

1 **COMMUNITY REINVESTMENT AGENCY AMENDMENTS**

2 2021 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 House Sponsor: Stephen G. Handy

6

7 **LONG TITLE**

8 **General Description:**

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

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines terms;
- 14 ▶ allows an agency and certain taxing entities to enter into an interlocal agreement for
15 the purpose of transferring project area incremental revenue;
- 16 ▶ for an agency that enters into an interlocal agreement for the purpose of transferring
17 project area incremental revenue:
 - 18 • authorizes the agency to levy a property tax on property within the agency's
19 boundaries;
 - 20 • prohibits the agency from extending the scope of certain project area plans or
21 project area budgets;
 - 22 • allows the agency to use property tax revenue for agency-wide project
23 development;
 - 24 • requires the agency to adopt an implementation plan to guide agency-wide
25 project development;
 - 26 • prohibits the agency from creating a new community reinvestment project area
27 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 17C-1-102, as last amended by Laws of Utah 2020, Chapter 241
- 41 17C-1-202, as last amended by Laws of Utah 2018, Chapters 364 and 366
- 42 17C-1-402, as last amended by Laws of Utah 2019, Chapter 376
- 43 17C-1-409, as last amended by Laws of Utah 2019, Chapter 376
- 44 17C-1-502, as last amended by Laws of Utah 2016, Chapter 350
- 45 17C-1-605, as last amended by Laws of Utah 2016, Chapter 350
- 46 17C-2-110, as last amended by Laws of Utah 2019, Chapter 376
- 47 17C-2-206, as last amended by Laws of Utah 2016, Chapter 350
- 48 17C-2-207, as last amended by Laws of Utah 2020, Chapter 385
- 49 17C-3-109, as last amended by Laws of Utah 2018, Chapter 364
- 50 17C-3-205, as last amended by Laws of Utah 2016, Chapter 350
- 51 17C-3-206, as last amended by Laws of Utah 2016, Chapter 350
- 52 17C-4-108, as last amended by Laws of Utah 2018, Chapter 364
- 53 17C-5-102, as enacted by Laws of Utah 2016, Chapter 350
- 54 17C-5-112, as last amended by Laws of Utah 2019, Chapter 376
- 55 17C-5-306, as last amended by Laws of Utah 2017, Chapter 456
- 56 53G-7-306, as last amended by Laws of Utah 2020, Chapters 354 and 408
- 57 59-2-924, as last amended by Laws of Utah 2020, Chapters 305 and 354

58 ENACTS:

- 59 **17C-1-1001**, Utah Code Annotated 1953
- 60 **17C-1-1002**, Utah Code Annotated 1953
- 61 **17C-1-1003**, Utah Code Annotated 1953
- 62 **17C-1-1004**, Utah Code Annotated 1953
- 63 **17C-1-1005**, Utah Code Annotated 1953

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

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

67 **17C-1-102. Definitions.**

68 As used in this title:

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

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

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

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

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

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

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

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

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

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

88 (c) whose geographic boundaries are coterminous with:

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

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

91 (5) "Agency funds" means money that an agency collects or receives for agency
92 operations, implementing a project area plan or an implementation plan as defined in Section
93 17C-1-1001, or other agency purposes, including:

94 (a) project area funds;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

128 (10) "Basic levy" means the portion of a school district's tax levy constituting the
129 minimum basic levy under Section [59-2-902](#).

130 (11) "Board" means the governing body of an agency, as described in Section
131 [17C-1-203](#).

132 (12) "Budget hearing" means the public hearing on a proposed project area budget
133 required under Subsection [17C-2-201\(2\)\(d\)](#) for an urban renewal project area budget,
134 Subsection [17C-3-201\(2\)\(d\)](#) for an economic development project area budget, or Subsection
135 [17C-5-302\(2\)\(e\)](#) for a community reinvestment project area budget.

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

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

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

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

146 (17) "Community legislative body" means the legislative body of the community that
147 created the agency.

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

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

152 (20) "Development impediment" means a condition of an area that meets the
153 requirements described in Section 17C-2-303 for an urban renewal project area or Section
154 17C-5-405 for a community reinvestment project area.

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

157 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
158 17C-2-302; or

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

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

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

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

166 (a) for a municipality, comparing the percentage of all housing units within the
167 municipality that are publicly subsidized income targeted housing units to the percentage of all
168 housing units within the county in which the municipality is located that are publicly
169 subsidized income targeted housing units; or

170 (b) for the unincorporated part of a county, comparing the percentage of all housing
171 units within the unincorporated county that are publicly subsidized income targeted housing
172 units to the percentage of all housing units within the whole county that are publicly subsidized
173 income targeted housing units.

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

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

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

182 (28) "Housing allocation" means project area funds allocated for housing under Section

183 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

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

186 (a) project area funds, project area incremental revenue as defined in Section
187 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001 allocated for the
188 purposes described in Section 17C-1-411; or

189 (b) an agency's housing allocation.

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

191 (i) consists of at least 100 acres;

192 (ii) is occupied by an airport:

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

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

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

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

197 (iii) requires remediation because:

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

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

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

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

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

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

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

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

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

213 (33) "Incremental value" means a figure derived by multiplying the marginal value of

214 the property located within a project area on which tax increment is collected by a number that
215 represents the adjusted tax increment from that project area that is paid to the agency.

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

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

- 221 (i) a fire station;
- 222 (ii) a police station;
- 223 (iii) a city hall; or
- 224 (iv) a court or other judicial building.

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

227 (36) "Major transit investment corridor" means the same as that term is defined in
228 Section [10-9a-103](#).

229 (37) "Marginal value" means the difference between actual taxable value and base
230 taxable value.

231 (38) "Military installation project area" means a project area or a portion of a project
232 area located within a federal military installation ordered closed by the federal Defense Base
233 Realignment and Closure Commission.

234 (39) "Municipality" means a city, town, or metro township as defined in Section
235 [10-2a-403](#).

236 (40) "Participant" means one or more persons that enter into a participation agreement
237 with an agency.

238 (41) "Participation agreement" means a written agreement between a person and an
239 agency that:

- 240 (a) includes a description of:
 - 241 (i) the project area development that the person will undertake;
 - 242 (ii) the amount of project area funds the person may receive; and
 - 243 (iii) the terms and conditions under which the person may receive project area funds;

244 and

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

246 (42) "Plan hearing" means the public hearing on a proposed project area plan required
247 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
248 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d)
249 for a community development project area plan, or Subsection 17C-5-104(3)(e) for a
250 community reinvestment project area plan.

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

254 (44) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July
255 1, 1993, whether or not amended subsequent to the project area plan's adoption.

256 (45) "Private," with respect to real property, means property not owned by a public
257 entity or any other governmental entity.

258 (46) "Project area" means the geographic area described in a project area plan within
259 which the project area development described in the project area plan takes place or is
260 proposed to take place.

261 (47) "Project area budget" means a multiyear projection of annual or cumulative
262 revenues and expenses and other fiscal matters pertaining to a project area prepared in
263 accordance with:

- 264 (a) for an urban renewal project area, Section 17C-2-201;
- 265 (b) for an economic development project area, Section 17C-3-201;
- 266 (c) for a community development project area, Section 17C-4-204; or
- 267 (d) for a community reinvestment project area, Section 17C-5-302.

