

Representative Stephen G. Handy proposes the following substitute bill:

HOUSING AND TRANSIT REINVESTMENT ZONE ACT

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Stephen G. Handy

LONG TITLE

General Description:

This bill enacts the Housing and Transit Reinvestment Zone Act.

Highlighted Provisions:

This bill:

- ▶ enacts the Housing and Transit Reinvestment Zone Act;
- ▶ defines terms;
- ▶ establishes objectives and requirements for a municipality or public transit county to create a housing and transit reinvestment zone to capture tax increment revenue within a defined area around certain public transit facilities;
 - ▶ requires a municipality or public transit county to submit a housing and transit reinvestment zone proposal to the Governor's Office of Economic Development;
 - ▶ requires the Governor's Office of Economic Development to initiate an analysis of the feasibility, efficiency, and other aspects of the proposed housing and transit reinvestment zone;
 - ▶ creates and defines membership of a committee to review the proposed housing and transit reinvestment zone;
 - ▶ requires the committee to evaluate the proposed housing and transit reinvestment zone and approve if certain criteria are met;



- 26 ▶ requires participation from local taxing entities if the housing and transit
- 27 reinvestment zone proposal meets the statutory requirements and is approved by the
- 28 committee;
- 29 ▶ defines permitted uses and administration of tax increment revenue generated
- 30 pursuant to the housing and transit reinvestment zone;
- 31 ▶ provides procedures for a housing and transit reinvestment zone that overlaps with a
- 32 community reinvestment project;
- 33 ▶ provides for certain protections of tax increment revenues;
- 34 ▶ requires a certain portion of sales and use tax increment generated within a sales and
- 35 use tax boundary that corresponds to the housing and transit reinvestment zone
- 36 boundary to be deposited into the Transit Transportation Investment Fund;
- 37 ▶ amends provisions related to prioritization of certain funds related to transportation
- 38 for a project that is part of an housing and transit reinvestment zone; and
- 39 ▶ makes technical changes.

40 Money Appropriated in this Bill:

41 None

42 Other Special Clauses:

43 This bill provides a special effective date.

44 Utah Code Sections Affected:

45 AMENDS:

- 46 **59-12-103**, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20
- 47 **72-1-102**, as last amended by Laws of Utah 2020, Chapters 243 and 377
- 48 **72-1-304**, as last amended by Laws of Utah 2020, Chapter 377
- 49 **72-2-124**, as last amended by Laws of Utah 2020, Chapters 366 and 377
- 50 **72-2-201**, as last amended by Laws of Utah 2020, Chapter 366

51 ENACTS:

- 52 **63N-3-601**, Utah Code Annotated 1953
- 53 **63N-3-602**, Utah Code Annotated 1953
- 54 **63N-3-603**, Utah Code Annotated 1953
- 55 **63N-3-604**, Utah Code Annotated 1953
- 56 **63N-3-605**, Utah Code Annotated 1953

- 57 **63N-3-606**, Utah Code Annotated 1953
- 58 **63N-3-607**, Utah Code Annotated 1953
- 59 **63N-3-608**, Utah Code Annotated 1953
- 60 **63N-3-609**, Utah Code Annotated 1953
- 61 **63N-3-610**, Utah Code Annotated 1953



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

64 Section 1. Section **59-12-103** is amended to read:

65 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
66 **tax revenues.**

67 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
68 sales price for amounts paid or charged for the following transactions:

69 (a) retail sales of tangible personal property made within the state;

70 (b) amounts paid for:

71 (i) telecommunications service, other than mobile telecommunications service, that
72 originates and terminates within the boundaries of this state;

73 (ii) mobile telecommunications service that originates and terminates within the
74 boundaries of one state only to the extent permitted by the Mobile Telecommunications
75 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

76 (iii) an ancillary service associated with a:

77 (A) telecommunications service described in Subsection (1)(b)(i); or

78 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

79 (c) sales of the following for commercial use:

80 (i) gas;

81 (ii) electricity;

82 (iii) heat;

83 (iv) coal;

84 (v) fuel oil; or

85 (vi) other fuels;

86 (d) sales of the following for residential use:

87 (i) gas;

- 88 (ii) electricity;
- 89 (iii) heat;
- 90 (iv) coal;
- 91 (v) fuel oil; or
- 92 (vi) other fuels;
- 93 (e) sales of prepared food;
- 94 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 95 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 96 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 97 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 98 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 99 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 100 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 101 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 102 exhibition, cultural, or athletic activity;
- 103 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 104 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 105 (i) the tangible personal property; and
- 106 (ii) parts used in the repairs or renovations of the tangible personal property described
- 107 in Subsection (1)(g)(i), regardless of whether:
- 108 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 109 property; or
- 110 (B) the particular parts used in the repairs or renovations of that tangible personal
- 111 property are exempt from a tax under this chapter;
- 112 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 113 assisted cleaning or washing of tangible personal property;
- 114 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 115 accommodations and services that are regularly rented for less than 30 consecutive days;
- 116 (j) amounts paid or charged for laundry or dry cleaning services;
- 117 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 118 this state the tangible personal property is:

- 119 (i) stored;
- 120 (ii) used; or
- 121 (iii) otherwise consumed;
- 122 (l) amounts paid or charged for tangible personal property if within this state the
- 123 tangible personal property is:
 - 124 (i) stored;
 - 125 (ii) used; or
 - 126 (iii) consumed; and
 - 127 (m) amounts paid or charged for a sale:
 - 128 (i) (A) of a product transferred electronically; or
 - 129 (B) of a repair or renovation of a product transferred electronically; and
 - 130 (ii) regardless of whether the sale provides:
 - 131 (A) a right of permanent use of the product; or
 - 132 (B) a right to use the product that is less than a permanent use, including a right:
 - 133 (I) for a definite or specified length of time; and
 - 134 (II) that terminates upon the occurrence of a condition.
 - 135 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
 - 136 are imposed on a transaction described in Subsection (1) equal to the sum of:
 - 137 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - 138 (A) (I) through March 31, 2019, 4.70%; and
 - 139 (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (13)(a);
 - 140 and
 - 141 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
 - 142 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
 - 143 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
 - 144 State Sales and Use Tax Act; and
 - 145 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
 - 146 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
 - 147 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
 - 148 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - 149 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

150 transaction under this chapter other than this part.

151 (b) Except as provided in Subsection (2)(d) or (e) and subject to Subsection (2)(j), a
152 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
153 the sum of:

154 (i) a state tax imposed on the transaction at a tax rate of 2%; and

155 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
156 transaction under this chapter other than this part.

157 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax are
158 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

159 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
160 a tax rate of 1.75%; and

161 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
162 amounts paid or charged for food and food ingredients under this chapter other than this part.

163 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
164 tangible personal property other than food and food ingredients, a state tax and a local tax is
165 imposed on the entire bundled transaction equal to the sum of:

166 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

167 (I) the tax rate described in Subsection (2)(a)(i)(A); and

168 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
169 Sales and Use Tax Act, if the location of the transaction as determined under Sections
170 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
171 Additional State Sales and Use Tax Act; and

172 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
173 Sales and Use Tax Act, if the location of the transaction as determined under Sections
174 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
175 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

176 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
177 described in Subsection (2)(a)(ii).

178 (ii) If an optional computer software maintenance contract is a bundled transaction that
179 consists of taxable and nontaxable products that are not separately itemized on an invoice or
180 similar billing document, the purchase of the optional computer software maintenance contract

181 is 40% taxable under this chapter and 60% nontaxable under this chapter.

