) the amount of property tax revenue generated under Part 10, Agency Taxing
755 Authority; and

756 (e) the actual amount expended for:

757 (i) acquisition of property;

758 (ii) site improvements or site preparation costs;

759 (iii) installation of public utilities or other public improvements; and

760 (iv) administrative costs of the agency.

761 Section 10. Section **17C-1-1001** is enacted to read:

762 **Part 10. Agency Taxing Authority**

763 **17C-1-1001. Definitions.**

764 (1) As used in this part:

765 (a) (i) "Agency-wide project development" means activity within the agency's
766 boundaries that, as determined by the board, encourages, promotes, or provides development or
767 redevelopment for the purpose of achieving the results described in an implementation plan.

768 (ii) "Agency-wide project development" does not include project area development
769 under a project area plan.

770 (b) "Certified tax rate" means the same as that term is defined in Section **59-2-924**.

771 (c) "Cooperative development project" means project area development with impacts

772 that extend beyond an agency's geographic boundaries to the benefit of two or more
773 communities.

774 (d) "Economic development project" means project area development for the purpose
775 of:

776 (i) creating, developing, attracting, and retaining business;

777 (ii) creating or preserving jobs;

778 (iii) stimulating business and economic activity; or

779 (iv) providing a local incentive as required by the Governor's Office of Economic

780 Development under Title 63N, Governor's Office of Economic Development.

781 (e) "Eligible taxing entity" means a taxing entity that:

782 (i) is a municipality, a county, or a school district; and

783 (ii) contains an agency partially or completely within the taxing entity's geographic
784 boundaries.

785 (f) "Implementation plan" means a plan adopted in accordance with Section
786 17C-1-1004 that:

787 (i) describes how the agency uses property tax revenue; and

788 (ii) guides and controls agency-wide project development.

789 (g) "Project area incremental revenue" means the amount of revenue generated by the
790 incremental value that a taxing entity receives after a project area funds collection period ends.

791 (h) "Property tax revenue" means the amount of revenue generated by an agency from
792 the property within the agency using the current taxable value of the property and the agency's
793 certified tax rate.

794 Section 11. Section 17C-1-1002 is enacted to read:

795 **17C-1-1002. Transferring project area incremental revenue -- Agency may levy a**
796 **property tax.**

797 (1) An agency and an eligible taxing entity may enter into an interlocal agreement for
798 the purpose of transferring all or a portion of the eligible taxing entity's project area
799 incremental revenue.

800 (2) An agency shall ensure that an interlocal agreement described in Subsection (1):

801 (a) identifies each project area that is subject to the interlocal agreement;

802 (b) is adopted by the board and the taxing entity in accordance with Section

803 [17C-1-1003](#);

804 (c) for each project area:

805 (i) states the amount of project area incremental revenue that the eligible taxing entity

806 agrees to transfer to the agency;

807 (ii) states the year in which the eligible taxing entity will transfer the amount described

808 in Subsection (2)(c)(i); and

809 (iii) for the year described in Subsection (2)(c)(ii), requires the agency and the eligible

810 taxing entity to add or subtract the project area incremental revenue transferred in the agency's

811 and eligible taxing entity's respective budgets;

812 (d) includes a copy of the implementation plan described in Section [17C-1-1004](#);

813 (e) requires the agency to dissolve, in accordance with Section [17C-1-702](#), any project

814 area:

815 (i) that is subject to the interlocal agreement; and

816 (ii) for which the project area funds collection period will expire; and

817 (f) is filed with the county auditor, the State Tax Commission, and the eligible taxing

818 entity.

819 (3) If an agency and an eligible taxing entity enter into an interlocal agreement under

820 this section:

821 (a) subject to Subsection (4) and Section [17C-1-1004](#), the agency may levy a property

822 tax on taxable property within the agency's geographic boundaries; and

823 (b) except as provided in Subsection (5), the agency may not:

824 (i) create a new community reinvestment project area within the taxing entity's

825 geographic boundaries; or

826 (ii) amend a project area plan or budget if the amendment:

827 (A) enlarges the project area from which tax increment is collected;

828 (B) permits the agency to receive a greater amount of tax increment; or

829 (C) extends the project area funds collection period.

830 (4) (a) An agency may levy a property tax for a fiscal year that:

831 (i) is after the year in which the agency receives project area incremental revenue; and

832 (ii) begins on or after the January 1 on which the agency has authority to impose a

833 property tax under this section.

834 (b) An agency board shall calculate the agency's certified tax rate in accordance with
835 Section 59-2-924.

836 (c) An agency may levy a property tax rate that exceeds the agency's certified rate only
837 if the agency complies with Sections 59-2-919 through 59-2-923.

838 (5) For a cooperative development project or an economic development project, an
839 agency may, in accordance with Chapter 5, Community Reinvestment:

840 (a) create a new community reinvestment project area; or

841 (b) amend a community reinvestment project area plan or budget.

842 Section 12. Section 17C-1-1003 is enacted to read:

843 **17C-1-1003. Interlocal agreement -- Notice requirements -- Effective date.**

844 (1) An agency that enters into an interlocal agreement under Section 17C-1-1002 shall:

845 (a) adopt the interlocal agreement at an open and public meeting; and

846 (b) provide a notice, in accordance with Subsections (2) and (3), titled "Authorization
847 to Levy a Property Tax."

848 (2) Upon the execution of an interlocal agreement, the agency shall provide, subject to
849 Subsection (3), notice of the execution by:

850 (a) (i) publishing the notice in a newspaper of general circulation within the agency's
851 geographic boundaries; or

852 (ii) if there is no newspaper of general circulation within the agency's geographic
853 boundaries, posting the notice in at least three public places within the agency's geographic
854 boundaries; and

855 (b) posting the notice on the Utah Public Notice Website created in Section 63F-1-701.

856 (3) A notice described in Subsection (2) shall include:

857 (a) a summary of the interlocal agreement; and

858 (b) a statement that the interlocal agreement:

859 (i) is available for public inspection and the place and the hours for inspection; and

860 (ii) authorizes the agency to:

861 (A) receive all or a portion of a taxing entity's project area incremental revenue; and

862 (B) levy a property tax on taxable property within the agency's boundaries.