268 (48) "Project area development" means activity within a project area that, as
269 determined by the board, encourages, promotes, or provides development or redevelopment for
270 the purpose of implementing a project area plan, including:

- 271 (a) promoting, creating, or retaining public or private jobs within the state or a
272 community;
- 273 (b) providing office, manufacturing, warehousing, distribution, parking, or other
274 facilities or improvements;
- 275 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or

276 remediating environmental issues;

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

279 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
280 existing structures;

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

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

284 (h) relocating a business;

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

286 (j) eliminating a development impediment or the causes of a development impediment;

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

288 (l) any activity described in this Subsection (48) outside of a project area that the board
289 determines to be a benefit to the project area.

290 (49) "Project area funds" means tax increment or sales and use tax revenue that an
291 agency receives under a project area budget adopted by a taxing entity committee or an
292 interlocal agreement.

293 (50) "Project area funds collection period" means the period of time that:

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

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

300 (51) "Project area plan" means an urban renewal project area plan, an economic
301 development project area plan, a community development project area plan, or a community
302 reinvestment project area plan that, after the project area plan's effective date, guides and
303 controls the project area development.

304 (52) (a) "Property tax" means each levy on an ad valorem basis on tangible or
305 intangible personal or real property.

306 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege

307 Tax.

308 (53) "Public entity" means:

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

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

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

314 (54) "Publicly owned infrastructure and improvements" means water, sewer, storm
315 drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,
316 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or
317 other facilities, infrastructure, and improvements benefitting the public and to be publicly
318 owned or publicly maintained or operated.

319 (55) "Record property owner" or "record owner of property" means the owner of real
320 property, as shown on the records of the county in which the property is located, to whom the
321 property's tax notice is sent.

322 (56) "Sales and use tax revenue" means revenue that is:

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

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

326 (57) "Superfund site":

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

329 (b) includes an area formerly included in the National Priorities List, as described in
330 Subsection (57)(a), but removed from the list following remediation that leaves on site the
331 waste that caused the area to be included in the National Priorities List.

332 (58) "Survey area" means a geographic area designated for study by a survey area
333 resolution to determine whether:

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

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

336 (59) "Survey area resolution" means a resolution adopted by a board that designates a
337 survey area.

338 (60) "Taxable value" means:
339 (a) the taxable value of all real property a county assessor assesses in accordance with
340 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
341 (b) the taxable value of all real and personal property the commission assesses in
342 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and
343 (c) the year end taxable value of all personal property a county assessor assesses in
344 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's
345 tax rolls of the taxing entity.

346 (61) (a) "Tax increment" means the difference between:
347 (i) the amount of property tax revenue generated each tax year by a taxing entity from
348 the area within a project area designated in the project area plan as the area from which tax
349 increment is to be collected, using the current assessed value of the property and each taxing
350 entity's current certified tax rate as defined in Section 59-2-924; and
351 (ii) the amount of property tax revenue that would be generated from that same area
352 using the base taxable value of the property and each taxing entity's current certified tax rate as
353 defined in Section 59-2-924.

354 (b) "Tax increment" does not include taxes levied and collected under Section
355 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:
356 (i) the project area plan was adopted before May 4, 1993, whether or not the project
357 area plan was subsequently amended; and
358 (ii) the taxes were pledged to support bond indebtedness or other contractual
359 obligations of the agency.

360 (62) "Taxing entity" means a public entity that:
361 (a) levies a tax on property located within a project area; or
362 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

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

365 (64) "Unincorporated" means not within a municipality.

366 (65) "Urban renewal project area plan" means a project area plan adopted under
367 Chapter 2, Part 1, Urban Renewal Project Area Plan.

368 Section 2. Section 17C-1-202 is amended to read:

369 **17C-1-202. Agency powers.**

370 (1) An agency may:

371 (a) sue and be sued;

372 (b) enter into contracts generally;

373 (c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real
374 or personal property;375 (d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal
376 property;377 (e) own, hold, maintain, utilize, manage, or operate real or personal property, which
378 may include the use of agency funds or the collection of revenue;

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

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

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

382 (i) if disposing of or leasing land, retain controls or establish restrictions and covenants
383 running with the land consistent with the project area plan;384 (j) accept financial or other assistance from any public or private source for the
385 agency's activities, powers, and duties, and expend any funds the agency receives for any
386 purpose described in this title;387 (k) borrow money or accept financial or other assistance from a public entity or any
388 other source for any of the purposes of this title and comply with any conditions of any loan or
389 assistance;390 (l) issue bonds to finance the undertaking of any project area development or for any of
391 the agency's other purposes, including:

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

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

394 (iii) refunding bonds to pay or retire bonds previously issued by the community that
395 created the agency for expenses associated with project area development;396 (m) pay an impact fee, exaction, or other fee imposed by a community in connection
397 with land development; [~~or~~]398 (n) subject to Part 10, Agency Taxing Authority, levy a property tax; or399 [~~(n)~~] (o) transact other business and exercise all other powers described in this title.

400 (2) The establishment of controls or restrictions and covenants under Subsection (1)(i)
401 is a public purpose.

402 (3) An agency may acquire real property under Subsection (1)(c) that is outside a
403 project area only if the board determines that the property will benefit a project area.

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

405 Section 3. Section 17C-1-402 is amended to read:

406 **17C-1-402. Taxing entity committee.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

460 (i) an urban renewal project area plan;

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

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

464 (b) A taxing entity committee may:

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

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

467 (iii) approve or disapprove:

468 (A) an urban renewal project area budget as described in Section 17C-2-204;

469 (B) an economic development project area budget as described in Section 17C-3-203;

470 or

471 (C) for a community reinvestment project area plan that is subject to a taxing entity
472 committee, a community reinvestment project area budget as described in Section 17C-5-302;

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

474 Section 17C-2-206, 17C-3-205, or 17C-5-306;

475 (v) approve an exception to the limits on the value and size of a project area imposed
476 under this title;

477 (vi) approve:

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

479 (B) except for a project area funds collection period that is approved by an interlocal
480 agreement, each project area funds collection period; and

481 (C) an exception to the requirement for an urban renewal project area budget, an
482 economic development project area budget, or a community reinvestment project area budget
483 to include a maximum cumulative dollar amount of tax increment that the agency may receive;

484 (vii) approve the use of tax increment for publicly owned infrastructure and
485 improvements outside of a project area that the agency and community legislative body
486 determine to be of benefit to the project area, as described in Subsection

487 17C-1-409(1)(a)(iii)~~(D)~~(E);

488 (viii) waive the restrictions described in Subsection 17C-2-202(1);

489 (ix) subject to Subsection (4)(c), designate the base taxable value for a project area
490 budget; and

491 (x) give other taxing entity committee approval or consent required or allowed under
492 this title.

493 (c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that
494 is earlier than five years before the beginning of a project area funds collection period.