182 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
183 transaction described in Subsection (2)(d)(i) or (ii):

184 (A) if the sales price of the bundled transaction is attributable to tangible personal
185 property, a product, or a service that is subject to taxation under this chapter and tangible
186 personal property, a product, or service that is not subject to taxation under this chapter, the
187 entire bundled transaction is subject to taxation under this chapter unless:

188 (I) the seller is able to identify by reasonable and verifiable standards the tangible
189 personal property, product, or service that is not subject to taxation under this chapter from the
190 books and records the seller keeps in the seller's regular course of business; or

191 (II) state or federal law provides otherwise; or

192 (B) if the sales price of a bundled transaction is attributable to two or more items of
193 tangible personal property, products, or services that are subject to taxation under this chapter
194 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
195 higher tax rate unless:

196 (I) the seller is able to identify by reasonable and verifiable standards the tangible
197 personal property, product, or service that is subject to taxation under this chapter at the lower
198 tax rate from the books and records the seller keeps in the seller's regular course of business; or

199 (II) state or federal law provides otherwise.

200 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
201 seller's regular course of business includes books and records the seller keeps in the regular
202 course of business for nontax purposes.

203 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
204 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
205 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
206 of tangible personal property, other property, a product, or a service that is not subject to
207 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
208 the seller, at the time of the transaction:

209 (A) separately states the portion of the transaction that is not subject to taxation under
210 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

211 (B) is able to identify by reasonable and verifiable standards, from the books and

212 records the seller keeps in the seller's regular course of business, the portion of the transaction
213 that is not subject to taxation under this chapter.

214 (ii) A purchaser and a seller may correct the taxability of a transaction if:

215 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
216 the transaction that is not subject to taxation under this chapter was not separately stated on an
217 invoice, bill of sale, or similar document provided to the purchaser because of an error or
218 ignorance of the law; and

219 (B) the seller is able to identify by reasonable and verifiable standards, from the books
220 and records the seller keeps in the seller's regular course of business, the portion of the
221 transaction that is not subject to taxation under this chapter.

222 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
223 in the seller's regular course of business includes books and records the seller keeps in the
224 regular course of business for nontax purposes.

225 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
226 personal property, products, or services that are subject to taxation under this chapter at
227 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
228 unless the seller, at the time of the transaction:

229 (A) separately states the items subject to taxation under this chapter at each of the
230 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

231 (B) is able to identify by reasonable and verifiable standards the tangible personal
232 property, product, or service that is subject to taxation under this chapter at the lower tax rate
233 from the books and records the seller keeps in the seller's regular course of business.

234 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
235 seller's regular course of business includes books and records the seller keeps in the regular
236 course of business for nontax purposes.

237 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
238 rate imposed under the following shall take effect on the first day of a calendar quarter:

239 (i) Subsection (2)(a)(i)(A);

240 (ii) Subsection (2)(b)(i);

241 (iii) Subsection (2)(c)(i); or

242 (iv) Subsection (2)(d)(i)(A)(I).

243 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
244 begins on or after the effective date of the tax rate increase if the billing period for the
245 transaction begins before the effective date of a tax rate increase imposed under:

- 246 (A) Subsection (2)(a)(i)(A);
- 247 (B) Subsection (2)(b)(i);
- 248 (C) Subsection (2)(c)(i); or
- 249 (D) Subsection (2)(d)(i)(A)(I).

250 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
251 statement for the billing period is rendered on or after the effective date of the repeal of the tax
252 or the tax rate decrease imposed under:

- 253 (A) Subsection (2)(a)(i)(A);
- 254 (B) Subsection (2)(b)(i);
- 255 (C) Subsection (2)(c)(i); or
- 256 (D) Subsection (2)(d)(i)(A)(I).

257 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
258 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
259 change in a tax rate takes effect:

- 260 (A) on the first day of a calendar quarter; and
- 261 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

262 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- 263 (A) Subsection (2)(a)(i)(A);
- 264 (B) Subsection (2)(b)(i);
- 265 (C) Subsection (2)(c)(i); or
- 266 (D) Subsection (2)(d)(i)(A)(I).

267 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
268 the commission may by rule define the term "catalogue sale."

269 (j) (i) For a location described in Subsection (2)(j)(ii), the commission shall determine
270 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
271 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

272 (ii) Subsection (2)(j)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
273 or other fuel is furnished through a single meter for two or more of the following uses:

- 274 (A) a commercial use;
- 275 (B) an industrial use; or
- 276 (C) a residential use.
- 277 (3) (a) The following state taxes shall be deposited into the General Fund:
- 278 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 279 (ii) the tax imposed by Subsection (2)(b)(i);
- 280 (iii) the tax imposed by Subsection (2)(c)(i); or
- 281 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 282 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 283 in this chapter:
- 284 (i) the tax imposed by Subsection (2)(a)(ii);
- 285 (ii) the tax imposed by Subsection (2)(b)(ii);
- 286 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 287 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 288 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 289 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 290 through (g):
- 291 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 292 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 293 (B) for the fiscal year; or
- 294 (ii) \$17,500,000.
- 295 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 296 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
- 297 Department of Natural Resources to:
- 298 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 299 protect sensitive plant and animal species; or
- 300 (B) award grants, up to the amount authorized by the Legislature in an appropriations
- 301 act, to political subdivisions of the state to implement the measures described in Subsections
- 302 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- 303 (ii) Money transferred to the Department of Natural Resources under Subsection
- 304 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

305 person to list or attempt to have listed a species as threatened or endangered under the
306 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

307 (iii) At the end of each fiscal year:

308 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
309 Conservation and Development Fund created in Section 73-10-24;

310 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
311 Program Subaccount created in Section 73-10c-5; and

312 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
313 Program Subaccount created in Section 73-10c-5.

314 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
315 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
316 created in Section 4-18-106.

317 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
318 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
319 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
320 water rights.

321 (ii) At the end of each fiscal year:

322 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
323 Conservation and Development Fund created in Section 73-10-24;

324 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
325 Program Subaccount created in Section 73-10c-5; and

326 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
327 Program Subaccount created in Section 73-10c-5.

328 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
329 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
330 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

331 (ii) In addition to the uses allowed of the Water Resources Conservation and
332 Development Fund under Section 73-10-24, the Water Resources Conservation and
333 Development Fund may also be used to:

334 (A) conduct hydrologic and geotechnical investigations by the Division of Water
335 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

336 quantifying surface and ground water resources and describing the hydrologic systems of an
337 area in sufficient detail so as to enable local and state resource managers to plan for and
338 accommodate growth in water use without jeopardizing the resource;

339 (B) fund state required dam safety improvements; and

340 (C) protect the state's interest in interstate water compact allocations, including the
341 hiring of technical and legal staff.

342 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
343 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
344 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

345 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
346 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
347 created in Section 73-10c-5 for use by the Division of Drinking Water to:

348 (i) provide for the installation and repair of collection, treatment, storage, and
349 distribution facilities for any public water system, as defined in Section 19-4-102;

350 (ii) develop underground sources of water, including springs and wells; and

351 (iii) develop surface water sources.

352 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
353 2006, the difference between the following amounts shall be expended as provided in this
354 Subsection (5), if that difference is greater than \$1:

355 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
356 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

357 (ii) \$17,500,000.

358 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

359 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
360 credits; and

361 (B) expended by the Department of Natural Resources for watershed rehabilitation or
362 restoration.

363 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
364 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
365 created in Section 73-10-24.

366 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

367 remaining difference described in Subsection (5)(a) shall be:

368 (A) transferred each fiscal year to the Division of Water Resources as dedicated
369 credits; and

370 (B) expended by the Division of Water Resources for cloud-seeding projects
371 authorized by Title 73, Chapter 15, Modification of Weather.

372 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
373 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
374 created in Section 73-10-24.

375 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
376 remaining difference described in Subsection (5)(a) shall be deposited into the Water
377 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
378 Division of Water Resources for:

379 (i) preconstruction costs:

380 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
381 26, Bear River Development Act; and

382 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
383 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

384 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
385 Chapter 26, Bear River Development Act;

386 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
387 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

388 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
389 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

390 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
391 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
392 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
393 incurred for employing additional technical staff for the administration of water rights.

394 (f) At the end of each fiscal year, any unexpended dedicated credits described in
395 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
396 Fund created in Section 73-10-24.