863 (4) An interlocal agreement described in Section 17C-1-1002 is effective the day on
864 which the notice is published or posted in accordance with Subsections (2) and (3).

865 (5) An eligible taxing entity that enters into an interlocal agreement under Section
866 17C-1-1002 shall make a copy of the interlocal agreement available to the public for inspecting
867 and copying at the eligible taxing entity's office during normal business hours.

868 Section 13. Section **17C-1-1004** is enacted to read:

869 **17C-1-1004. Implementation plan -- Use of an agency's property tax revenue --**
870 **Eminent domain.**

871 (1) Before an agency may levy a property tax, an agency board shall adopt an
872 implementation plan:

873 (a) at a plan hearing held in accordance with Chapter 1, Part 8, Hearing and Notice
874 Requirements; and

875 (b) that:

876 (i) contains a boundary description and a map of the geographic area within which the
877 agency will use the agency's property tax revenue;

878 (ii) contains a general description of the existing land uses, zoning, infrastructure
879 conditions, population densities, and demographics of the area described in Subsection
880 (1)(b)(i);

881 (iii) describes the physical, social, and economic conditions that exist in the area
882 described in Subsection (1)(b)(i);

883 (iv) describes the goals and strategies that will guide the agency's use of property tax
884 revenue;

885 (v) shows how agency-wide project development will further the purposes of this title;

886 (vi) is consistent with the general plan of the community that created the agency and
887 shows that agency-wide project development will conform to the community's general plan;

888 (vii) generally describes the type of financial assistance and tools that the agency
889 anticipates providing to participants;

890 (viii) includes an analysis or description of the anticipated public benefits resulting
891 from agency-wide project development, including benefits to economic activity and taxing
892 entities' tax bases;

893 (ix) includes any identified geographic target areas within which the agency will focus
894 investment; and

895 (x) includes other information that the agency determines to be necessary or advisable.

896 (2) (a) Except as provided in Subsection (2)(b), an agency that levies a property tax
897 under this part may not use eminent domain to acquire property for agency-wide project
898 development.

899 (b) An agency that levies a property tax under this part may use eminent domain for an
900 urban renewal project area or a community reinvestment project area in accordance with Part 9,
901 Eminent Domain.

902 Section 14. Section **17C-1-1005** is enacted to read:

903 **17C-1-1005. Agency property tax levy -- Budget -- Accounting for property tax**
904 **revenue.**

905 (1) (a) Each agency that levies and collects property tax under this part shall levy and
906 collect the property tax in accordance with Title 59, Chapter 2, Property Tax Act.

907 (b) Except as provided in Subsection (1)(c), an agency, at a regular meeting or special
908 meeting called for that purpose, shall, by resolution, set the property tax rate by the date
909 described in Section [59-2-912](#).

910 (c) An agency may set the rate described in Subsection (1)(b) at an appropriate later
911 date in accordance with Sections [59-2-919](#) through [59-2-923](#).

912 (2) (a) An agency shall include in the agency's budget any project area incremental
913 revenue transferred by an eligible taxing entity under this part.

914 (b) The amount of project area incremental revenue described in Subsection (2)(a) plus
915 the ad valorem property tax revenue that the agency budgeted for the prior year shall constitute
916 the basis for determining the property tax levy that the agency sets for the corresponding tax
917 year.

918 (3) (a) An agency shall create a property tax revenue fund and separately account for
919 property tax revenue generated under this part.

920 (b) An agency shall include revenue and expenditures of the property tax revenue fund
921 described in Subsection (3)(a) in the annual budget adopted in accordance with Section
922 [17C-1-601.5](#).

923 Section 15. Section **17C-2-110** is amended to read:

924 **17C-2-110. Amending an urban renewal project area plan.**

925 ~~[(1) An]~~ (1) Except as provided in Section [17C-1-1002](#), an agency may amend an
926 urban renewal project area plan as provided in this section.

927 (2) If an agency proposes to amend an urban renewal project area plan to enlarge the
928 project area:

929 (a) subject to Subsection (2)(e), the requirements under this part that apply to adopting
930 a project area plan apply equally to the proposed amendment as if it were a proposed project
931 area plan;

932 (b) for a pre-July 1, 1993, project area plan, the base year for the new area added to the
933 project area shall be determined under Subsection 17C-1-102(9) using the effective date of the
934 amended project area plan;

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

936 (i) the base year for the new area added to the project area shall be determined under
937 Subsection 17C-1-102(9) using the date of the taxing entity committee's consent referred to in
938 Subsection (2)(c)(ii); and

939 (ii) the agency shall obtain the consent of the taxing entity committee before the agency
940 may collect tax increment from the area added to the project area by the amendment;

941 (d) the agency shall make a determination regarding the existence of a development
942 impediment in the area proposed to be added to the project area by following the procedure set
943 forth in Chapter 2, Part 3, Development Impediment Determination in Urban Renewal Project
944 Areas; and

945 (e) the agency need not make a development impediment determination in the project
946 area as described in the original project area plan, if the agency made a development
947 impediment determination regarding that project area in connection with adoption of the
948 original project area plan.

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

951 (a) the agency gives notice, as provided in Section 17C-1-806, of the proposed
952 amendment and of the public hearing required by Subsection (3)(b);

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

955 (c) the agency obtains the taxing entity committee's consent to the amendment, if the
956 amendment proposes:

957 (i) to enlarge the area within the project area from which tax increment is collected;

958 (ii) to permit the agency to receive a greater percentage of tax increment or to extend
959 the project area funds collection period, or both, than allowed under the adopted project area
960 plan; or

961 (iii) for an amendment to a project area plan that was adopted before April 1, 1983, to
962 expand the area from which tax increment is collected to exceed 100 acres of private property;
963 and

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

968 (4) (a) An agency may amend an urban renewal project area plan without complying
969 with the notice and public hearing requirements of Subsections ~~[(2)(a) and]~~ (3)(a) and (b) and
970 without obtaining taxing entity committee approval under Subsection (3)(c) if the amendment:

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

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

976 (A) tax exempt;

977 (B) without a development impediment; or

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

979 (b) An agency may make an amendment removing one or more parcels from a project
980 area under Subsection (4)(a)(ii) without the consent of the record property owner of each parcel
981 being removed.