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

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

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

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

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

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

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

504 (ii) considering an action relating to a project area budget for, or approval of a
505 development impediment determination within, a project area or proposed project area that
506 contains:

507 (A) an inactive industrial site;

508 (B) an inactive airport site; or

509 (C) a closed military base; or

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

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

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

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

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

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

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

522 (C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or
523 17C-5-105(12);

- 524 (D) the development impediment study;
- 525 (E) the agency's resolution making a development impediment determination under
- 526 Subsection [17C-2-102\(1\)\(a\)\(ii\)\(B\)](#) or [17C-5-402\(2\)\(c\)\(ii\)](#); and
- 527 (F) other documents to be considered by the taxing entity committee at the meeting.
- 528 (c) (i) An agency may not schedule a taxing entity committee meeting on a day on
- 529 which the Legislature is in session.
- 530 (ii) Notwithstanding Subsection (7)(c)(i), a taxing entity committee may, by unanimous
- 531 consent, waive the scheduling restriction described in Subsection (7)(c)(i).
- 532 (8) (a) A taxing entity committee may not vote on a proposed project area budget or
- 533 proposed amendment to a project area budget at the first meeting at which the proposed project
- 534 area budget or amendment is considered unless all members of the taxing entity committee
- 535 present at the meeting consent.
- 536 (b) A second taxing entity committee meeting to consider a proposed project area
- 537 budget or a proposed amendment to a project area budget may not be held within 14 days after
- 538 the first meeting unless all members of the taxing entity committee present at the first meeting
- 539 consent.
- 540 (9) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and
- 541 Public Meetings Act.
- 542 (10) A taxing entity committee's records shall be:
- 543 (a) considered the records of the agency that created the taxing entity committee; and
- 544 (b) maintained by the agency in accordance with Section [17C-1-209](#).
- 545 (11) Each time a school district representative or a representative of the State Board of
- 546 Education votes as a member of a taxing entity committee to allow an agency to receive tax
- 547 increment, to increase the amount of tax increment the agency receives, or to extend a project
- 548 area funds collection period, that representative shall, within 45 days after the vote, provide to
- 549 the representative's respective school board an explanation in writing of the representative's
- 550 vote and the reasons for the vote.
- 551 (12) (a) The auditor of each county in which an agency is located shall provide a
- 552 written report to the taxing entity committee stating, with respect to property within each
- 553 project area:
- 554 (i) the base taxable value, as adjusted by any adjustments under Section [17C-1-408](#);

555 and

556 (ii) the assessed value.

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

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

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

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

565 (i) at least annually; and

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

570 (13) This section does not apply to:

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

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

574 (14) (a) A taxing entity committee resolution approving a development impediment
575 determination, approving a project area budget, or approving an amendment to a project area
576 budget:

577 (i) is final; and

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

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

582 Section 4. Section **17C-1-409** is amended to read:

583 **17C-1-409. Allowable uses of agency funds.**

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

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

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

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

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

592 (B) housing-related expenditures, projects, or programs as described in Section
593 17C-1-411 or 17C-1-412;

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

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

599 (E) the cost of the installation of publicly owned infrastructure and improvements
600 outside the project area from which the project area funds are collected if the board and the
601 community legislative body determine by resolution that the publicly owned infrastructure and
602 improvements benefit the project area;

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

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

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

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

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

611 or

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

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

616 (c) An agency may not use project area funds received from a taxing entity for the

617 purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an
618 economic development project area plan, or a community reinvestment project area plan
619 without the community legislative body's consent.

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

622 (A) the board approves; and

623 (B) the community legislative body approves.

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

626 (iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5,
627 Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal
628 Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for
629 Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.

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

633 (i) the Department of Transportation; or

634 (ii) a public transit district.

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

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

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

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

647 (b) If land is acquired or the cost of an improvement is paid by another public entity

648 and the land or improvement is leased to the community, an agency may contract with and
649 make reimbursement from agency funds to the community.

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

655 (5) For the purpose of offsetting the community's annual local contribution to the
656 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in
657 a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and
658 17C-1-412~~(3)~~(1)(a)(x) may not exceed the community's annual local contribution as defined
659 in Section 35A-8-606.

660 Section 5. Section 17C-1-502 is amended to read:

661 **17C-1-502. Sources from which bonds may be made payable -- Agency powers**
662 **regarding bonds.**

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

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

- 665 (a) the income and revenues of the project area development financed with the
666 proceeds of the bond;
- 667 (b) the income and revenue of certain designated project area development regardless
668 of whether the project area development is financed in whole or in part with the proceeds of the
669 bond;
- 670 (c) the income, proceeds, revenue, property, or agency funds derived from or held in
671 connection with the agency's undertaking and implementation of project area development;
- 672 (d) project area funds;
- 673 (e) agency revenues generally;
- 674 (f) a contribution, loan, grant, or other financial assistance from a public entity in aid of
675 project area development, including the assignment of revenue or taxes in support of an agency
676 bond; [~~or~~]
- 677 (g) project area incremental revenue or property tax revenue as those terms are defined
678 in Section 17C-1-1001; or

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

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

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

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

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

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

688 (ii) except as otherwise provided in this chapter, will tend to make the bond more
689 marketable, even though such covenants or actions are not specifically enumerated in this
690 chapter.

691 Section 6. Section 17C-1-605 is amended to read:

692 **17C-1-605. Audit report.**

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

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

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

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

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

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

704 (e) the actual amount expended for:

705 (i) acquisition of property;

706 (ii) site improvements or site preparation costs;

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

708 (iv) administrative costs of the agency.

709 Section 7. Section 17C-1-1001 is enacted to read:

Part 10. Agency Taxing Authority**17C-1-1001. Definitions.**

As used in this part:

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

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

(2) "Certified tax rate" means the same as that term is defined in Section [59-2-924](#).

(3) "Cooperative development project" means project area development with impacts that extend beyond an agency's geographic boundaries to the benefit of two or more communities.

(4) "Economic development project" means project area development for the purpose of:

(a) creating, developing, attracting, and retaining business;

(b) creating or preserving jobs;

(c) stimulating business and economic activity; or

(d) providing a local incentive as required by the Governor's Office of Economic Development under Title 63N, Governor's Office of Economic Development.

(5) "Eligible taxing entity" means a taxing entity that:

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

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

(6) "Implementation plan" means a plan adopted in accordance with Section [17C-1-1004](#) that:

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

(b) guides and controls agency-wide project development.

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

(8) "Property tax revenue" means the amount of revenue generated by an agency from the property within the agency using the current taxable value of the property and the agency's

741 certified tax rate.

742 Section 8. Section **17C-1-1002** is enacted to read:

743 **17C-1-1002. Transferring project area incremental revenue -- Agency may levy a**
744 **property tax.**

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

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

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

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

751 [17C-1-1003](#);

752 (c) for each project area:

753 (i) states the amount of project area incremental revenue that the eligible taxing entity
754 agrees to transfer to the agency;

755 (ii) states the year in which the eligible taxing entity will transfer the amount described
756 in Subsection (2)(c)(i); and

757 (iii) for the year described in Subsection (2)(c)(ii), requires the agency to add the
758 project area incremental revenue transferred in the agency's budget;

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

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

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

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

764 (f) is filed with the county auditor, the State Tax Commission, and the eligible taxing
765 entity.

766 (3) If an agency and an eligible taxing entity enter into an interlocal agreement under
767 this section:

768 (a) subject to Subsection (4) and Section [17C-1-1004](#), the agency may levy a property
769 tax on taxable property within the agency's geographic boundaries; and

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

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

772 geographic boundaries; or

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

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

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

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

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

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

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

780 property tax under this section.

781 (b) An agency board shall calculate the agency's certified tax rate in accordance with

782 Section [59-2-924](#).

783 (c) An agency may levy a property tax rate that exceeds the agency's certified rate only

784 if the agency complies with Sections [59-2-919](#) through [59-2-923](#).

785 (5) For a cooperative development project or an economic development project, an

786 agency may, in accordance with Chapter 5, Community Reinvestment:

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

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

789 Section 9. Section **17C-1-1003** is enacted to read:

790 **17C-1-1003. Interlocal agreement -- Notice requirements -- Effective date.**

791 (1) An agency that enters into an interlocal agreement under Section [17C-1-1002](#) shall:

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

793 (b) provide a notice, in accordance with Subsections (2) and (3), titled "Authorization

794 to Levy a Property Tax."