397 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the

398 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
399 (1) for the fiscal year shall be deposited as follows:

400 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
401 shall be deposited into the Transportation Investment Fund of 2005 created by Section
402 72-2-124;

403 (b) for fiscal year 2017-18 only:

404 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
405 Transportation Investment Fund of 2005 created by Section 72-2-124; and

406 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
407 Water Infrastructure Restricted Account created by Section 73-10g-103;

408 (c) for fiscal year 2018-19 only:

409 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
410 Transportation Investment Fund of 2005 created by Section 72-2-124; and

411 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
412 Water Infrastructure Restricted Account created by Section 73-10g-103;

413 (d) for fiscal year 2019-20 only:

414 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
415 Transportation Investment Fund of 2005 created by Section 72-2-124; and

416 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
417 Water Infrastructure Restricted Account created by Section 73-10g-103;

418 (e) for fiscal year 2020-21 only:

419 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
420 Transportation Investment Fund of 2005 created by Section 72-2-124; and

421 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
422 Water Infrastructure Restricted Account created by Section 73-10g-103; and

423 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
424 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
425 created by Section 73-10g-103.

426 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
427 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
428 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

429 created by Section [72-2-124](#):

430 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
431 the revenues collected from the following taxes, which represents a portion of the
432 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
433 on vehicles and vehicle-related products:

434 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

435 (B) the tax imposed by Subsection (2)(b)(i);

436 (C) the tax imposed by Subsection (2)(c)(i); and

437 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

438 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
439 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
440 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
441 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

442 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
443 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
444 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
445 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
446 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
447 (7)(a) equal to the product of:

448 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the
449 previous fiscal year; and

450 (B) the total sales and use tax revenue generated by the taxes described in Subsections
451 (7)(a)(i)(A) through (D) in the current fiscal year.

452 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
453 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
454 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
455 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
456 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

457 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
458 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
459 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues

460 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
461 current fiscal year under Subsection (7)(a).

462 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
463 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
464 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
465 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

466 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
467 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
468 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
469 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

470 (c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
471 Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or
472 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
473 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)
474 in an amount equal to 3.68% of the revenues collected from the following taxes:

475 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

476 (B) the tax imposed by Subsection (2)(b)(i);

477 (C) the tax imposed by Subsection (2)(c)(i); and

478 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

479 (ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
480 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)
481 by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year
482 by the portion of the tax imposed on motor and special fuel that is sold, used, or received for
483 sale or use in this state that exceeds 29.4 cents per gallon.

484 (iii) The commission shall annually deposit the amount described in Subsection
485 (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section [72-2-124](#).

486 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
487 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
488 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

489 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
490 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17

491 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
492 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
493 the transactions described in Subsection (1).

494 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
495 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
496 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
497 amount of revenue described as follows:

498 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
499 tax rate on the transactions described in Subsection (1);

500 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
501 tax rate on the transactions described in Subsection (1);

502 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
503 tax rate on the transactions described in Subsection (1);

504 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
505 .05% tax rate on the transactions described in Subsection (1); and

506 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
507 tax rate on the transactions described in Subsection (1).

508 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
509 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
510 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
511 transaction attributable to food and food ingredients and tangible personal property other than
512 food and food ingredients described in Subsection (2)(d).

513 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
514 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
515 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
516 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
517 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
518 created in Section 63N-2-512.

519 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
520 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
521 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

522 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
523 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
524 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section [35A-8-308](#).

525 (13) (a) The rate specified in this subsection is 0.15%.

526 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

527 (i) on or before September 30, 2019, transfer the amount of revenue collected from the
528 rate described in Subsection (13)(a) beginning on April 1, 2019, and ending on June 30, 2019,
529 on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into
530 the Medicaid Expansion Fund created in Section [26-36b-208](#); and

531 (ii) for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of
532 revenue collected from the rate described in Subsection (13)(a) on the transactions that are
533 subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion
534 Fund created in Section [26-36b-208](#).

535 (14) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
536 2020-21, the Division of Finance shall deposit \$200,000 into the General Fund as a dedicated
537 credit solely for use of the Search and Rescue Financial Assistance Program created in, and
538 expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

539 (15) (a) For each fiscal year beginning with fiscal year 2020-21, the Division of
540 Finance shall annually transfer \$1,813,400 of the revenue deposited into the Transportation
541 Investment Fund of 2005 under Subsections (6) through (8) to the General Fund.

542 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
543 under Subsections (6) through (8) is less than \$1,813,400 for a fiscal year, the Division of
544 Finance shall transfer the total revenue deposited into the Transportation Investment Fund of
545 2005 under Subsections (6) through (8) during the fiscal year to the General Fund.

546 (16) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),
547 beginning one year after the sales and use tax boundary for a housing and transit reinvestment
548 zone is established, the commission, at least annually, shall transfer an amount equal to 15% of
549 the sales and use tax increment within an established sales and use tax boundary, as defined in
550 Section [63N-3-602](#), into the Transit Transportation Investment Fund created in Section
551 [72-2-124](#).

552 Section 2. Section [63N-3-601](#) is enacted to read:

553 **Part 6. Housing and Transit Reinvestment Zone Act**

554 **63N-3-601. Title.**

555 This part is known as the "Housing and Transit Reinvestment Zone Act."

556 Section 3. Section **63N-3-602** is enacted to read:

557 **63N-3-602. Definitions.**

558 As used in this part:

559 (1) "Affordable housing" means the same as that term is defined in Section [11-38-102](#).

560 (2) "Agency" means the same as that term is defined in Section [17C-1-102](#).

561 (3) "Base taxable value" means a property's taxable value as shown upon the
562 assessment roll last equalized during the base year.

563 (4) "Base year" means, for a proposed housing and transit reinvestment zone area, a
564 year determined by the last equalized tax roll before the adoption of the housing and transit
565 reinvestment zone.

566 (5) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a
567 large public transit district.

568 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
569 transit district.

570 (6) "Commuter rail station" means a station, stop, or terminal along an existing
571 commuter rail line, or along an extension to an existing commuter rail line or new commuter
572 rail line that is included in a metropolitan planning organization's adopted long-range
573 transportation plan.

574 (7) "Dwelling unit" means one or more rooms arranged for the use of one or more
575 individuals living together, as a single housekeeping unit normally having cooking, living,
576 sanitary, and sleeping facilities.

577 (8) "Enhanced development" means the construction of mixed uses including housing,
578 commercial uses, and related facilities, at an average density of 50 dwelling units or more per
579 acre on the developable acres.

580 (9) "Enhanced development costs" means extra costs associated with structured
581 parking costs, vertical construction costs, horizontal construction costs, life safety costs,
582 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height
583 of buildings or enhanced development.

584 (10) "Horizontal construction costs" means the additional costs associated with
585 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to
586 achieve enhanced development in the housing and transit reinvestment zone.

587 (11) "Housing and transit reinvestment zone" means a housing and transit reinvestment
588 zone created pursuant to this part.

589 (12) "Housing and transit reinvestment zone committee" means a housing and transit
590 reinvestment committee created pursuant to Section [63N-3-605](#).

591 (13) "Large public transit district" means the same as that term is defined in Section
592 [17B-2a-802](#).

593 (14) "Metropolitan planning organization" means the same as that term is defined in
594 Section [72-1-208.5](#).

595 (15) "Mixed use development" means development with a mix of multi-family
596 residential use and at least one additional land use.

597 (16) "Municipality" means the same as that term is defined in Section [10-1-104](#).

598 (17) "Participant" means the same as that term is defined in Section [17C-1-102](#).

599 (18) "Participation agreement" means the same as that term is defined in Section
600 [17C-1-102](#).

601 (19) "Public transit county" means a county that has created a small public transit
602 district.

603 (20) "Public transit hub" means a public transit depot or station where four or more
604 routes serving separate parts of the county-created transit district stop to transfer riders between
605 routes.

606 (21) "Sales and use tax base year" means a sales and use tax year determined by the
607 first year pertaining to the tax imposed in Section [59-12-103](#) after the sales and use tax
608 boundary for a housing and transit reinvestment zone is established.

609 (22) "Sales and use tax boundary" means a boundary created as described in Section
610 [63N-3-604](#), based on state sales and use tax collection that corresponds as closely as reasonably
611 practicable to the housing and transit reinvestment zone boundary.

