

**COMMUNITY REINVESTMENT AGENCY MODIFICATIONS**

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Mike Winder

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**LONG TITLE****General Description:**

This bill modifies provisions related to community reinvestment agencies.

**Highlighted Provisions:**

This bill:

- ▶ allows a community reinvestment agency to extend for up to one year the collection period for certain project areas impacted by the COVID-19 emergency; and
- ▶ allows a community reinvestment agency to use agency funds to provide assistance to certain small businesses negatively impacted by the COVID-19 emergency for a specified period of time.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

ENACTS:

**17C-1-416**, Utah Code Annotated 1953

**17C-1-416.5**, Utah Code Annotated 1953

**63I-2-218**, Utah Code Annotated 1953

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



Section 1. Section **17C-1-416** is enacted to read:

**17C-1-416. Extension of collection period for project areas impacted by COVID-19 emergency -- Requirements -- Limitations.**

(1) For purposes of this section:

(a) "COVID-19 emergency" means the same as that term is defined in Section 53-2c-102.

(b) "Extension period" means the period of an impacted project area's project area funds collection period that is the result of an extension under this section.

(c) "Impacted project area" means a project area:

(i) from which an agency expects to receive tax increment;

(ii) that is subject to a project area plan that was adopted on or before December 31, 2019; and

(iii) in which the agency determines the conditions resulting from the COVID-19 emergency will likely:

(A) delay the agency's implementation of the project area plan; or

(B) cause the agency to receive an amount of tax increment from the project area that is less than the amount of tax increment the agency expected the agency would receive from the project area.

(d) "Tax increment" includes additional tax increment as that term is defined in Section 17C-1-403.

(2) (a) Subject to Subsection (3), an agency may extend the project area funds collection period of an impacted project area for a period not to exceed one year from the day on which the project area funds collection period ends if:

(i) the board adopts a resolution on or before December 31, 2021, describing:

(A) the conditions resulting from the COVID-19 emergency that the board determines will likely delay the implementation of the project area plan or reduce the amount of tax increment that the agency receives from the impacted project area;

(B) why an extension of the project area funds collection period is needed; and

(C) the date on which the extension period will end; and

(ii) no later than November 1 of the year immediately preceding the year in which the project area funds collection period ends, the agency mails or electronically submits a copy of the

59 resolution described in Subsection (2)(a)(i) to:

60 (A) the State Tax Commission;

61 (B) the State Board of Education;

62 (C) the state auditor;

63 (D) the auditor of the county in which the impacted project area is located; and

64 (E) each taxing entity affected by the agency's collection of tax increment from the  
65 impacted project area.

66 (b) Notwithstanding any other provision of law, an agency is not required to obtain taxing  
67 entity or taxing entity committee approval to extend a project area funds collection period under  
68 this section.

69 (c) An extension of a project area funds collection period under this section takes effect  
70 on the day on which the agency mails or electronically submits a copy of the resolution described  
71 in Subsection (2)(a)(i) to each entity specified in Subsection (2)(a)(ii).

72 (3) (a) This section does not allow an agency to change:

73 (i) the amount or percentage of tax increment that the agency is authorized to receive  
74 from the impacted project area in the final year of the project area funds collection period; or

75 (ii) the cumulative dollar amount of tax increment that the agency is authorized to receive  
76 from the impacted project area, if the agency's receipt of tax increment is limited to a maximum  
77 cumulative dollar amount.

78 (b) An agency that extends a project area funds collection period under this section shall  
79 use any tax increment received during the extension period in the same manner as provided in:

80 (i) the project area plan; and

81 (ii) (A) the project area budget; or

82 (B) the resolution or interlocal agreement authorizing the agency to receive tax increment  
83 from the impacted project area.

84 (c) (i) An extension of a project area funds collection period under this section does not  
85 automatically extend the payment of tax increment under a previously approved participation  
86 agreement for the extension period, regardless of any contrary term in the participation  
87 agreement.

88 (ii) An agency that extends a project area funds collection period under this section may  
89 only extend the payment of tax increment under a previously approved participation agreement for

the extension period by:

(A) amending the previously approved participation agreement; or

(B) entering into a new participation agreement.

(d) Nothing in this section limits the right of an agency to extend the agency's collection of tax increment as otherwise provided in this title.

Section 2. Section **17C-1-416.5** is enacted to read:

**17C-1-416.5. Use of agency funds for assistance to small businesses negatively impacted by COVID-19 emergency -- Requirements.**

(1) As used in this section:

(a) "COVID-19 emergency" means the same as that term is defined in Section [53-2c-102](#).

(b) "Governing document" means:

(i) a project area plan;

(ii) a project area budget; or

(iii) a resolution or interlocal agreement authorizing an agency to receive project area funds.

(c) "Small business" means the same as that term is defined in Section [63N-15-102](#).

(2) Notwithstanding any other provision of law, or any requirement in a governing document related to the use of agency funds, an agency may, on or before December 31, 2021, use agency funds for the purpose of providing grants, loans, or other assistance to small businesses that:

(a) are located within the agency's boundaries;

(b) hold a current business license from the community that created the agency;

(c) are negatively impacted by the COVID-19 emergency, as determined by the agency in accordance with eligibility criteria established under Subsection (3); and

(d) meet any other requirements established by the agency under Subsection (3).

(3) An agency shall, in a resolution adopted by the board, establish eligibility criteria for a small business to receive assistance under this section, including:

(i) the criteria for determining whether a small business is negatively impacted by the COVID-19 emergency; and

(ii) any other requirements for the receipt of assistance under this section.

121           (4) Nothing in this section relieves an agency of any contractual obligation related to the  
122 use of agency funds.

123           Section 3. Section **63I-2-218** is enacted to read:

124           **63I-2-218. Repeal dates -- Title 17C.**

125           Section 17C-1-416.5 is repealed January 1, 2022.

126           Section 4. **Effective date.**

127           If approved by two-thirds of all the members elected to each house, this bill takes effect  
128 upon approval by the governor, or the day following the constitutional time limit of Utah  
129 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto, the  
130 date of veto override.