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

985 (b) Upon a community legislative body passing an ordinance adopting an amendment
986 to a project area plan, the agency whose project area plan was amended shall comply with the
987 requirements of Sections 17C-2-108 and 17C-2-109 to the same extent as if the amendment
988 were a project area plan.

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

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

996 Section 16. Section 17C-2-206 is amended to read:

997 **17C-2-206. Amending an urban renewal project area budget.**

998 [~~(1) An~~] (1) Except as provided in Section 17C-1-1002, an agency may by resolution
999 amend an urban renewal project area budget as provided in this section.

1000 (2) To amend an adopted urban renewal project area budget, the agency shall:

1001 (a) advertise and hold one public hearing on the proposed amendment as provided in
1002 Subsection (3);

1003 (b) if approval of the taxing entity committee was required for adoption of the original
1004 project area budget, obtain the approval of the taxing entity committee to the same extent that
1005 the agency was required to obtain the consent of the taxing entity committee for the project
1006 area budget as originally adopted;

1007 (c) if approval of the taxing entity committee is required under Subsection (2)(b),
1008 obtain a written certification, signed by an attorney licensed to practice law in this state, stating
1009 that the taxing entity committee followed the appropriate procedures to approve the project
1010 area budget; and

1011 (d) adopt a resolution amending the project area budget.

1012 (3) The public hearing required under Subsection (2)(a) shall be conducted according
1013 to the procedures and requirements of Subsections 17C-2-201(2)(c) and (d), except that if the
1014 amended project area budget proposes that the agency be paid a greater proportion of tax
1015 increment from a project area than was to be paid under the previous project area budget, the
1016 notice shall state the percentage paid under the previous project area budget and the percentage
1017 proposed under the amended project area budget.

1018 (4) If the removal of a parcel under Subsection 17C-2-110(4)(a)(ii) reduces the base
1019 taxable value of the project area, an agency may amend the project area budget to conform with

1020 the new base taxable value without:

1021 (a) complying with Subsections (2)(a) and (3); and

1022 (b) if applicable, obtaining taxing entity committee approval described in Subsection
1023 (2)(b).

1024 (5) If a proposed amendment is not adopted, the agency shall continue to operate under
1025 the previously adopted project area budget without the proposed amendment.

1026 (6) (a) A person may contest the agency's adoption of a budget amendment within 30
1027 days after the day on which the agency adopts the amendment.

1028 (b) A person who fails to contest a budget amendment under Subsection (6)(a):

1029 (i) forfeits any claim against an agency's adoption of the amendment; and

1030 (ii) may not contest:

1031 (A) a distribution of tax increment to the agency under the budget amendment; or

1032 (B) an agency's use of a tax increment under the budget amendment.

1033 Section 17. Section **17C-2-207** is amended to read:

1034 **17C-2-207. Extending collection of tax increment in an urban renewal project**
1035 **area budget.**

1036 (1) An extension approved by a taxing entity or taxing entity committee before May
1037 10, 2011, is not subject to this section.

1038 (2) (a) ~~Am~~ Except as provided in Section [17C-1-1002](#), an agency's collection of tax
1039 increment under an urban renewal project area budget may be extended by:

1040 (i) following the project area budget amendment procedures outlined in Section
1041 [17C-2-206](#); or

1042 (ii) following the procedures outlined in this section.

1043 (b) The base taxable value for an urban renewal project area budget may not be altered
1044 as a result of an extension under this section unless otherwise expressly provided for in an
1045 interlocal agreement adopted in accordance with Subsection (3)(a).

1046 (3) ~~Fo~~ Except as provided in Subsection (4), to extend under this section the project
1047 area funds collection period under a previously approved project area budget, the agency shall:

1048 (a) obtain the approval of the taxing entity through an interlocal agreement;

1049 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection
1050 [17C-2-201](#)(2)(d) in the same manner as required for a proposed project area budget; and

1051 (ii) provide notice of the hearing:
 1052 (A) as required by Chapter 1, Part 8, Hearing and Notice Requirements; and
 1053 (B) including the proposed project area budget's extension period; and
 1054 (c) after obtaining the taxing entity's approval in accordance with Subsection (3)(a), at
 1055 or after the public hearing, adopt a resolution approving the extension.

1056 (4) To extend under this section the project area funds collection period under a
 1057 previously approved project area budget for a project area that includes an inactive industrial
 1058 site, the agency shall:

1059 (a) hold a public hearing on the proposed extension in accordance with Subsection
 1060 17C-2-201(2)(d) in the same manner as required for a proposed project area budget;

1061 (b) provide notice of the hearing as required by Chapter 1, Part 8, Hearing and Notice
 1062 Requirements, including notice of the proposed project area budget's extension period; and

1063 (c) at or after the public hearing, adopt a resolution approving the extension.

1064 ~~[(4)]~~ (5) After the project area funds collection period expires, an agency may continue
 1065 to receive project area funds from those taxing entities that agree to an extension through an
 1066 interlocal agreement in accordance with Subsection (3)(a) or through the process described in
 1067 Subsection (4).

1068 ~~[(5)]~~ (6) (a) A person may contest the agency's adoption of an extension within 30 days
 1069 after the day on which the agency adopts the resolution providing for the extension.

1070 (b) A person ~~[who]~~ that fails to contest an extension under Subsection ~~[(5)]~~ (6)(a):

1071 (i) shall forfeit any claim against the agency's adoption of the extension; and

1072 (ii) may not contest:

1073 (A) a distribution of tax increment to the agency under the budget, as extended; or

1074 (B) an agency's use of tax increment under the budget, as extended.

1075 (7) When extending the project area funds collection period in accordance with this
 1076 section, an agency may amend the project area plan.

1077 Section 18. Section **17C-3-109** is amended to read:

1078 **17C-3-109. Amending an economic development project area plan.**

1079 (1) ~~[An]~~ Except as provided in Section 17C-1-1002, an agency may amend an
 1080 economic development project area plan ~~[may be amended]~~ as provided in this section.