795 (2) Upon the execution of an interlocal agreement, the agency shall provide, subject to

796 Subsection (3), notice of the execution by:

797 (a) (i) publishing the notice in a newspaper of general circulation within the agency's

798 geographic boundaries; or

799 (ii) if there is no newspaper of general circulation within the agency's geographic

800 boundaries, posting the notice in at least three public places within the agency's geographic

801 boundaries; and

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

- 803 (3) A notice described in Subsection (2) shall include:
- 804 (a) a summary of the interlocal agreement; and
- 805 (b) a statement that the interlocal agreement:
- 806 (i) is available for public inspection and the place and the hours for inspection; and
- 807 (ii) authorizes the agency to:
- 808 (A) receive all or a portion of a taxing entity's project area incremental revenue; and
- 809 (B) levy a property tax on taxable property within the agency's boundaries.

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

812 (5) An eligible taxing entity that enters into an interlocal agreement under Section
 813 17C-1-1002 shall make a copy of the interlocal agreement available to the public for inspecting
 814 and copying at the eligible taxing entity's office during normal business hours.

815 Section 10. Section 17C-1-1004 is enacted to read:

816 **17C-1-1004. Implementation plan -- Use of an agency's property tax revenue --**
 817 **Eminent domain.**

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

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

822 (b) that:

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

825 (ii) contains a general description of the existing land uses, zoning, infrastructure
 826 conditions, population densities, and demographics of the area described in Subsection

827 (1)(b)(i);

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

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

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

833 (vi) is consistent with the general plan of the community that created the agency and

834 shows that agency-wide project development will conform to the community's general plan;

835 (vii) generally describes the type of financial assistance and tools that the agency

836 anticipates providing to participants;

837 (viii) includes an analysis or description of the anticipated public benefits resulting

838 from agency-wide project development, including benefits to economic activity and taxing

839 entities' tax bases;

840 (ix) includes any identified geographic target areas within which the agency will focus

841 investment; and

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

843 (2) (a) Except as provided in Subsection (2)(b), an agency that levies a property tax

844 under this part may not use eminent domain to acquire property for agency-wide project

845 development.

846 (b) An agency that levies a property tax under this part may use eminent domain for an

847 urban renewal project area or a community reinvestment project area in accordance with Part 9,

848 Eminent Domain.

849 Section 11. Section **17C-1-1005** is enacted to read:

850 **17C-1-1005. Agency property tax levy -- Budget -- Accounting for property tax**

851 **revenue.**

852 (1) (a) Each agency that levies and collects property tax under this part shall levy and

853 collect the property tax in accordance with Title 59, Chapter 2, Property Tax Act.

854 (b) Except as provided in Subsection (1)(c), an agency, at a regular meeting or special

855 meeting called for that purpose, shall, by resolution, set the property tax rate by the date

856 described in Section [59-2-912](#).

857 (c) An agency may set the rate described in Subsection (1)(b) at an appropriate later

858 date in accordance with Sections [59-2-919](#) through [59-2-923](#).

859 (2) (a) An agency shall include in the agency's budget any project area incremental

860 revenue transferred by an eligible taxing entity under this part.

861 (b) The amount of project area incremental revenue described in Subsection (2)(a) plus

862 the ad valorem property tax revenue that the agency budgeted for the prior year shall constitute

863 the basis for determining the property tax levy that the agency sets for the corresponding tax

864 year.

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

867 (b) An agency shall include revenue and expenditures of the property tax revenue fund
868 described in Subsection (3)(a) in the annual budget adopted in accordance with Section
869 17C-1-601.5.

870 Section 12. Section 17C-2-110 is amended to read:

871 **17C-2-110. Amending an urban renewal project area plan.**

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

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

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

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

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

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

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

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

892 (e) the agency need not make a development impediment determination in the project
893 area as described in the original project area plan, if the agency made a development
894 impediment determination regarding that project area in connection with adoption of the
895 original project area plan.

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

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

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

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

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

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

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

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

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

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

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

923 (A) tax exempt;

924 (B) without a development impediment; or

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

926 (b) An agency may make an amendment removing one or more parcels from a project

927 area under Subsection (4)(a)(ii) without the consent of the record property owner of each parcel
928 being removed.

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

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

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

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

943 Section 13. Section 17C-2-206 is amended to read:

944 **17C-2-206. Amending an urban renewal project area budget.**

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

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

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

950 (b) if approval of the taxing entity committee was required for adoption of the original
951 project area budget, obtain the approval of the taxing entity committee to the same extent that
952 the agency was required to obtain the consent of the taxing entity committee for the project
953 area budget as originally adopted;

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

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

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

965 (4) If the removal of a parcel under Subsection 17C-2-110(4)(a)(ii) reduces the base
966 taxable value of the project area, an agency may amend the project area budget to conform with
967 the new base taxable value without:

- 968 (a) complying with Subsections (2)(a) and (3); and
- 969 (b) if applicable, obtaining taxing entity committee approval described in Subsection
970 (2)(b).

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

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

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

- 976 (i) forfeits any claim against an agency's adoption of the amendment; and
- 977 (ii) may not contest:

- 978 (A) a distribution of tax increment to the agency under the budget amendment; or
- 979 (B) an agency's use of a tax increment under the budget amendment.

980 Section 14. Section 17C-2-207 is amended to read:

981 **17C-2-207. Extending collection of tax increment in an urban renewal project**
982 **area budget.**

983 (1) An extension approved by a taxing entity or taxing entity committee before May
984 10, 2011, is not subject to this section.

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

- 987 (i) following the project area budget amendment procedures outlined in Section
988 17C-2-206; or

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

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

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

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

996 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection
997 17C-2-201(2)(d) in the same manner as required for a proposed project area budget; and

998 (ii) provide notice of the hearing:

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

1000 (B) including the proposed project area budget's extension period; and

1001 (c) after obtaining the taxing entity's approval in accordance with Subsection (3)(a), at
1002 or after the public hearing, adopt a resolution approving the extension.

1003 (4) (a) Subject to Subsection (4)(b), to extend under this section the project area funds
1004 collection period under a previously approved project area budget for a project area that
1005 includes an inactive industrial site, the agency shall:

1006 (i) hold a public hearing on the proposed extension in accordance with Subsection
1007 17C-2-201(2)(d) in the same manner as required for a proposed project area budget;

1008 (ii) provide notice of the hearing as required by Chapter 1, Part 8, Hearing and Notice
1009 Requirements, including notice of the proposed project area budget's extension period; and

1010 (iii) at or after the public hearing, adopt a resolution approving the extension.

1011 (b) An extension under Subsection (4)(a) may not extend the length of time that tax
1012 increment is collected from any single tax parcel.

1013 (5) After the project area funds collection period expires, an agency may continue to
1014 receive project area funds from those taxing entities that agree to an extension through an
1015 interlocal agreement in accordance with Subsection (3)(a) or through the process described in
1016 Subsection (4).

1017 (6) (a) A person may contest the agency's adoption of an extension within 30 days after
1018 the day on which the agency adopts the resolution providing for the extension.

1019 (b) A person that fails to contest an extension under Subsection (6)(a):

- 1020 (i) shall forfeit any claim against the agency's adoption of the extension; and
- 1021 (ii) may not contest:
- 1022 (A) a distribution of tax increment to the agency under the budget, as extended; or
- 1023 (B) an agency's use of tax increment under the budget, as extended.

1024 Section 15. Section **17C-3-109** is amended to read:

1025 **17C-3-109. Amending an economic development project area plan.**

1026 (1) ~~[An]~~ Except as provided in Section [17C-1-1002](#), an agency may amend an
1027 economic development project area plan ~~[may be amended]~~ as provided in this section.