612 (23) "Sales and use tax increment" means the difference between:

613 (a) the amount of state sales and use tax revenue generated each year following the
614 sales and use tax base year by the sales and use tax from the area within a housing and transit

615 reinvestment zone designated in the housing and transit reinvestment zone proposal as the area
616 from which sales and use tax increment is to be collected; and

617 (b) the amount of state sales and use tax revenue that was generated from that same
618 area during the sales and use tax base year.

619 (24) "Sales and use tax revenue" means revenue that is generated from the tax imposed
620 under Section [59-12-103](#).

621 (25) "Small public transit district" means the same as that term is defined in Section
622 [17B-2a-802](#).

623 (26) "Tax commission" means the State Tax Commission created in Section [59-1-201](#).

624 (27) "Tax increment" means the difference between:

625 (a) the amount of property tax revenue generated each tax year by a taxing entity from
626 the area within a housing and transit reinvestment zone designated in the housing and transit
627 reinvestment zone proposal as the area from which tax increment is to be collected, using the
628 current assessed value and each taxing entity's current certified tax rate as defined in Section
629 [59-2-924](#); and

630 (b) the amount of property tax revenue that would be generated from that same area
631 using the base taxable value and each taxing entity's current certified tax rate as defined in
632 Section [59-2-924](#).

633 (28) "Taxing entity" means the same as that term is defined in Section [17C-1-102](#).

634 (29) "Vertical construction costs" means the additional costs associated with
635 construction above four stories and structured parking to achieve enhanced development in the
636 housing and transit reinvestment zone.

637 Section 4. Section **63N-3-603** is enacted to read:

638 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**
639 **reinvestment zone.**

640 (1) A housing and transit reinvestment zone proposal created under this part shall
641 promote the following objectives:

642 (a) higher utilization of public transit;

643 (b) increasing availability of housing, including affordable housing;

644 (c) conservation of water resources through efficient land use;

645 (d) improving air quality by reducing fuel consumption and motor vehicle trips;

646 (e) encouraging transformative mixed-use development and investment in
647 transportation and public transit infrastructure in strategic areas;

648 (f) strategic land use and municipal planning in major transit investment corridors as
649 described in Subsections 10-9a-403(3) and (4); and

650 (g) increasing access to employment and educational opportunities.

651 (2) In order to accomplish the objectives described in Subsection (1), a municipality or
652 public transit county that initiates the process to create a housing and transit reinvestment zone
653 as described in this part shall ensure that the proposal for a housing and transit reinvestment
654 zone includes:

655 (a) except as provided in Subsection (3), at least 10% of the proposed housing units
656 within the housing and transit reinvestment zone are affordable housing units;

657 (b) a dedication of at least 51% of the developable area within the housing and transit
658 reinvestment zone to residential development with an average of 50 multi-family dwelling
659 units per acre or greater; and

660 (c) mixed-use development.

661 (3) A municipality or public transit county that, at the time the housing and transit
662 reinvestment zone proposal is approved by the housing and transit reinvestment zone
663 committee, meets the affordable housing guidelines of the United States Department of
664 Housing and Urban Development at 60% area median income is exempt from the requirement
665 described in Subsection (2)(a).

666 (4) A municipality or public transit county may only propose a housing and transit
667 reinvestment zone that:

668 (a) subject to Subsection (5):

669 (i) (A) for a municipality, does not exceed a 1/3 mile radius of a commuter rail station;

670 or

671 (B) for a public transit county, does not exceed a 1/3 mile radius of a public transit
672 hub; and

673 (ii) has a total area of no more than 125 noncontiguous square acres;

674 (b) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
675 taxing entity's tax increment above the base year for a term of no more than 25 consecutive
676 years on each parcel within a 45-year period not to exceed the tax increment amount approved

677 in the housing and transit reinvestment zone proposal; and

678 (c) the commencement of collection of tax increment, for all or a portion of the
679 housing and transit reinvestment zone, will be triggered by providing notice as described in
680 Subsection (6).

681 (5) If a parcel is bisected by the 1/3 mile radius, the full parcel may be included as part
682 of the housing and transit reinvestment zone area and will not count against the limitations
683 described in Subsection (4)(a).

684 (6) The notice of commencement of collection of tax increment required in Subsection
685 (4)(c) shall be sent by mail or electronically to:

686 (a) the tax commission;

687 (b) the State Board of Education;

688 (c) the state auditor;

689 (d) the auditor of the county in which the housing and transit reinvestment zone is
690 located;

691 (e) each taxing entity affected by the collection of tax increment from the housing and
692 transit reinvestment zone; and

693 (f) the Governor's Office of Economic Development.

694 Section 5. Section **63N-3-604** is enacted to read:

695 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**
696 **Analysis.**

697 (1) Subject to approval of the housing and transit reinvestment zone committee as
698 described in Section [63N-3-605](#), in order to create a housing and transit reinvestment zone, a
699 municipality or public transit county that has general land use authority over the housing and
700 transit reinvestment zone area, shall:

701 (a) prepare a proposal for the housing and transit reinvestment zone that:

702 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the
703 objectives described in Subsection [63N-3-603\(1\)](#);

704 (ii) explains how the municipality or public transit county will achieve the
705 requirements of Subsection [63N-3-603\(2\)\(a\)](#);

706 (iii) defines the specific transportation infrastructure needs, if any, and proposed
707 improvements;

708 (iv) defines the boundaries of:
709 (A) the housing and transit reinvestment zone; and
710 (B) the sales and use tax boundary corresponding to the housing and transit
711 reinvestment zone boundary, as described in Section 63N-3-610;
712 (v) identifies any development impediments that prevent the development from being a
713 market-rate investment and proposed strategies for addressing each one;
714 (vi) describes the proposed development plan, including the requirements described in
715 Subsections 63N-3-603(2) and (4);
716 (vii) establishes a base year and collection period to calculate the tax increment within
717 the housing and transit reinvestment zone;
718 (viii) establishes a sales and use tax base year to calculate the sales and use tax
719 increment within the housing and transit reinvestment zone;
720 (ix) describes projected maximum revenues generated and the amount of tax increment
721 capture from each taxing entity and proposed expenditures of revenue derived from the housing
722 and transit reinvestment zone;
723 (x) includes an analysis of other applicable or eligible incentives, grants, or sources of
724 revenue that can be used to reduce the finance gap;
725 (xi) proposes a finance schedule to align expected revenue with required financing
726 costs and payments; and
727 (xii) provides a pro-forma for the planned development including the cost differential
728 between surface parked multi-family development and enhanced development that satisfies the
729 requirements described in Subsections 63N-3-603(2), (3), and (4); and
730 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
731 of Economic Development.
732 (2) Before submitting the proposed housing and transit reinvestment zone to the
733 Governor's Office of Economic Development as described in Subsection (1)(b), the
734 municipality or public transit county proposing the housing and transit reinvestment zone shall
735 ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a
736 manner to accommodate the requirements of a housing and transit reinvestment zone described
737 in this section and the proposed development.
738 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's

739 Office of Economic Development shall, at the expense of the proposing municipality or public
740 transit county as described in Subsection (5), contract with an independent entity to perform the
741 gap analysis described in Subsection (3)(b).

742 (b) The gap analysis required in Subsection (3)(a) shall include:

743 (i) a description of the planned development;

744 (ii) a market analysis relative to other comparable project developments included in or
745 adjacent to the municipality or public transit county absent the proposed housing and transit
746 reinvestment zone;

747 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency
748 of the proposal; and

749 (iv) based on the market analysis and other findings, an opinion relative to the amount
750 of potential public financing reasonably determined to be necessary to achieve the objectives
751 described in Subsection 63N-3-603(1).

752 (4) After receiving the results from the analysis described in Subsection (3)(b), the
753 municipality or public transit county proposing the housing and transit reinvestment zone may:

754 (a) amend the housing and transit reinvestment zone proposal based on the findings of
755 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic
756 Development submit the amended housing and transit reinvestment zone proposal to the
757 housing and transit reinvestment zone committee; or

758 (b) request that the Governor's Office of Economic Development submit the original
759 housing and transit reinvestment zone proposal to the housing and transit reinvestment zone
760 committee.