1081 (2) If an agency proposes to amend an economic development project area plan to

1082 enlarge the project area:

1083 (a) the requirements under this part that apply to adopting a project area plan apply
1084 equally to the proposed amendment as if it were a proposed project area plan;

1085 (b) the base year for the new area added to the project area shall be determined under
1086 Subsection 17C-1-102(9) using the date of the taxing entity committee's consent referred to in
1087 Subsection (2)(c); and

1088 (c) the agency shall obtain the consent of the taxing entity committee before the agency
1089 may collect tax increment from the area added to the project area by the amendment.

1090 (3) If a proposed amendment does not propose to enlarge an economic development
1091 project area, a board may adopt a resolution approving an amendment to an economic
1092 development project area plan after:

1093 (a) the agency gives notice, as provided in Chapter 1, Part 8, Hearing and Notice
1094 Requirements, of the proposed amendment and of the public hearing required by Subsection
1095 (3)(b);

1096 (b) the board holds a public hearing on the proposed amendment that meets the
1097 requirements of a plan hearing;

1098 (c) the agency obtains the taxing entity committee's consent to the amendment, if the
1099 amendment proposes:

1100 (i) to enlarge the area within the project area from which tax increment is received; or

1101 (ii) to permit the agency to receive a greater percentage of tax increment or to extend
1102 the project area funds collection period under the economic development project area plan; and

1103 (d) the agency obtains the consent of the legislative body or governing board of each
1104 taxing entity affected, if the amendment proposes to permit the agency to receive, from less
1105 than all taxing entities, a greater percentage of tax increment or to extend the project area funds
1106 collection period, or both, than allowed under the economic development project area plan.

1107 (4) (a) An economic development project area plan may be amended without
1108 complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and
1109 (b) and without obtaining taxing entity committee approval under Subsection (3)(c) if the
1110 amendment:

1111 (i) makes a minor adjustment in the boundary description of a project area boundary
1112 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;

1113 or

1114 (ii) subject to Subsection (4)(b), removes one or more parcels from a project area

1115 because the agency determines that each parcel removed is:

1116 (A) tax exempt; or

1117 (B) no longer necessary or desirable to the project area.

1118 (b) An amendment removing one or more parcels from a project area under Subsection

1119 (4)(a) may be made without the consent of the record property owner of each parcel being

1120 removed.

1121 (5) (a) An amendment approved by board resolution under this section may not take

1122 effect until adopted by ordinance of the legislative body of the community in which the project

1123 area that is the subject of the project area plan being amended is located.

1124 (b) Upon a community legislative body passing an ordinance adopting an amendment

1125 to a project area plan, the agency whose project area plan was amended shall comply with the

1126 requirements of Sections [17C-3-107](#) and [17C-3-108](#) to the same extent as if the amendment

1127 were a project area plan.

1128 (6) (a) Within 30 days after the day on which an amendment to a project area plan

1129 becomes effective, a person may contest the amendment to the project area plan or the

1130 procedure used to adopt the amendment to the project area plan if the amendment or procedure

1131 fails to comply with a provision of this title.

1132 (b) After the 30-day period described in Subsection (6)(a) expires, a person may not

1133 contest the amendment to the project area plan or procedure used to adopt the amendment to

1134 the project area plan for any cause.

1135 Section 19. Section **17C-3-205** is amended to read:

1136 **17C-3-205. Amending an economic development project area budget.**

1137 (1) ~~[Am]~~ Except as provided in Section [17C-1-1002](#), an agency may by resolution

1138 amend an economic development project area budget as provided in this section.

1139 (2) To amend an adopted economic development project area budget, the agency shall:

1140 (a) advertise and hold one public hearing on the proposed amendment as provided in

1141 Subsection (3);

1142 (b) if approval of the taxing entity committee was required for adoption of the original

1143 project area budget, obtain the approval of the taxing entity committee to the same extent that

1144 the agency was required to obtain the consent of the taxing entity committee for the project
1145 area budget as originally adopted;

1146 (c) if approval of the taxing entity committee is required under Subsection (2)(b),
1147 obtain a written certification, signed by an attorney licensed to practice law in this state, stating
1148 that the taxing entity committee followed the appropriate procedures to approve the project
1149 area budget; and

1150 (d) adopt a resolution amending the project area budget.

1151 (3) The public hearing required under Subsection (2)(a) shall be conducted according
1152 to the procedures and requirements of Section 17C-3-201, except that if the amended project
1153 area budget proposes that the agency be paid a greater proportion of tax increment from a
1154 project area than was to be paid under the previous project area budget, the notice shall state
1155 the percentage paid under the previous project area budget and the percentage proposed under
1156 the amended project area budget.

1157 (4) If the removal of a parcel under Subsection 17C-3-109(4)(a)(ii) reduces the base
1158 taxable value of the project area, an agency may amend the project area budget to conform with
1159 the new base taxable value without:

1160 (a) complying with Subsections (2)(a) and (3); and

1161 (b) if applicable, obtaining taxing entity committee approval described in Subsection
1162 (2)(b).

1163 (5) If a proposed amendment is not adopted, the agency shall continue to operate under
1164 the previously adopted economic development project area budget without the proposed
1165 amendment.

1166 (6) (a) A person may contest the agency's adoption of a budget amendment within 30
1167 days after the day on which the agency adopts the amendment.

1168 (b) A person [~~who~~] that fails to contest a budget amendment under Subsection (6)(a):

1169 (i) forfeits any claim against an agency's adoption of the amendment; and

1170 (ii) may not contest:

1171 (A) a distribution of tax increment to the agency under the budget amendment; or

1172 (B) an agency's use of a tax increment under a budget amendment.

1173 Section 20. Section 17C-3-206 is amended to read:

1174 **17C-3-206. Extending collection of tax increment under an economic**

1175 **development project area budget.**

1176 (1) An amendment or extension approved by a taxing entity or taxing entity committee
1177 before May 10, 2011, is not subject to this section.

1178 (2) (a) ~~Am~~ Except as provided in Section 17C-1-1002, an agency's collection of tax
1179 increment under an adopted economic development project area budget may be extended by:

1180 (i) following the project area budget amendment procedures outlined in Section
1181 17C-3-205; or

1182 (ii) following the procedures outlined in this section.

1183 (b) The base taxable value for an urban renewal project area budget may not be altered
1184 as a result of an extension under this section unless otherwise expressly provided for in an
1185 interlocal agreement adopted in accordance with Subsection (3)(a).