1028 (2) If an agency proposes to amend an economic development project area plan to
1029 enlarge the project area:

1030 (a) the requirements under this part that apply to adopting a project area plan apply
1031 equally to the proposed amendment as if it were a proposed project area plan;

1032 (b) the base year for the new area added to the project area shall be determined under
1033 Subsection [17C-1-102\(9\)](#) using the date of the taxing entity committee's consent referred to in
1034 Subsection (2)(c); and

1035 (c) the agency shall obtain the consent of the taxing entity committee before the agency
1036 may collect tax increment from the area added to the project area by the amendment.

1037 (3) If a proposed amendment does not propose to enlarge an economic development
1038 project area, a board may adopt a resolution approving an amendment to an economic
1039 development project area plan after:

1040 (a) the agency gives notice, as provided in Chapter 1, Part 8, Hearing and Notice
1041 Requirements, of the proposed amendment and of the public hearing required by Subsection
1042 (3)(b);

1043 (b) the board holds a public hearing on the proposed amendment that meets the
1044 requirements of a plan hearing;

1045 (c) the agency obtains the taxing entity committee's consent to the amendment, if the
1046 amendment proposes:

- 1047 (i) to enlarge the area within the project area from which tax increment is received; or
- 1048 (ii) to permit the agency to receive a greater percentage of tax increment or to extend
1049 the project area funds collection period under the economic development project area plan; and
- 1050 (d) the agency obtains the consent of the legislative body or governing board of each

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

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

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

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

1063 (A) tax exempt; or

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

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

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

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

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

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

1082 Section 16. Section 17C-3-205 is amended to read:

1083 **17C-3-205. Amending an economic development project area budget.**

1084 (1) ~~[An]~~ Except as provided in Section 17C-1-1002, an agency may by resolution
1085 amend an economic development project area budget as provided in this section.

1086 (2) To amend an adopted economic development project area budget, the agency shall:

1087 (a) advertise and hold one public hearing on the proposed amendment as provided in
1088 Subsection (3);

1089 (b) if approval of the taxing entity committee was required for adoption of the original
1090 project area budget, obtain the approval of the taxing entity committee to the same extent that
1091 the agency was required to obtain the consent of the taxing entity committee for the project
1092 area budget as originally adopted;

1093 (c) if approval of the taxing entity committee is required under Subsection (2)(b),
1094 obtain a written certification, signed by an attorney licensed to practice law in this state, stating
1095 that the taxing entity committee followed the appropriate procedures to approve the project
1096 area budget; and

1097 (d) adopt a resolution amending the project area budget.

1098 (3) The public hearing required under Subsection (2)(a) shall be conducted according
1099 to the procedures and requirements of Section 17C-3-201, except that if the amended project
1100 area budget proposes that the agency be paid a greater proportion of tax increment from a
1101 project area than was to be paid under the previous project area budget, the notice shall state
1102 the percentage paid under the previous project area budget and the percentage proposed under
1103 the amended project area budget.

1104 (4) If the removal of a parcel under Subsection 17C-3-109(4)(a)(ii) reduces the base
1105 taxable value of the project area, an agency may amend the project area budget to conform with
1106 the new base taxable value without:

1107 (a) complying with Subsections (2)(a) and (3); and

1108 (b) if applicable, obtaining taxing entity committee approval described in Subsection
1109 (2)(b).

1110 (5) If a proposed amendment is not adopted, the agency shall continue to operate under
1111 the previously adopted economic development project area budget without the proposed
1112 amendment.

1113 (6) (a) A person may contest the agency's adoption of a budget amendment within 30
1114 days after the day on which the agency adopts the amendment.

1115 (b) A person ~~[who]~~ that fails to contest a budget amendment under Subsection (6)(a):

1116 (i) forfeits any claim against an agency's adoption of the amendment; and

1117 (ii) may not contest:

1118 (A) a distribution of tax increment to the agency under the budget amendment; or

1119 (B) an agency's use of a tax increment under a budget amendment.

1120 Section 17. Section **17C-3-206** is amended to read:

1121 **17C-3-206. Extending collection of tax increment under an economic**
1122 **development project area budget.**

1123 (1) An amendment or extension approved by a taxing entity or taxing entity committee
1124 before May 10, 2011, is not subject to this section.

1125 (2) (a) ~~[An]~~ Except as provided in Section [17C-1-1002](#), an agency's collection of tax
1126 increment under an adopted economic development project area budget may be extended by:

1127 (i) following the project area budget amendment procedures outlined in Section
1128 [17C-3-205](#); or

1129 (ii) following the procedures outlined in this section.

1130 (b) The base taxable value for an urban renewal project area budget may not be altered
1131 as a result of an extension under this section unless otherwise expressly provided for in an
1132 interlocal agreement adopted in accordance with Subsection (3)(a).

1133 (3) To extend under this section the agency's collection of tax increment from a taxing
1134 entity under a previously approved project area budget, the agency shall:

1135 (a) obtain the approval of the taxing entity through an interlocal agreement;

1136 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection
1137 [17C-2-201](#)(2)(d) in the same manner as required for a proposed project area budget; and

1138 (ii) provide notice of the hearing:

1139 (A) as required by Chapter 1, Part 8, Hearing and Notice Requirements; and

1140 (B) including the proposed period of extension of the project area budget; and

1141 (c) after obtaining the approval of the taxing entity in accordance with Subsection

1142 (3)(a), at or after the public hearing, adopt a resolution approving the extension.

1143 (4) After the expiration of a project area budget, an agency may continue to receive tax

1144 increment from those taxing entities that have agreed to an extension through an interlocal
1145 agreement in accordance with Subsection (3)(a).

1146 (5) (a) A person may contest the agency's adoption of a budget extension within 30
1147 days after the day on which the agency adopts the resolution providing for the extension.

1148 (b) A person ~~who~~ that fails to contest a budget extension under Subsection (5)(a):

1149 (i) shall forfeit any claim against the agency's adoption of the extension; and

1150 (ii) may not contest:

1151 (A) a distribution of tax increment to the agency under the budget, as extended; or

1152 (B) an agency's use of tax increment under the budget, as extended.

1153 Section 18. Section **17C-4-108** is amended to read:

1154 **17C-4-108. Amending a community development project area plan.**

1155 (1) Except as provided in Section 17C-1-1002, an agency may amend a community
1156 development project area plan as provided in this section.

1157 ~~(1)~~ (2) Except as provided in Subsection ~~(2)~~ (3) and Section 17C-4-109, the
1158 requirements under this part that apply to adopting a community development project area plan
1159 apply equally to a proposed amendment of a community development project area plan as
1160 though the amendment were a proposed project area plan.

1161 ~~(2)~~ (3) (a) Notwithstanding Subsection ~~(1)~~ (2), a community development project
1162 area plan may be amended without complying with the requirements of Chapter 1, Part 8,
1163 Hearing and Notice Requirements, if the proposed amendment:

1164 (i) makes a minor adjustment in the boundary description of a project area boundary
1165 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
1166 or

1167 (ii) subject to Subsection ~~(2)~~ (3)(b), removes one or more parcels from a project area
1168 because the agency determines that each parcel removed is:

1169 (A) tax exempt; or

1170 (B) no longer necessary or desirable to the project area.

1171 (b) An amendment removing one or more parcels from a community development
1172 project area under Subsection ~~(2)~~ (3)(a)(ii) may be made without the consent of the record
1173 property owner of each parcel being removed.

1174 ~~(3)~~ (4) (a) An amendment approved by board resolution under this section may not

1175 take effect until adopted by ordinance of the legislative body of the community in which the
1176 project area that is the subject of the project area plan being amended is located.