761 (5) (a) The Governor's Office of Economic Development may accept, as a dedicated
762 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap
763 analysis described in Section (3)(b).

764 (b) The Governor's Office of Economic Development may expend funds received from
765 a municipality or public transit county as dedicated credits to pay for the costs associated with
766 the gap analysis described in Subsection (3)(b).

767 Section 6. Section 63N-3-605 is enacted to read:

768 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

769 (1) For any housing and transit reinvestment zone proposed under this part, there is

770 created a housing and transit reinvestment zone committee with membership described in
771 Subsection (2).

772 (2) Each housing and transit reinvestment zone committee shall consist of the
773 following members:

774 (a) one representative from the Governor's Office of Economic Development,
775 designated by the executive director of the Governor's Office of Economic Development;

776 (b) one representative from each municipality that is a party to the proposed housing
777 and transit reinvestment zone, designated by the chief executive officer of each respective
778 municipality;

779 (c) one representative from the Department of Transportation created in Section
780 [72-1-201](#), designated by the executive director of the Department of Transportation;

781 (d) one representative from a large public transit district that serves the proposed
782 housing and transit reinvestment zone area, designated by the chair of the board of trustees
783 large public transit district;

784 (e) one representative of each relevant metropolitan planning organization, designated
785 by the chair of the metropolitan planning organization;

786 (f) one member designated by the president of the Senate;

787 (g) one member designated by the speaker of the House of Representatives;

788 (h) one member designated by the chair of the State Board of Education;

789 (i) one member designated by the chief executive officer of each county affected by the
790 housing and transit reinvestment zone;

791 (j) one representative designated by the school superintendent from the school district
792 affected by the housing and transit reinvestment zone; and

793 (k) one representative, representing the largest participating local taxing entity, after
794 the municipality, county, and school district.

795 (3) The individual designated by the Governor's Office of Economic Development as
796 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone
797 committee.

798 (4) (a) A majority of the members of the housing and transit reinvestment zone
799 committee constitutes a quorum of the housing and transit reinvestment zone committee.

800 (b) An action by a majority of a quorum of the housing and transit reinvestment zone

801 committee is an action of the housing and transit reinvestment zone committee.

802 (5) After the Governor's Office of Economic Development receives the results of the
803 analysis described in Section 63N-3-604, and after the Governor's Office of Economic
804 Development has received a request from the submitting municipality or public transit county
805 to submit the housing and transit reinvestment zone proposal to the housing and transit
806 reinvestment zone committee, the Governor's Office of Economic Development shall notify
807 each of the entities described in Subsection (2) of the formation of the housing and transit
808 reinvestment zone committee.

809 (6) (a) The chair of the housing and transit reinvestment zone committee shall convene
810 a public meeting to consider the proposed housing and transit reinvestment zone.

811 (b) A meeting of the housing and transit reinvestment zone committee is subject to
812 Title 52, Chapter 4, Open and Public Meetings Act.

813 (7) (a) The proposing municipality or public transit county shall present the housing
814 and transit reinvestment zone proposal to the housing and transit reinvestment zone committee
815 in a public meeting.

816 (b) The housing and transit reinvestment zone committee shall:

817 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone
818 described in Subsections 63N-3-603(2) and (4) have been met; and

819 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis
820 described in Subsection 63N-3-604(2).

821 (8) The housing and transit reinvestment zone committee may:

822 (a) request changes to the housing and transit reinvestment zone proposal based on the
823 analysis described in Section 63N-3-604; or

824 (b) vote to approve or deny the proposal.

825 (9) If approved by the committee:

826 (a) the proposed housing and transit reinvestment zone is established according to the
827 terms of the housing and transit reinvestment proposal; and

828 (b) affected local taxing entities are required to participate according to the terms of the
829 housing and transit reinvestment zone proposal.

830 (10) A housing and transit reinvestment zone proposal may be amended by following
831 the same procedure as approving a housing and transit reinvestment proposal.

832 Section 7. Section **63N-3-606** is enacted to read:

833 **63N-3-606. Notice requirements.**

834 (1) In approving a housing and transit reinvestment zone proposal the housing and
835 transit reinvestment zone committee shall follow the hearing and notice requirements for
836 creating a housing and transit reinvestment zone area proposal.

837 (2) Within 30 days after the housing and transit reinvestment zone committee approves
838 a proposed housing and transit reinvestment zone, the municipality or public transit county
839 shall:

840 (a) record with the recorder of the county in which the housing and transit reinvestment
841 zone is located a document containing:

842 (i) a description of the land within the housing and transit reinvestment zone;

843 (ii) a statement that the proposed housing and transit reinvestment zone has been
844 approved; and

845 (iii) the date of adoption;

846 (b) transmit a copy of the description of the land within the housing and transit
847 reinvestment zone and an accurate map or plat indicating the boundaries of the housing and
848 transit reinvestment zone to the Automated Geographic Reference Center created under Section
849 63F-1-506; and

850 (c) transmit a copy of the approved housing and transit reinvestment zone proposal,
851 map, and description of the land within the housing and transit reinvestment zone, to:

852 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
853 part of the housing and transit reinvestment zone is located;

854 (ii) the officer or officers performing the function of auditor or assessor for each taxing
855 entity that does not use the county assessment roll or collect the taxing entity's taxes through
856 the county;

857 (iii) the legislative body or governing board of each taxing entity;

858 (iv) the tax commission; and

859 (v) the State Board of Education.

860 Section 8. Section **63N-3-607** is enacted to read:

861 **63N-3-607. Payment, use, and administration of revenue from a housing and**
862 **transit reinvestment zone.**

863 (1) A municipality or public transit county may receive and use tax increment and
864 housing and transit reinvestment zone funds in accordance with this part.

865 (2) (a) A county that collects property tax on property located within a housing and
866 transit reinvestment zone shall, in accordance with Section [59-2-1365](#), distribute to the
867 municipality or public transit county any tax increment the municipality or public transit county
868 is authorized to receive up to the maximum approved by the housing and transit reinvestment
869 zone committee.

870 (b) Tax increment distributed to a municipality or public transit county in accordance
871 with Subsection (2)(a) is not revenue of the taxing entity or municipality or public transit
872 county.

873 (c) (i) Tax increment paid to the municipality or public transit county are housing and
874 transit reinvestment zone funds and shall be administered by an agency created by the
875 municipality or public transit county within which the housing and transit reinvestment zone is
876 located.

877 (ii) Before an agency may receive housing and transit reinvestment zone funds from
878 the municipality or public transit county, the municipality or public transit county and the
879 agency shall enter into an interlocal agreement with terms that:

880 (A) are consistent with the approval of the housing and transit reinvestment zone
881 committee; and

882 (B) meet the requirements of Section [63N-3-603](#).

883 (3) (a) A municipality or public transit county and agency shall use housing and transit
884 reinvestment zone funds within, or for the direct benefit of, the housing and transit
885 reinvestment zone.

886 (b) If any housing and transit reinvestment zone funds will be used outside of the
887 housing and transit reinvestment zone there must be a finding in the approved proposal for a
888 housing and transit reinvestment zone that the use of the housing and transit reinvestment zone
889 funds outside of the housing and transit reinvestment zone will directly benefit the housing and
890 transit reinvestment zone.

891 (4) A municipality or public transit county shall use housing and transit reinvestment
892 zone funds to achieve the purposes described in Subsections [63N-3-603](#)(1) and (2), by paying
893 all or part of the costs of any of the following:

- 894 (a) income targeted housing costs;
- 895 (b) structured parking within the housing and transit reinvestment zone;
- 896 (c) enhanced development costs;
- 897 (d) horizontal construction costs;
- 898 (e) vertical construction costs;
- 899 (f) land purchase costs within the housing and transit reinvestment zone; or
- 900 (g) the costs of the municipality or public transit county to create and administer the
- 901 housing and transit reinvestment zone, which may not exceed 1% of the total housing and
- 902 transit reinvestment zone funds, plus the costs to complete the gap analysis described in
- 903 Subsection [63N-3-604\(3\)](#).