1186 (3) To extend under this section the agency's collection of tax increment from a taxing
1187 entity under a previously approved project area budget, the agency shall:

1188 (a) obtain the approval of the taxing entity through an interlocal agreement;

1189 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection
1190 17C-2-201(2)(d) in the same manner as required for a proposed project area budget; and

1191 (ii) provide notice of the hearing:

1192 (A) as required by Chapter 1, Part 8, Hearing and Notice Requirements; and

1193 (B) including the proposed period of extension of the project area budget; and

1194 (c) after obtaining the approval of the taxing entity in accordance with Subsection
1195 (3)(a), at or after the public hearing, adopt a resolution approving the extension.

1196 (4) After the expiration of a project area budget, an agency may continue to receive tax
1197 increment from those taxing entities that have agreed to an extension through an interlocal
1198 agreement in accordance with Subsection (3)(a).

1199 (5) (a) A person may contest the agency's adoption of a budget extension within 30
1200 days after the day on which the agency adopts the resolution providing for the extension.

1201 (b) A person ~~who~~ that fails to contest a budget extension under Subsection (5)(a):

1202 (i) shall forfeit any claim against the agency's adoption of the extension; and

1203 (ii) may not contest:

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

1205 (B) an agency's use of tax increment under the budget, as extended.

1206 Section 21. Section 17C-4-108 is amended to read:

1207 **17C-4-108. Amending a community development project area plan.**

1208 (1) Except as provided in Section 17C-1-1002, an agency may amend a community
1209 development project area plan as provided in this section.

1210 [~~+~~] (2) Except as provided in Subsection [~~2~~] (3) and Section 17C-4-109, the
1211 requirements under this part that apply to adopting a community development project area plan
1212 apply equally to a proposed amendment of a community development project area plan as
1213 though the amendment were a proposed project area plan.

1214 [~~2~~] (3) (a) Notwithstanding Subsection [~~+~~] (2), a community development project
1215 area plan may be amended without complying with the requirements of Chapter 1, Part 8,
1216 Hearing and Notice Requirements, if the proposed amendment:

1217 (i) makes a minor adjustment in the boundary description of a project area boundary
1218 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
1219 or

1220 (ii) subject to Subsection [~~2~~] (3)(b), removes one or more parcels from a project area
1221 because the agency determines that each parcel removed is:

1222 (A) tax exempt; or

1223 (B) no longer necessary or desirable to the project area.

1224 (b) An amendment removing one or more parcels from a community development
1225 project area under Subsection [~~2~~] (3)(a)(ii) may be made without the consent of the record
1226 property owner of each parcel being removed.

1227 [~~3~~] (4) (a) An amendment approved by board resolution under this section may not
1228 take effect until adopted by ordinance of the legislative body of the community in which the
1229 project area that is the subject of the project area plan being amended is located.

1230 (b) Upon a community legislative body passing an ordinance adopting an amendment
1231 to a community development project area plan, the agency whose project area plan was
1232 amended shall comply with the requirements of Sections 17C-4-106 and 17C-4-107 to the
1233 same extent as if the amendment were a project area plan.

1234 [~~4~~] (5) (a) Within 30 days after the day on which an amendment to a project area plan
1235 becomes effective, a person may contest the amendment to the project area plan or the
1236 procedure used to adopt the amendment to the project area plan if the amendment or procedure

1237 fails to comply with a provision of this title.

1238 (b) After the 30-day period described in Subsection [(4)] (5)(a) expires, a person may
1239 not contest the amendment to the project area plan or procedure used to adopt the amendment
1240 to the project area plan for any cause.

1241 Section 22. Section 17C-5-102 is amended to read:

1242 **17C-5-102. Applicability of chapter.**

1243 This chapter applies to a community reinvestment project area that:

1244 (1) an agency created on or after May 10, 2016; and

1245 (2) an agency that has entered into an interlocal agreement and levies a property tax
1246 under Chapter 1, Part 10, Agency Taxing Authority, created for a cooperative development
1247 project or an economic development project as those terms are defined in Section 17C-1-1001.

1248 Section 23. Section 17C-5-112 is amended to read:

1249 **17C-5-112. Amending a community reinvestment project area plan.**

1250 ~~[(1) An]~~ (1) Except as provided in Section 17C-1-1002, an agency may amend a
1251 community reinvestment project area plan in accordance with this section.

1252 (2) (a) If an amendment proposes to enlarge a community reinvestment project area's
1253 geographic area, the agency shall:

1254 (i) comply with this part as though the agency were creating a community reinvestment
1255 project area;

1256 (ii) if the agency anticipates receiving project area funds from the area proposed to be
1257 added to the community reinvestment project area, before the agency may collect project area
1258 funds:

1259 (A) for a community reinvestment project area plan that is subject to a taxing entity
1260 committee, obtain approval to receive tax increment from the taxing entity committee; or

1261 (B) for a community reinvestment project area plan that is subject to an interlocal
1262 agreement, obtain the approval of the taxing entity that is a party to the interlocal agreement;

1263 and

1264 (iii) if the agency anticipates acquiring property in the area proposed to be added to the
1265 community reinvestment project area by eminent domain, follow the procedures described in
1266 Section 17C-5-402.

1267 (b) The base year for the area proposed to be added to the community reinvestment

1268 project area shall be determined using the date of:

1269 (i) the taxing entity committee's consent as described in Subsection (2)(a)(ii)(A); or

1270 (ii) the taxing entity's consent as described in Subsection (2)(a)(ii)(B).

1271 (3) If an amendment does not propose to enlarge a community reinvestment project
1272 area's geographic area, the board may adopt a resolution approving the amendment after the
1273 agency:

1274 (a) if the amendment does not propose to allow the agency to receive a greater amount
1275 of project area funds or to extend a project area funds collection period:

1276 (i) gives notice in accordance with Section 17C-1-806; and

1277 (ii) holds a public hearing on the proposed amendment that meets the requirements
1278 described in Subsection 17C-5-104(3); or

1279 (b) if the amendment proposes to also allow the agency to receive a greater amount of
1280 project area funds or to extend a project area funds collection period:

1281 (i) complies with ~~[Subsection]~~ Subsections (3)(a)(i) and (ii); and

1282 (ii) (A) for a community reinvestment project area plan that is subject to a taxing entity
1283 committee, obtains approval from the taxing entity committee; or

1284 (B) for a community reinvestment project area plan that is subject to an interlocal
1285 agreement, obtains approval to receive project area funds from the taxing entity that is a party
1286 to the interlocal agreement.