1177 (b) Upon a community legislative body passing an ordinance adopting an amendment
1178 to a community development project area plan, the agency whose project area plan was
1179 amended shall comply with the requirements of Sections 17C-4-106 and 17C-4-107 to the
1180 same extent as if the amendment were a project area plan.

1181 ~~[(4)]~~ (5) (a) Within 30 days after the day on which an amendment to a project area plan
1182 becomes effective, a person may contest the amendment to the project area plan or the
1183 procedure used to adopt the amendment to the project area plan if the amendment or procedure
1184 fails to comply with a provision of this title.

1185 (b) After the 30-day period described in Subsection ~~[(4)]~~ (5)(a) expires, a person may
1186 not contest the amendment to the project area plan or procedure used to adopt the amendment
1187 to the project area plan for any cause.

1188 Section 19. Section 17C-5-102 is amended to read:

1189 **17C-5-102. Applicability of chapter.**

1190 This chapter applies to a community reinvestment project area that:

1191 (1) an agency created on or after May 10, 2016; and

1192 (2) an agency, that has entered into an interlocal agreement and levies a property tax
1193 under Chapter 1, Part 10, Agency Taxing Authority, created for a cooperative development
1194 project or an economic development project as those terms are defined in Section 17C-1-1001.

1195 Section 20. Section 17C-5-112 is amended to read:

1196 **17C-5-112. Amending a community reinvestment project area plan.**

1197 ~~[(1) An]~~ (1) Except as provided in Section 17C-1-1002, an agency may amend a
1198 community reinvestment project area plan in accordance with this section.

1199 (2) (a) If an amendment proposes to enlarge a community reinvestment project area's
1200 geographic area, the agency shall:

1201 (i) comply with this part as though the agency were creating a community reinvestment
1202 project area;

1203 (ii) if the agency anticipates receiving project area funds from the area proposed to be
1204 added to the community reinvestment project area, before the agency may collect project area
1205 funds:

1206 (A) for a community reinvestment project area plan that is subject to a taxing entity
1207 committee, obtain approval to receive tax increment from the taxing entity committee; or

1208 (B) for a community reinvestment project area plan that is subject to an interlocal
1209 agreement, obtain the approval of the taxing entity that is a party to the interlocal agreement;
1210 and

1211 (iii) if the agency anticipates acquiring property in the area proposed to be added to the
1212 community reinvestment project area by eminent domain, follow the procedures described in
1213 Section 17C-5-402.

1214 (b) The base year for the area proposed to be added to the community reinvestment
1215 project area shall be determined using the date of:

- 1216 (i) the taxing entity committee's consent as described in Subsection (2)(a)(ii)(A); or
- 1217 (ii) the taxing entity's consent as described in Subsection (2)(a)(ii)(B).

1218 (3) If an amendment does not propose to enlarge a community reinvestment project
1219 area's geographic area, the board may adopt a resolution approving the amendment after the
1220 agency:

1221 (a) if the amendment does not propose to allow the agency to receive a greater amount
1222 of project area funds or to extend a project area funds collection period:

- 1223 (i) gives notice in accordance with Section 17C-1-806; and
- 1224 (ii) holds a public hearing on the proposed amendment that meets the requirements
1225 described in Subsection 17C-5-104(3); or

1226 (b) if the amendment proposes to also allow the agency to receive a greater amount of
1227 project area funds or to extend a project area funds collection period:

- 1228 (i) complies with [~~Subsection~~] Subsections (3)(a)(i) and (ii); and
- 1229 (ii) (A) for a community reinvestment project area plan that is subject to a taxing entity
1230 committee, obtains approval from the taxing entity committee; or

1231 (B) for a community reinvestment project area plan that is subject to an interlocal
1232 agreement, obtains approval to receive project area funds from the taxing entity that is a party
1233 to the interlocal agreement.

1234 (4) (a) If a board has not made a determination under Part 4, Development Impediment
1235 Determination in a Community Reinvestment Project Area, but intends to use eminent domain
1236 within a community reinvestment project area, the agency may amend the community

1237 reinvestment project area plan in accordance with this Subsection (4).

1238 (b) To amend a community reinvestment project area plan as described in Subsection
1239 (4)(a), an agency shall:

1240 (i) adopt a survey area resolution that identifies each parcel that the agency intends to
1241 study to determine whether a development impediment exists;

1242 (ii) in accordance with Part 4, Development Impediment Determination in a
1243 Community Reinvestment Project Area, conduct a development impediment study within the
1244 survey area and make a development impediment determination; and

1245 (iii) obtain approval to amend the community reinvestment project area plan from each
1246 taxing entity that is a party to an interlocal agreement.

1247 (c) Amending a community reinvestment project area plan as described in this
1248 Subsection (4) does not affect:

1249 (i) the base year of the parcel or parcels that are the subject of an amendment under this
1250 Subsection (4); and

1251 (ii) any interlocal agreement under which the agency is authorized to receive project
1252 area funds from the community reinvestment project area.

1253 (5) An agency may amend a community reinvestment project area plan without
1254 obtaining the consent of a taxing entity or a taxing entity committee and without providing
1255 notice or holding a public hearing if the amendment:

1256 (a) makes a minor adjustment in the community reinvestment project area boundary
1257 that is requested by a county assessor or county auditor to avoid inconsistent property boundary
1258 lines; or

1259 (b) removes one or more parcels from a community reinvestment project area because
1260 the agency determines that each parcel is:

1261 (i) tax exempt;

1262 (ii) without a development impediment; or

1263 (iii) no longer necessary or desirable to the project area.

1264 (6) (a) An amendment approved by board resolution under this section may not take
1265 effect until the community legislative body adopts an ordinance approving the amendment.

1266 (b) Upon the community legislative body adopting an ordinance approving an
1267 amendment under Subsection (6)(a), the agency shall comply with the requirements described

1268 in Sections [17C-5-110](#) and [17C-5-111](#) as if the amendment were a community reinvestment
1269 project area plan.

1270 (7) (a) Within 30 days after the day on which an amendment to a project area plan
1271 becomes effective, a person may contest the amendment to the project area plan or the
1272 procedure used to adopt the amendment to the project area plan if the amendment or procedure
1273 fails to comply with a provision of this title.

1274 (b) After the 30-day period described in Subsection (7)(a) expires, a person may not
1275 contest the amendment to the project area plan or procedure used to adopt the amendment to
1276 the project area plan for any cause.

1277 Section 21. Section [17C-5-306](#) is amended to read:

1278 **[17C-5-306](#). Amending a community reinvestment project area budget.**

1279 (1) [~~Before~~] Except as provided in Section [17C-1-1002](#) and before a project area funds
1280 collection period ends, an agency may amend a community reinvestment project area budget in
1281 accordance with this section.

1282 (2) To amend a community reinvestment project area budget, an agency shall:

1283 (a) provide notice and hold a public hearing on the proposed amendment in accordance
1284 with Chapter 1, Part 8, Hearing and Notice Requirements;

1285 (b) (i) if the community reinvestment project area budget required approval from a
1286 taxing entity committee, obtain the taxing entity committee's approval; or

1287 (ii) if the community reinvestment project area budget required an interlocal agreement
1288 with a taxing entity, obtain approval from the taxing entity that is a party to the interlocal
1289 agreement; and

1290 (c) at the public hearing described in Subsection (2)(a) or at a subsequent board
1291 meeting, by resolution, adopt the community reinvestment project area budget amendment.