904 (5) Housing and transit reinvestment zone funds may be paid to a participant, if the
905 agency and participant enter into a participation agreement which requires the participant to
906 utilize the housing and transit reinvestment zone funds as allowed in this section.

907 (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of
908 bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter
909 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

910 (7) A municipality or public transit county may create one or more public infrastructure
911 districts within the housing and transit reinvestment zone under Title 17B, Chapter 2a, Part 12,
912 Public Infrastructure District Act, and pledge and utilize the housing and transit reinvestment
913 zone funds to guarantee the payment of public infrastructure bonds issued by a public
914 infrastructure district.

915 Section 9. Section **63N-3-608** is enacted to read:

916 **63N-3-608. Applicability to an existing community reinvestment project.**

917 For a housing and transit reinvestment zone created under this part that overlaps any
918 portion of an existing inactive industrial site community reinvestment project area plan created
919 pursuant to Title 17C, Limited Purpose Local Government Entities - Community Reinvestment
920 Agency Act:

921 (1) if the community reinvestment project area plan captures less than 80% of the tax
922 increment from a taxing entity, or if a taxing entity is not participating in the community
923 reinvestment project area plan, the housing and transit reinvestment zone may capture the
924 difference between:

925 (a) 80%; and
926 (b) the percentage of tax increment captured pursuant to the community reinvestment
927 project area plan; and

928 (2) if a community reinvestment project area plan expires before the housing and
929 transit reinvestment zone, the housing and transit reinvestment zone may capture the tax
930 increment allocated to the community reinvestment project area plan for any remaining portion
931 of the term of the housing and transit reinvestment zone.

932 Section 10. Section **63N-3-609** is enacted to read:

933 **63N-3-609. Tax increment protections.**

934 (1) Upon petition by a participating taxing entity or on the initiative of the housing and
935 transit reinvestment zone committee creating a housing and transit reinvestment zone, a
936 housing and transit reinvestment zone may suspend or terminate the collection of tax increment
937 in a housing and transit reinvestment zone if the housing and transit reinvestment zone
938 committee determines, by clear and convincing evidence, presented in a public meeting of the
939 housing and transit reinvestment zone committee, that:

940 (a) a substantial portion of the tax increment collected in the housing and transit
941 reinvestment zone has not or will not be used for the purposes provided in Section [63N-3-607](#);
942 and

943 (b) (i) the housing and transit reinvestment zone has no indebtedness; or
944 (ii) the housing and transit reinvestment zone has no binding financial obligations.

945 (2) A housing and transit reinvestment zone may not collect tax increment in excess of
946 the tax increment projections or limitations set forth in the housing and transit reinvestment
947 proposal.

948 (3) The agency administering the tax increment collected in a housing and transit
949 reinvestment zone under Subsection [63N-3-607\(2\)\(c\)](#), shall have standing in a court with
950 proper jurisdiction to enforce provisions of the housing and transit reinvestment zone proposal,
951 participation agreements, and other agreements for the use of the tax increment collected.

952 (4) The agency administering tax increment from a housing and transit reinvestment
953 zone under Subsection [63N-3-607\(2\)\(c\)](#) which is collecting tax increment shall follow the
954 reporting requirements described in Section [17C-1-603](#) and the audit requirements described in
955 Sections [17C-1-604](#) and [17C-1-605](#).

956 (5) For each housing and transit reinvestment zone collecting tax increment within a
957 county, the county auditor shall follow the reporting requirement found in Section [17C-1-606](#).

958 Section 11. Section **63N-3-610** is enacted to read:

959 **63N-3-610. Sales and use tax increment in a housing and transit reinvestment**
960 **zone.**

961 (1) A housing and transit reinvestment proposal shall, in consultation with the tax
962 commission:

963 (a) create a sales and use tax boundary as described in Subsection (2); and

964 (b) establish a sales and use tax base year and collection period to calculate and transfer
965 the state sales and use tax increment within the housing and transit reinvestment zone.

966 (2) (a) The municipality or public transit county, in consultation with the tax
967 commission, shall establish a sales and use tax boundary that:

968 (i) is based on state sales and use tax collection boundaries; and

969 (ii) follows as closely as reasonably practicable the boundary of the housing and transit
970 reinvestment zone.

971 (b) The municipality or public transit county shall include the sales and use tax
972 boundary in the housing and transit reinvestment zone proposal as described in Section
973 [63N-3-604](#).

974 (3) Beginning one year after the sales and use tax boundary for a housing and transit
975 reinvestment zone is established, the tax commission shall, at least annually, transfer an
976 amount equal to 15% of the sales and use tax increment within an established sales and use tax
977 boundary into the Transit Transportation Investment Fund created in Section [72-2-124](#).

978 (4) (a) The requirement described in Subsection (3) to transfer incremental sales tax
979 revenue shall take effect:

980 (i) on the first day of a calendar quarter; and

981 (ii) after a 90-day waiting period, beginning on the date the commission receives notice
982 from the municipality or public transit county meeting the requirements of Subsection (4)(b).

983 (b) The notice described in Subsection (4)(a) shall include:

984 (i) a statement that the housing and transit reinvestment zone will be established under
985 this part;

986 (ii) the approval date and effective date of the housing and transit reinvestment zone;

987 and

988 (iii) the definitions of the sales and use tax boundary and sales and use tax base year.

989 Section 12. Section **72-1-102** is amended to read:

990 **72-1-102. Definitions.**

991 As used in this title:

992 (1) "Circulator alley" means a publicly owned passageway:

993 (a) with a right-of-way width of 20 feet or greater;

994 (b) located within a master planned community;

995 (c) established by the city having jurisdictional authority as part of the street network

996 for traffic circulation that may also be used for:

997 (i) garbage collection;

998 (ii) access to residential garages; or

999 (iii) access rear entrances to a commercial establishment; and

1000 (d) constructed with a bituminous or concrete pavement surface.

1001 (2) "Commission" means the Transportation Commission created under Section

1002 [72-1-301](#).

1003 (3) "Construction" means the construction, reconstruction, replacement, and
1004 improvement of the highways, including the acquisition of rights-of-way and material sites.

1005 (4) "Department" means the Department of Transportation created in Section [72-1-201](#).

1006 (5) "Executive director" means the executive director of the department appointed
1007 under Section [72-1-202](#).

1008 (6) "Farm tractor" has the meaning set forth in Section [41-1a-102](#).

1009 (7) "Federal aid primary highway" means that portion of connected main highways
1010 located within this state officially designated by the department and approved by the United
1011 States Secretary of Transportation under Title 23, Highways, U.S.C.

1012 (8) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,
1013 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned to the
1014 public, or made public in an action for the partition of real property, including the entire area
1015 within the right-of-way.

1016 (9) "Highway authority" means the department or the legislative, executive, or
1017 governing body of a county or municipality.

1018 (10) "Housing and transit reinvestment zone" means the same as that term is defined in
1019 Section [63N-3-602](#).

1020 [~~(10)~~] (11) "Implement of husbandry" has the meaning set forth in Section [41-1a-102](#).

1021 [~~(11)~~] (12) "Interstate system" means any highway officially designated by the
1022 department and included as part of the national interstate and defense highways, as provided in
1023 the Federal Aid Highway Act of 1956 and any supplemental acts or amendments.

1024 [~~(12)~~] (13) "Limited-access facility" means a highway especially designated for
1025 through traffic, and over, from, or to which neither owners nor occupants of abutting lands nor
1026 other persons have any right or easement, or have only a limited right or easement of access,
1027 light, air, or view.

1028 [~~(13)~~] (14) "Master planned community" means a land use development:

1029 (a) designated by the city as a master planned community; and

1030 (b) comprised of a single development agreement for a development larger than 500
1031 acres.

1032 [~~(14)~~] (15) "Motor vehicle" has the same meaning set forth in Section [41-1a-102](#).