1287 (4) (a) If a board has not made a determination under Part 4, Development Impediment
1288 Determination in a Community Reinvestment Project Area, but intends to use eminent domain
1289 within a community reinvestment project area, the agency may amend the community
1290 reinvestment project area plan in accordance with this Subsection (4).

1291 (b) To amend a community reinvestment project area plan as described in Subsection
1292 (4)(a), an agency shall:

1293 (i) adopt a survey area resolution that identifies each parcel that the agency intends to
1294 study to determine whether a development impediment exists;

1295 (ii) in accordance with Part 4, Development Impediment Determination in a
1296 Community Reinvestment Project Area, conduct a development impediment study within the
1297 survey area and make a development impediment determination; and

1298 (iii) obtain approval to amend the community reinvestment project area plan from each

1299 taxing entity that is a party to an interlocal agreement.

1300 (c) Amending a community reinvestment project area plan as described in this

1301 Subsection (4) does not affect:

1302 (i) the base year of the parcel or parcels that are the subject of an amendment under this

1303 Subsection (4); and

1304 (ii) any interlocal agreement under which the agency is authorized to receive project

1305 area funds from the community reinvestment project area.

1306 (5) An agency may amend a community reinvestment project area plan without

1307 obtaining the consent of a taxing entity or a taxing entity committee and without providing

1308 notice or holding a public hearing if the amendment:

1309 (a) makes a minor adjustment in the community reinvestment project area boundary

1310 that is requested by a county assessor or county auditor to avoid inconsistent property boundary

1311 lines; or

1312 (b) removes one or more parcels from a community reinvestment project area because

1313 the agency determines that each parcel is:

1314 (i) tax exempt;

1315 (ii) without a development impediment; or

1316 (iii) no longer necessary or desirable to the project area.

1317 (6) (a) An amendment approved by board resolution under this section may not take

1318 effect until the community legislative body adopts an ordinance approving the amendment.

1319 (b) Upon the community legislative body adopting an ordinance approving an

1320 amendment under Subsection (6)(a), the agency shall comply with the requirements described

1321 in Sections 17C-5-110 and 17C-5-111 as if the amendment were a community reinvestment

1322 project area plan.

1323 (7) (a) Within 30 days after the day on which an amendment to a project area plan

1324 becomes effective, a person may contest the amendment to the project area plan or the

1325 procedure used to adopt the amendment to the project area plan if the amendment or procedure

1326 fails to comply with a provision of this title.

1327 (b) After the 30-day period described in Subsection (7)(a) expires, a person may not

1328 contest the amendment to the project area plan or procedure used to adopt the amendment to

1329 the project area plan for any cause.

1330 Section 24. Section **17C-5-306** is amended to read:

1331 **17C-5-306. Amending a community reinvestment project area budget.**

1332 (1) [~~Before~~] Except as provided in Section [17C-1-1002](#) and before a project area funds
1333 collection period ends, an agency may amend a community reinvestment project area budget in
1334 accordance with this section.

1335 (2) To amend a community reinvestment project area budget, an agency shall:

1336 (a) provide notice and hold a public hearing on the proposed amendment in accordance
1337 with Chapter 1, Part 8, Hearing and Notice Requirements;

1338 (b) (i) if the community reinvestment project area budget required approval from a
1339 taxing entity committee, obtain the taxing entity committee's approval; or

1340 (ii) if the community reinvestment project area budget required an interlocal agreement
1341 with a taxing entity, obtain approval from the taxing entity that is a party to the interlocal
1342 agreement; and

1343 (c) at the public hearing described in Subsection (2)(a) or at a subsequent board
1344 meeting, by resolution, adopt the community reinvestment project area budget amendment.

1345 (3) If an agency proposes a community reinvestment project area budget amendment
1346 under which the agency is paid a greater proportion of tax increment from the community
1347 reinvestment project area than provided under the community reinvestment project area budget,
1348 the notice described in Subsection (2)(a) shall state:

1349 (a) the percentage of tax increment paid under the community reinvestment project
1350 area budget; and

1351 (b) the proposed percentage of tax increment paid under the community reinvestment
1352 project area budget amendment.

1353 (4) (a) If an agency proposes a community reinvestment project area budget
1354 amendment that extends a project area funds collection period, before a taxing entity
1355 committee or taxing entity may provide the taxing entity committee's or taxing entity's approval
1356 described in Subsection (2)(b), the agency shall provide to the taxing entity committee or
1357 taxing entity:

1358 (i) the reasons why the extension is required;

1359 (ii) a description of the project area development for which project area funds received
1360 by the agency under the extension will be used;

1361 (iii) a statement of whether the project area funds received by the agency under the
1362 extension will be used within an active project area or a proposed project area; and

1363 (iv) a revised community reinvestment project area budget that includes:

1364 (A) the annual and total amounts of project area funds that the agency receives under
1365 the extension; and

1366 (B) the number of years that are added to each project area funds collection period
1367 under the extension.

1368 (b) With respect to an amendment described in Subsection (4)(a), a taxing entity
1369 committee or taxing entity may consent to:

1370 (i) allow an agency to use project area funds received under an extension within a
1371 different project area from which the project area funds are generated; or

1372 (ii) alter the base taxable value in connection with a community reinvestment project
1373 area budget extension.

1374 (5) If an agency proposes a community reinvestment project area budget amendment
1375 that reduces the base taxable value of the project area due to the removal of a parcel under
1376 Subsection 17C-5-112(5)(b), an agency may amend a project area budget without:

1377 (a) complying with Subsection (2)(a); and

1378 (b) obtaining taxing entity committee or taxing entity approval described in Subsection
1379 (2)(b).

1380 (6) (a) A person may contest an agency's adoption of a community reinvestment project
1381 area budget amendment within 30 days after the day on which the agency adopts the
1382 community reinvestment project area budget amendment.