1292 (3) If an agency proposes a community reinvestment project area budget amendment
1293 under which the agency is paid a greater proportion of tax increment from the community
1294 reinvestment project area than provided under the community reinvestment project area budget,
1295 the notice described in Subsection (2)(a) shall state:

1296 (a) the percentage of tax increment paid under the community reinvestment project
1297 area budget; and

1298 (b) the proposed percentage of tax increment paid under the community reinvestment

1299 project area budget amendment.

1300 (4) (a) If an agency proposes a community reinvestment project area budget
1301 amendment that extends a project area funds collection period, before a taxing entity
1302 committee or taxing entity may provide the taxing entity committee's or taxing entity's approval
1303 described in Subsection (2)(b), the agency shall provide to the taxing entity committee or
1304 taxing entity:

1305 (i) the reasons why the extension is required;

1306 (ii) a description of the project area development for which project area funds received
1307 by the agency under the extension will be used;

1308 (iii) a statement of whether the project area funds received by the agency under the
1309 extension will be used within an active project area or a proposed project area; and

1310 (iv) a revised community reinvestment project area budget that includes:

1311 (A) the annual and total amounts of project area funds that the agency receives under
1312 the extension; and

1313 (B) the number of years that are added to each project area funds collection period
1314 under the extension.

1315 (b) With respect to an amendment described in Subsection (4)(a), a taxing entity
1316 committee or taxing entity may consent to:

1317 (i) allow an agency to use project area funds received under an extension within a
1318 different project area from which the project area funds are generated; or

1319 (ii) alter the base taxable value in connection with a community reinvestment project
1320 area budget extension.

1321 (5) If an agency proposes a community reinvestment project area budget amendment
1322 that reduces the base taxable value of the project area due to the removal of a parcel under
1323 Subsection 17C-5-112(5)(b), an agency may amend a project area budget without:

1324 (a) complying with Subsection (2)(a); and

1325 (b) obtaining taxing entity committee or taxing entity approval described in Subsection
1326 (2)(b).

1327 (6) (a) A person may contest an agency's adoption of a community reinvestment project
1328 area budget amendment within 30 days after the day on which the agency adopts the
1329 community reinvestment project area budget amendment.

1330 (b) After the 30-day period described in Subsection (6)(a), a person may not contest:

1331 (i) the agency's adoption of the community reinvestment project area budget

1332 amendment;

1333 (ii) a payment to the agency under the community reinvestment project area budget

1334 amendment; or

1335 (iii) the agency's use of project area funds received under the community reinvestment

1336 project area budget amendment.

1337 Section 22. Section **53G-7-306** is amended to read:

1338 **53G-7-306. School district interfund transfers.**

1339 (1) A school district shall spend revenues only within the fund for which they were

1340 originally authorized, levied, collected, or appropriated.

1341 (2) Except as otherwise provided in this section, school district interfund transfers of

1342 residual equity are prohibited.

1343 (3) The state board may authorize school district interfund transfers of residual equity

1344 when a district states its intent to create a new fund or expand, contract, or liquidate an existing

1345 fund.

1346 (4) The state board may also authorize school district interfund transfers of residual

1347 equity for a financially distressed district if the state board determines the following:

1348 (a) the district has a significant deficit in its maintenance and operations fund caused

1349 by circumstances not subject to the administrative decisions of the district;

1350 (b) the deficit cannot be reasonably reduced under Section **53G-7-305**; and

1351 (c) without the transfer, the school district will not be capable of meeting statewide

1352 educational standards adopted by the state board.

1353 (5) The state board shall develop by rule made in accordance with Title 63G, Chapter

1354 3, Utah Administrative Rulemaking Act, standards for defining and aiding financially

1355 distressed school districts under this section.

1356 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded

1357 and reported in the debt service fund.

1358 (b) Debt service levies under Subsection **59-2-924(5)(~~e~~)(d)** that are not subject to the

1359 public hearing provisions of Section **59-2-919** may not be used for any purpose other than

1360 retiring general obligation debt.

1361 (c) Amounts from these levies remaining in the debt service fund at the end of a fiscal
1362 year shall be used in subsequent years for general obligation debt retirement.

1363 (d) Any amounts left in the debt service fund after all general obligation debt has been
1364 retired may be transferred to the capital projects fund upon completion of the budgetary hearing
1365 process required under Section [53G-7-303](#).

1366 Section 23. Section **59-2-924** is amended to read:

1367 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
1368 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
1369 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
1370 **commission.**

1371 (1) As used in this section:

1372 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance with
1373 this chapter.

1374 (ii) "Ad valorem property tax revenue" does not include:

1375 (A) interest;

1376 (B) penalties;

1377 (C) collections from redemptions; or

1378 (D) revenue received by a taxing entity from personal property that is semiconductor
1379 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
1380 Assessment.

1381 (b) "Adjusted tax increment" means the same as that term is defined in Section
1382 [17C-1-102](#).

1383 (c) (i) "Aggregate taxable value of all property taxed" means:

1384 (A) the aggregate taxable value of all real property a county assessor assesses in
1385 accordance with Part 3, County Assessment, for the current year;

1386 (B) the aggregate taxable value of all real and personal property the commission
1387 assesses in accordance with Part 2, Assessment of Property, for the current year; and

1388 (C) the aggregate year end taxable value of all personal property a county assessor
1389 assesses in accordance with Part 3, County Assessment, contained on the prior year's tax rolls
1390 of the taxing entity.

1391 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate year

1392 end taxable value of personal property that is:

1393 (A) semiconductor manufacturing equipment assessed by a county assessor in
1394 accordance with Part 3, County Assessment; and

1395 (B) contained on the prior year's tax rolls of the taxing entity.

1396 (d) "Base taxable value" means:

1397 (i) for an authority created under Section 11-58-201, the same as that term is defined in
1398 Section 11-58-102;

1399 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
1400 in Section 17C-1-102;

1401 (iii) for an authority created under Section 63H-1-201, the same as that term is defined
1402 in Section 63H-1-102; or

1403 (iv) for a host local government, the same as that term is defined in Section 63N-2-502.

1404 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
1405 end taxable value of real and personal property the commission assesses in accordance with
1406 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
1407 2015, adjusted for taxable value attributable to:

1408 (i) an annexation to a taxing entity; or

1409 (ii) an incorrect allocation of taxable value of real or personal property the commission
1410 assesses in accordance with Part 2, Assessment of Property.

1411 (f) (i) "Centrally assessed new growth" means the greater of:

1412 (A) zero; or

1413 (B) the amount calculated by subtracting the centrally assessed benchmark value
1414 adjusted for prior year end incremental value from the taxable value of real and personal
1415 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1416 current year, adjusted for current year incremental value.

1417 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1418 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1419 commission in an administrative rule or administrative order.

1420 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1421 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1422 (h) "Community reinvestment agency" means the same as that term is defined in

1423 Section 17C-1-102.

1424 [~~(h)~~] (i) "Eligible new growth" means the greater of:

1425 (i) zero; or

1426 (ii) the sum of:

1427 (A) locally assessed new growth;

1428 (B) centrally assessed new growth; and

1429 (C) project area new growth or hotel property new growth.

1430 [~~(i)~~] (j) "Host local government" means the same as that term is defined in Section

1431 63N-2-502.

1432 [~~(j)~~] (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.

1433 [~~(k)~~] (l) "Hotel property new growth" means an amount equal to the incremental value
1434 that is no longer provided to a host local government as incremental property tax revenue.

1435 [~~(l)~~] (m) "Incremental property tax revenue" means the same as that term is defined in
1436 Section 63N-2-502.