1033 [~~(15)~~] (16) "Municipality" has the same meaning set forth in Section [10-1-104](#).

1034 [~~(16)~~] (17) "National highway systems highways" means that portion of connected
1035 main highways located within this state officially designated by the department and approved
1036 by the United States Secretary of Transportation under Title 23, Highways, U.S.C.

1037 [~~(17)~~] (18) (a) "Port-of-entry" means a fixed or temporary facility constructed,
1038 operated, and maintained by the department where drivers, vehicles, and vehicle loads are
1039 checked or inspected for compliance with state and federal laws as specified in Section
1040 [72-9-501](#).

1041 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.

1042 [~~(18)~~] (19) "Port-of-entry agent" means a person employed at a port-of-entry to perform
1043 the duties specified in Section [72-9-501](#).

1044 [~~(19)~~] (20) "Public transit" means the same as that term is defined in Section
1045 [17B-2a-802](#).

1046 [~~(20)~~] (21) "Public transit facility" means a transit vehicle, transit station, depot,
1047 passenger loading or unloading zone, parking lot, or other facility:

1048 (a) leased by or operated by or on behalf of a public transit district; and

1049 (b) related to the public transit services provided by the district, including:
1050 (i) railway or other right-of-way;
1051 (ii) railway line; and
1052 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
1053 a transit vehicle.

1054 [~~(21)~~] (22) "Right-of-way" means real property or an interest in real property, usually
1055 in a strip, acquired for or devoted to a highway.

1056 [~~(22)~~] (23) "Sealed" does not preclude acceptance of electronically sealed and
1057 submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

1058 [~~(23)~~] (24) "Semitrailer" has the meaning set forth in Section 41-1a-102.

1059 [~~(24)~~] (25) "SR" means state route and has the same meaning as state highway as
1060 defined in this section.

1061 [~~(25)~~] (26) "State highway" means those highways designated as state highways in
1062 Title 72, Chapter 4, Designation of State Highways Act.

1063 [~~(26)~~] (27) "State transportation purposes" has the meaning set forth in Section
1064 72-5-102.

1065 [~~(27)~~] (28) "State transportation systems" means all streets, alleys, roads, highways,
1066 pathways, and thoroughfares of any kind, including connected structures, airports, aerial
1067 corridor infrastructure, spaceports, public transit facilities, and all other modes and forms of
1068 conveyance used by the public.

1069 [~~(28)~~] (29) "Trailer" has the meaning set forth in Section 41-1a-102.

1070 (30) "Transportation reinvestment zone" means a transportation reinvestment zone
1071 created pursuant to Section 11-13-227.

1072 [~~(29)~~] (31) "Truck tractor" has the meaning set forth in Section 41-1a-102.

1073 [~~(30)~~] (32) "UDOT" means the Utah Department of Transportation.

1074 [~~(31)~~] (33) "Vehicle" has the same meaning set forth in Section 41-1a-102.

1075 Section 13. Section 72-1-304 is amended to read:

1076 **72-1-304. Written project prioritization process for new transportation capacity**
1077 **projects -- Rulemaking.**

1078 (1) (a) The Transportation Commission, in consultation with the department and the
1079 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written

1080 prioritization process for the prioritization of:

1081 (i) new transportation capacity projects that are or will be part of the state highway
1082 system under Chapter 4, Part 1, State Highways;

1083 (ii) paved pedestrian or paved nonmotorized transportation projects that:

1084 (A) mitigate traffic congestion on the state highway system; and

1085 (B) are part of an active transportation plan approved by the department;

1086 (iii) public transit projects that add capacity to the public transit systems within the
1087 state; and

1088 (iv) pedestrian or nonmotorized transportation projects that provide connection to a
1089 public transit system.

1090 (b) (i) A local government or district may nominate a project for prioritization in
1091 accordance with the process established by the commission in rule.

1092 (ii) If a local government or district nominates a project for prioritization by the
1093 commission, the local government or district shall provide data and evidence to show that:

1094 (A) the project will advance the purposes and goals described in Section 72-1-211;

1095 (B) for a public transit project, the local government or district has an ongoing funding
1096 source for operations and maintenance of the proposed development; and

1097 (C) the local government or district will provide 40% of the costs for the project as
1098 required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(9)(e).

1099 (2) The following shall be included in the written prioritization process under
1100 Subsection (1):

1101 (a) a description of how the strategic initiatives of the department adopted under
1102 Section 72-1-211 are advanced by the written prioritization process;

1103 (b) a definition of the type of projects to which the written prioritization process
1104 applies;

1105 (c) specification of a weighted criteria system that is used to rank proposed projects
1106 and how it will be used to determine which projects will be prioritized;

1107 (d) specification of the data that is necessary to apply the weighted ranking criteria; and

1108 (e) any other provisions the commission considers appropriate, which may include
1109 consideration of:

1110 (i) regional and statewide economic development impacts, including improved local

1111 access to:

1112 (A) employment;

1113 (B) educational facilities;

1114 (C) recreation;

1115 (D) commerce; and

1116 (E) residential areas, including moderate income housing as demonstrated in the local

1117 government's or district's general plan pursuant to Section 10-9a-403 or 17-27a-403;

1118 (ii) the extent to which local land use plans relevant to a project support and

1119 accomplish the strategic initiatives adopted under Section 72-1-211; and

1120 (iii) any matching funds provided by a political subdivision or public transit district in

1121 addition to the 40% required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(9)(e).

1122 (3) (a) When prioritizing a public transit project that increases capacity, the

1123 commission:

1124 (i) may give priority consideration to projects that are part of a transit-oriented

1125 development or transit-supportive development as defined in Section 17B-2a-802[-]; and

1126 (ii) shall give priority consideration to projects that are within the boundaries of a

1127 housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6,

1128 Housing and Transit Reinvestment Zone Act.

1129 (b) When prioritizing a [~~public transit or~~] transportation project that increases capacity,

1130 the commission may give priority consideration to projects that are:

1131 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:

1132 [(+)] (A) the state is a participant in the transportation reinvestment zone; or

1133 [(+)] (B) the commission finds that the transportation reinvestment zone provides a

1134 benefit to the state transportation system[-]; or

1135 (ii) within the boundaries of a housing and transit reinvestment zone created pursuant

1136 to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

1137 (4) In developing the written prioritization process, the commission:

1138 (a) shall seek and consider public comment by holding public meetings at locations

1139 throughout the state; and

1140 (b) may not consider local matching dollars as provided under Section 72-2-123 unless

1141 the state provides an equal opportunity to raise local matching dollars for state highway

1142 improvements within each county.

1143 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1144 Transportation Commission, in consultation with the department, shall make rules establishing
1145 the written prioritization process under Subsection (1).

1146 (6) The commission shall submit the proposed rules under this section to a committee
1147 or task force designated by the Legislative Management Committee for review prior to taking
1148 final action on the proposed rules or any proposed amendment to the rules described in
1149 Subsection (5).

1150 Section 14. Section **72-2-124** is amended to read:

1151 **72-2-124. Transportation Investment Fund of 2005.**

1152 (1) There is created a capital projects fund entitled the Transportation Investment Fund
1153 of 2005.

1154 (2) The fund consists of money generated from the following sources:

1155 (a) any voluntary contributions received for the maintenance, construction,

1156 reconstruction, or renovation of state and federal highways;

1157 (b) appropriations made to the fund by the Legislature;

1158 (c) registration fees designated under Section [41-1a-1201](#);

1159 (d) the sales and use tax revenues deposited into the fund in accordance with Section
1160 [59-12-103](#); and

1161 (e) revenues transferred to the fund in accordance with Section [72-2-106](#).

1162 (3) (a) The fund shall earn interest.

1163 (b) All interest earned on fund money shall be deposited into the fund.