1383 (b) After the 30-day period described in Subsection (6)(a), a person may not contest:

1384 (i) the agency's adoption of the community reinvestment project area budget
1385 amendment;

1386 (ii) a payment to the agency under the community reinvestment project area budget
1387 amendment; or

1388 (iii) the agency's use of project area funds received under the community reinvestment
1389 project area budget amendment.

1390 Section 25. Section 53F-8-201 is amended to read:

1391 **53F-8-201. Annual certification of tax rate proposed by local school board --**

1392 **Inclusion of school district budget -- Modified filing date.**

1393 (1) Prior to June 22 of each year, each local school board shall certify to the county
1394 legislative body in which the district is located, on forms prescribed by the State Tax
1395 Commission, the proposed tax rate approved by the local school board.

1396 (2) A copy of the district's budget, including items under Section [53G-7-302](#), and a
1397 certified copy of the local school board's resolution which approved the budget and set the tax
1398 rate for the subsequent school year beginning July 1 shall accompany the tax rate.

1399 (3) If the tax rate approved by the local school board is in excess of the certified tax
1400 rate, as defined in Section [59-2-924](#), the date for filing the tax rate and budget adopted by the
1401 local school board shall be that established under Section [59-2-919](#).

1402 (4) If a school district enters into an interlocal agreement under Title 17C, Chapter 1,
1403 Part 10, Agency Taxing Authority, for the purpose of transferring project area incremental
1404 revenue to a community reinvestment agency, the local school board shall ensure that the
1405 district's budget complies with Section [17C-1-1002](#).

1406 Section 26. Section [53G-7-306](#) is amended to read:

1407 **[53G-7-306](#). School district interfund transfers.**

1408 (1) A school district shall spend revenues only within the fund for which they were
1409 originally authorized, levied, collected, or appropriated.

1410 (2) Except as otherwise provided in this section, school district interfund transfers of
1411 residual equity are prohibited.

1412 (3) The state board may authorize school district interfund transfers of residual equity
1413 when a district states its intent to create a new fund or expand, contract, or liquidate an existing
1414 fund.

1415 (4) The state board may also authorize school district interfund transfers of residual
1416 equity for a financially distressed district if the state board determines the following:

1417 (a) the district has a significant deficit in its maintenance and operations fund caused
1418 by circumstances not subject to the administrative decisions of the district;

1419 (b) the deficit cannot be reasonably reduced under Section [53G-7-305](#); and

1420 (c) without the transfer, the school district will not be capable of meeting statewide
1421 educational standards adopted by the state board.

1422 (5) The board shall develop in rule standards for defining and aiding financially

1423 distressed school districts under this section.

1424 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded
1425 and reported in the debt service fund.

1426 (b) Debt service levies under Subsection 59-2-924(5)(~~c~~)(d) that are not subject to the
1427 public hearing provisions of Section 59-2-919 may not be used for any purpose other than
1428 retiring general obligation debt.

1429 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal
1430 year shall be used in subsequent years for general obligation debt retirement.

1431 (d) Any amounts left in the debt service fund after all general obligation debt has been
1432 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
1433 process required under Section 53G-7-303.

1434 Section 27. Section 59-2-924 is amended to read:

1435 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1436 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1437 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
1438 **commission.**

1439 (1) As used in this section:

1440 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1441 this chapter.

1442 (ii) "Ad valorem property tax revenue" does not include:

1443 (A) interest;

1444 (B) penalties;

1445 (C) collections from redemptions; or

1446 (D) revenue received by a taxing entity from personal property that is semiconductor
1447 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
1448 Assessment.

1449 (b) (i) "Aggregate taxable value of all property taxed" means:

1450 (A) the aggregate taxable value of all real property a county assessor assesses in
1451 accordance with Part 3, County Assessment, for the current year;

1452 (B) the aggregate taxable value of all real and personal property the commission
1453 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1454 (C) the aggregate year end taxable value of all personal property a county assessor
1455 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
1456 of the taxing entity.

1457 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year
1458 end taxable value of personal property that is:

1459 (A) semiconductor manufacturing equipment assessed by a county assessor in
1460 accordance with Part 3, County Assessment; and

1461 (B) contained on the prior year's tax rolls of the taxing entity.

1462 (c) "Centrally assessed benchmark value" means an amount equal to the highest year
1463 end taxable value of real and personal property the commission assesses in accordance with
1464 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
1465 2015, adjusted for taxable value attributable to:

1466 (i) an annexation to a taxing entity; or

1467 (ii) an incorrect allocation of taxable value of real or personal property the commission
1468 assesses in accordance with Part 2, Assessment of Property.

1469 (d) (i) "Centrally assessed new growth" means the greater of:

1470 (A) zero; or

1471 (B) the amount calculated by subtracting the centrally assessed benchmark value
1472 adjusted for prior year end incremental value from the taxable value of real and personal
1473 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1474 current year, adjusted for current year incremental value.

1475 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1476 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1477 commission in an administrative rule or administrative order.

1478 (e) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1479 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1480 (f) "Community reinvestment agency" means the same as that term is defined in
1481 Section 17C-1-102.

1482 [(f)] (g) "Eligible new growth" means the greater of:

1483 (i) zero; or

1484 (ii) the sum of:

- 1485 (A) locally assessed new growth;
- 1486 (B) centrally assessed new growth; and
- 1487 (C) project area new growth.
- 1488 ~~[(g)]~~ (h) "Incremental value" means the same as that term is defined in Section
- 1489 [17C-1-102](#).
- 1490 ~~[(h)]~~ (i) (i) "Locally assessed new growth" means the greater of:
- 1491 (A) zero; or
- 1492 (B) the amount calculated by subtracting the year end taxable value of real property the
- 1493 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
- 1494 adjusted for prior year end incremental value from the taxable value of real property the county
- 1495 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
- 1496 for current year incremental value.
- 1497 (ii) "Locally assessed new growth" does not include a change in:
- 1498 (A) value as a result of factoring in accordance with Section [59-2-704](#), reappraisal, or
- 1499 another adjustment;
- 1500 (B) assessed value based on whether a property is allowed a residential exemption for a
- 1501 primary residence under Section [59-2-103](#);
- 1502 (C) assessed value based on whether a property is assessed under Part 5, Farmland
- 1503 Assessment Act; or
- 1504 (D) assessed value based on whether a property is assessed under Part 17, Urban
- 1505 Farming Assessment Act.
- 1506 ~~[(+)]~~ (j) "Project area" means the same as that term is defined in Section [17C-1-102](#).
- 1507 ~~[(+)]~~ (k) "Project area new growth" means an amount equal to the incremental value
- 1508 that is no longer provided to an agency as tax increment.
- 1509 (l) "Project area incremental revenue" means the same as that term is defined in
- 1510 Section [17C-1-1001](#).
- 1511 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
- 1512 county auditor and the commission the following statements:
- 1513 (a) a statement containing the aggregate valuation of all taxable real property a county
- 1514 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and
- 1515 (b) a statement containing the taxable value of all personal property a county assessor

1516 assesses in accordance with Part 3, County Assessment, from the prior year end values.