1437 [~~(m)~~] (n) "Incremental value" means:

1438 (i) for an authority created under Section 11-58-201, the amount calculated by
1439 multiplying:

1440 (A) the difference between the taxable value and the base taxable value of the property
1441 that is located within a project area and on which property tax differential is collected; and

1442 (B) the number that represents the percentage of the property tax differential that is
1443 paid to the authority;

1444 (ii) for an agency created under Section 17C-1-201.5, the amount calculated by
1445 multiplying:

1446 (A) the difference between the taxable value and the base taxable value of the property
1447 located within a project area and on which tax increment is collected; and

1448 (B) the number that represents the adjusted tax increment from that project area that is
1449 paid to the agency;

1450 (iii) for an authority created under Section 63H-1-201, the amount calculated by
1451 multiplying:

1452 (A) the difference between the taxable value and the base taxable value of the property
1453 located within a project area and on which property tax allocation is collected; and

1454 (B) the number that represents the percentage of the property tax allocation from that
1455 project area that is paid to the authority; or

1456 (iv) for a host local government, an amount calculated by multiplying:

1457 (A) the difference between the taxable value and the base taxable value of the hotel
1458 property on which incremental property tax revenue is collected; and

1459 (B) the number that represents the percentage of the incremental property tax revenue
1460 from that hotel property that is paid to the host local government.

1461 ~~(n)~~ (o) (i) "Locally assessed new growth" means the greater of:

1462 (A) zero; or

1463 (B) the amount calculated by subtracting the year end taxable value of real property the
1464 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
1465 adjusted for prior year end incremental value from the taxable value of real property the county
1466 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
1467 for current year incremental value.

1468 (ii) "Locally assessed new growth" does not include a change in:

1469 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or
1470 another adjustment;

1471 (B) assessed value based on whether a property is allowed a residential exemption for a
1472 primary residence under Section 59-2-103;

1473 (C) assessed value based on whether a property is assessed under Part 5, Farmland
1474 Assessment Act; or

1475 (D) assessed value based on whether a property is assessed under Part 17, Urban
1476 Farming Assessment Act.

1477 ~~(o)~~ (p) "Project area" means:

1478 (i) for an authority created under Section 11-58-201, the same as that term is defined in
1479 Section 11-58-102;

1480 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
1481 in Section 17C-1-102; or

1482 (iii) for an authority created under Section 63H-1-201, the same as that term is defined
1483 in Section 63H-1-102.

1484 ~~(p)~~ (q) "Project area new growth" means:

1485 (i) for an authority created under Section 11-58-201, an amount equal to the
 1486 incremental value that is no longer provided to an authority as property tax differential;

1487 (ii) for an agency created under Section 17C-1-201.5, an amount equal to the
 1488 incremental value that is no longer provided to an agency as tax increment; or

1489 (iii) for an authority created under Section 63H-1-201, an amount equal to the
 1490 incremental value that is no longer provided to an authority as property tax allocation.

1491 (r) "Project area incremental revenue" means the same as that term is defined in
 1492 Section 17C-1-1001.

1493 ~~[(r)]~~ (s) "Property tax allocation" means the same as that term is defined in Section
 1494 63H-1-102.

1495 ~~[(r)]~~ (t) "Property tax differential" means the same as that term is defined in Section
 1496 11-58-102.

1497 ~~[(s)]~~ (u) "Tax increment" means the same as that term is defined in Section 17C-1-102.

1498 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
 1499 county auditor and the commission the following statements:

1500 (a) a statement containing the aggregate valuation of all taxable real property a county
 1501 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

1502 (b) a statement containing the taxable value of all personal property a county assessor
 1503 assesses in accordance with Part 3, County Assessment, from the prior year end values.

1504 (3) The county auditor shall, on or before June 8, transmit to the governing body of
 1505 each taxing entity:

1506 (a) the statements described in Subsections (2)(a) and (b);

1507 (b) an estimate of the revenue from personal property;

1508 (c) the certified tax rate; and

1509 (d) all forms necessary to submit a tax levy request.

1510 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
 1511 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
 1512 prior year by the amount calculated under Subsection (4)(b).

1513 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
 1514 calculate an amount as follows:

1515 (i) calculate for the taxing entity the difference between:

1516 (A) the aggregate taxable value of all property taxed; and
1517 (B) any adjustments for current year incremental value;
1518 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
1519 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
1520 average of the percentage net change in the value of taxable property for the equalization
1521 period for the three calendar years immediately preceding the current calendar year;
1522 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
1523 of:
1524 (A) the amount calculated under Subsection (4)(b)(ii); and
1525 (B) the percentage of property taxes collected for the five calendar years immediately
1526 preceding the current calendar year; and
1527 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
1528 determined by:
1529 (A) multiplying the percentage of property taxes collected for the five calendar years
1530 immediately preceding the current calendar year by eligible new growth; and
1531 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
1532 calculated under Subsection (4)(b)(iii).
1533 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be
1534 calculated as follows:
1535 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
1536 tax rate is zero;
1537 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
1538 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
1539 services under Sections 17-34-1 and 17-36-9; and
1540 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
1541 purposes and such other levies imposed solely for the municipal-type services identified in
1542 Section 17-34-1 and Subsection 17-36-3(23); ~~and~~
1543 (c) for a community reinvestment agency that received all or a portion of a taxing
1544 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1, Part 10,
1545 Agency Taxing Authority, the certified tax rate is calculated as described in Subsection (4)
1546 except that the commission shall treat the total revenue transferred to the community

1547 reinvestment agency as ad valorem property tax revenue that the taxing entity budgeted for the
1548 prior year; and

1549 ~~(c)~~ (d) for debt service voted on by the public, the certified tax rate is the actual levy
1550 imposed by that section, except that a certified tax rate for the following levies shall be
1551 calculated in accordance with Section 59-2-913 and this section:

1552 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
1553 (ii) a levy to pay for the costs of state legislative mandates or judicial or administrative
1554 orders under Section 59-2-1602.

1555 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
1556 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
1557 eligible judgments.

1558 (b) The ad valorem property tax revenue generated by a judgment levy described in
1559 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
1560 rate.

1561 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1562 (i) the taxable value of real property:

1563 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
1564 (B) contained on the assessment roll;

1565 (ii) the year end taxable value of personal property:

1566 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
1567 (B) contained on the prior year's assessment roll; and

1568 (iii) the taxable value of real and personal property the commission assesses in
1569 accordance with Part 2, Assessment of Property.

1570 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
1571 growth.

1572 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

1573 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
1574 notify the county auditor of:

1575 (i) the taxing entity's intent to exceed the certified tax rate; and

1576 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

1577 (c) The county auditor shall notify property owners of any intent to levy a tax rate that

1578 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1579 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
1580 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
1581 Committee if:

1582 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
1583 taxable value of the real and personal property the commission assesses in accordance with
1584 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
1585 value; and

1586 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
1587 taxable value of the real and personal property of a taxpayer the commission assesses in
1588 accordance with Part 2, Assessment of Property, for the previous year.

1589 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
1590 subtracting the taxable value of real and personal property the commission assesses in
1591 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
1592 incremental value, from the year end taxable value of the real and personal property the
1593 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
1594 adjusted for prior year end incremental value.

1595 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1596 subtracting the total taxable value of real and personal property of a taxpayer the commission
1597 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
1598 year end taxable value of the real and personal property of a taxpayer the commission assesses
1599 in accordance with Part 2, Assessment of Property, for the previous year.

1600 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
1601 the requirement under Subsection (9)(a)(ii).