1164 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
1165 fund money to pay:

1166 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1167 federal highways prioritized by the Transportation Commission through the prioritization
1168 process for new transportation capacity projects adopted under Section [72-1-304](#);

1169 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
1170 projects described in Subsections [63B-18-401](#)(2), (3), and (4);

1171 (iii) principal, interest, and issuance costs of bonds authorized by Section [63B-18-401](#)
1172 minus the costs paid from the County of the First Class Highway Projects Fund in accordance

1173 with Subsection 72-2-121(4)(e);

1174 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1175 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
1176 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
1177 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

1178 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1179 for projects prioritized in accordance with Section 72-2-125;

1180 (vi) all highway general obligation bonds that are intended to be paid from revenues in
1181 the Centennial Highway Fund created by Section 72-2-118;

1182 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1183 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
1184 in Section 72-2-121; and

1185 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
1186 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
1187 nonmotorized transportation for projects that:

1188 (A) mitigate traffic congestion on the state highway system;

1189 (B) are part of an active transportation plan approved by the department; and

1190 (C) are prioritized by the commission through the prioritization process for new
1191 transportation capacity projects adopted under Section 72-1-304.

1192 (b) The executive director may use fund money to exchange for an equal or greater
1193 amount of federal transportation funds to be used as provided in Subsection (4)(a).

1194 (5) (a) Except as provided in Subsection (5)(b), the executive director may not program
1195 fund money to a project prioritized by the commission under Section 72-1-304, including fund
1196 money from the Transit Transportation Investment Fund, within the boundaries of a
1197 municipality that is required to adopt a moderate income housing plan element as part of the
1198 municipality's general plan as described in Subsection 10-9a-401(3), if the municipality has
1199 failed to adopt a moderate income housing plan element as part of the municipality's general
1200 plan or has failed to implement the requirements of the moderate income housing plan as
1201 determined by the results of the Department of Workforce Service's review of the annual
1202 moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).

1203 (b) Within the boundaries of a municipality that is required under Subsection

1204 10-9a-401(3) to plan for moderate income housing growth but has failed to adopt a moderate
1205 income housing plan element as part of the municipality's general plan or has failed to
1206 implement the requirements of the moderate income housing plan as determined by the results
1207 of the Department of Workforce Service's review of the annual moderate income housing
1208 report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

1209 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1210 facility or interchange connecting limited-access facilities;

1211 (ii) may not program fund money for the construction, reconstruction, or renovation of
1212 an interchange on a limited-access facility;

1213 (iii) may program Transit Transportation Investment Fund money for a
1214 multi-community fixed guideway public transportation project; and

1215 (iv) may not program Transit Transportation Investment Fund money for the
1216 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1217 transportation project.

1218 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1219 director before May 1, 2020, for projects prioritized by the commission under Section
1220 72-1-304.

1221 (6) (a) Except as provided in Subsection (6)(b), the executive director may not program
1222 fund money to a project prioritized by the commission under Section 72-1-304, including fund
1223 money from the Transit Transportation Investment Fund, within the boundaries of the
1224 unincorporated area of a county, if the county is required to adopt a moderate income housing
1225 plan element as part of the county's general plan as described in Subsection 17-27a-401(3) and
1226 if the county has failed to adopt a moderate income housing plan element as part of the county's
1227 general plan or has failed to implement the requirements of the moderate income housing plan
1228 as determined by the results of the Department of Workforce Service's review of the annual
1229 moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).

1230 (b) Within the boundaries of the unincorporated area of a county where the county is
1231 required under Subsection 17-27a-401(3) to plan for moderate income housing growth but has
1232 failed to adopt a moderate income housing plan element as part of the county's general plan or
1233 has failed to implement the requirements of the moderate income housing plan as determined
1234 by the results of the Department of Workforce Service's review of the annual moderate income

1235 housing report described in Subsection [35A-8-803\(1\)\(a\)\(vii\)](#), the executive director:

1236 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1237 facility to a project prioritized by the commission under Section [72-1-304](#);

1238 (ii) may not program fund money for the construction, reconstruction, or renovation of
1239 an interchange on a limited-access facility;

1240 (iii) may program Transit Transportation Investment Fund money for a
1241 multi-community fixed guideway public transportation project; and

1242 (iv) may not program Transit Transportation Investment Fund money for the
1243 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1244 transportation project.

1245 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1246 director before July 1, 2020, for projects prioritized by the commission under Section
1247 [72-1-304](#).

1248 (7) (a) Before bonds authorized by Section [63B-18-401](#) or [63B-27-101](#) may be issued
1249 in any fiscal year, the department and the commission shall appear before the Executive
1250 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
1251 department needs to provide funding for the projects identified in Subsections [63B-18-401\(2\)](#),
1252 (3), and (4) or Subsection [63B-27-101\(2\)](#) for the current or next fiscal year.

1253 (b) The Executive Appropriations Committee of the Legislature shall review and
1254 comment on the amount of bond proceeds needed to fund the projects.

1255 (8) The Division of Finance shall, from money deposited into the fund, transfer the
1256 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1257 Section [63B-18-401](#) or [63B-27-101](#) in the current fiscal year to the appropriate debt service or
1258 sinking fund.

1259 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
1260 Transportation Investment Fund.

1261 (b) The fund shall be funded by:

1262 (i) contributions deposited into the fund in accordance with Section [59-12-103](#);

1263 (ii) appropriations into the account by the Legislature;

1264 (iii) deposits of sales and use tax increment related to a housing and transit
1265 reinvestment zone as described in Section [63N-3-610](#);

1266 [~~(iii)~~] (iv) private contributions; and
1267 [~~(iv)~~] (v) donations or grants from public or private entities.
1268 (c) (i) The fund shall earn interest.
1269 (ii) All interest earned on fund money shall be deposited into the fund.
1270 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund
1271 for public transit capital development of new capacity projects to be used as prioritized by the
1272 commission.
1273 (e) (i) The Legislature may only appropriate money from the fund for a public transit
1274 capital development project or pedestrian or nonmotorized transportation project that provides
1275 connection to the public transit system if the public transit district or political subdivision
1276 provides funds of equal to or greater than 40% of the costs needed for the project.
1277 (ii) A public transit district or political subdivision may use money derived from a loan
1278 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
1279 part of the 40% requirement described in Subsection (9)(e)(i) if:
1280 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
1281 State Infrastructure Bank Fund; and
1282 (B) the proposed capital project has been prioritized by the commission pursuant to
1283 Section [72-1-303](#).
1284 Section 15. Section **72-2-201** is amended to read:
1285 **72-2-201. Definitions.**
1286 As used in this part:
1287 (1) "Fund" means the State Infrastructure Bank Fund created under Section [72-2-202](#).
1288 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure
1289 loan, to provide financial assistance for transportation projects, including:
1290 (a) capital reserves and other security for bond or debt instrument financing; or
1291 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by
1292 a public entity to finance transportation projects.
1293 (3) "Infrastructure loan" means a loan of fund money to finance a transportation
1294 project.
1295 (4) "Public entity" means a state agency, county, municipality, local district, special
1296 service district, an intergovernmental entity organized under state law, or the military

1297 installation development authority created in Section [63H-1-201](#).

1298 (5) "Transportation project":

1299 (a) means a project:

1300 (i) to improve a state or local highway;

1301 (ii) to improve a public transportation facility or nonmotorized transportation facility;

1302 (iii) to construct or improve parking facilities; ~~[or]~~

1303 (iv) that is subject to a transportation reinvestment zone agreement pursuant to Section

1304 [11-13-227](#) if the state is party to the agreement; or

1305 (v) that is part of a housing and transit reinvestment zone created pursuant to Title

1306 [63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act](#);

1307 (b) includes the costs of acquisition, construction, reconstruction, rehabilitation,

1308 equipping, and fixturing; and

1309 (c) may only include a project if the project is part of:

1310 (i) the statewide long range plan;

1311 (ii) a regional transportation plan of the area metropolitan planning organization if a

1312 metropolitan planning organization exists for the area; or

1313 (iii) a local government general plan or economic development initiative.

1314 Section 16. **Effective date.**

1315 This bill takes effect on May 5, 2021, except that the amendments to Sections

1316 [59-12-103](#) and [63N-3-610](#) in this bill take effect on January 1, 2022.