1517 (3) The county auditor shall, on or before June 8, transmit to the governing body of
1518 each taxing entity:

1519 (a) the statements described in Subsections (2)(a) and (b);

1520 (b) an estimate of the revenue from personal property;

1521 (c) the certified tax rate; and

1522 (d) all forms necessary to submit a tax levy request.

1523 (4) (a) (i) Except as otherwise provided in this section, the certified tax rate shall be
1524 calculated by dividing the [~~ad valorem property tax revenue that a taxing entity budgeted for~~
1525 ~~the prior year~~] amount described in Subsection (4)(a)(ii) by the amount calculated under
1526 Subsection (4)(b).

1527 (ii) For the purposes of Subsection (4)(a)(i), the amount is:

1528 (A) for a taxing entity that did not transfer all or a portion of the taxing entity's project
1529 area incremental revenue with a community reinvestment agency in the prior year under Title
1530 17C, Chapter 1, Part 10, Agency Taxing Authority, the ad valorem property tax revenue that
1531 the taxing entity budgeted for the prior year;

1532 (B) for a taxing entity that transferred all or a portion of the taxing entity's project area
1533 incremental revenue with a community reinvestment agency in the prior year under Title 17C,
1534 Chapter 1, Part 10, Agency Taxing Authority, the ad valorem property tax revenue that the
1535 taxing entity budgeted for the prior year minus the amount of project area incremental revenue
1536 the taxing entity transferred to the community reinvestment agency in the prior year; or

1537 (C) for a community reinvestment agency that received all or a portion of a taxing
1538 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,
1539 Agency Taxing Authority, the amount of project area incremental revenue transferred to the
1540 community reinvestment agency plus the ad valorem property tax revenue that the community
1541 reinvestment agency budgeted for the prior year.

1542 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
1543 calculate an amount as follows:

1544 (i) calculate for the taxing entity the difference between:

1545 (A) the aggregate taxable value of all property taxed; and

1546 (B) any adjustments for current year incremental value;

1547 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
1548 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
1549 average of the percentage net change in the value of taxable property for the equalization
1550 period for the three calendar years immediately preceding the current calendar year;

1551 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
1552 of:

1553 (A) the amount calculated under Subsection (4)(b)(ii); and
1554 (B) the percentage of property taxes collected for the five calendar years immediately
1555 preceding the current calendar year; and

1556 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
1557 determined by:

1558 (A) multiplying the percentage of property taxes collected for the five calendar years
1559 immediately preceding the current calendar year by eligible new growth; and
1560 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
1561 calculated under Subsection (4)(b)(iii).

1562 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
1563 calculated as follows:

1564 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
1565 tax rate is zero;

1566 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:

1567 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
1568 services under Sections 17-34-1 and 17-36-9; and

1569 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1570 purposes and such other levies imposed solely for the municipal-type services identified in
1571 Section 17-34-1 and Subsection 17-36-3~~(22)~~(23); ~~and~~

1572 (c) for a community reinvestment agency that received all or a portion of a taxing
1573 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,
1574 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)
1575 except that the commission shall treat the total revenue transferred to the community
1576 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the
1577 prior year; and

1578 [~~(e)~~] (d) for debt service voted on by the public, the certified tax rate is the actual levy
1579 imposed by that section, except that a certified tax rate for the following levies shall be
1580 calculated in accordance with Section 59-2-913 and this section:

- 1581 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 1582 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
1583 orders under Section 59-2-1602.

1584 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
1585 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
1586 eligible judgments.

1587 (b) The ad valorem property tax revenue generated by a judgment levy described in
1588 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
1589 rate.

1590 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

- 1591 (i) the taxable value of real property:
 - 1592 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
 - 1593 (B) contained on the assessment roll;
- 1594 (ii) the year end taxable value of personal property:
 - 1595 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
 - 1596 (B) contained on the prior year's assessment roll; and
- 1597 (iii) the taxable value of real and personal property the commission assesses in
1598 accordance with Part 2, Assessment of Property.

1599 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
1600 growth.

1601 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

1602 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
1603 notify the county auditor of:

- 1604 (i) the taxing entity's intent to exceed the certified tax rate; and
- 1605 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 1606 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
1607 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1608 (d) The county auditor shall ensure that the tentative budget of each taxing entity and

1609 community reinvestment agency that enters into an interlocal agreement under Title 17C,
1610 Chapter 1, Part 10, Agency Taxing Authority, is increased or reduced by the amount of project
1611 area incremental revenue transferred.

1612 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
1613 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
1614 Committee if:

1615 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
1616 taxable value of the real and personal property the commission assesses in accordance with
1617 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
1618 value; and

1619 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
1620 taxable value of the real and personal property of a taxpayer the commission assesses in
1621 accordance with Part 2, Assessment of Property, for the previous year.

1622 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
1623 subtracting the taxable value of real and personal property the commission assesses in
1624 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
1625 incremental value, from the year end taxable value of the real and personal property the
1626 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
1627 adjusted for prior year end incremental value.

1628 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1629 subtracting the total taxable value of real and personal property of a taxpayer the commission
1630 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
1631 year end taxable value of the real and personal property of a taxpayer the commission assesses
1632 in accordance with Part 2, Assessment of Property, for the previous year.

1633 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
1634 the requirement under Subsection (9)(a)(ii).