

1 **POINT OF THE MOUNTAIN STATE LAND AUTHORITY**

2 **AMENDMENTS**

3 2022 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: V. Lowry Snow**

6 Senate Sponsor: Jerry W. Stevenson

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions relating to the Point of the Mountain State Land
11 Authority.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ authorizes the Point of the Mountain State Land Authority to impose an energy sales
15 and use tax and to collect impact fees and other development fees;

16 ▶ modifies the membership of a loan committee;

17 ▶ moves the ability to approve a loan from the loan committee to the Authority board
18 and requires Executive Appropriations Committee approval for a loan from the
19 point of the mountain loan fund;

20 ▶ modifies a provision relating to Authority powers;

21 ▶ requires a lessee of point of the mountain state land to pay an annual fee and
22 provides for the levy and collection of the fee;

23 ▶ requires the Authority to be paid a portion of increased property tax revenue from
24 parcels of land transferred to a private owner;

25 ▶ modifies limitations on individuals serving as board members;

26 ▶ modifies the purposes of a closed meeting to include certain discussions relating to
27 the development of land owned by the state;

28 ▶ modifies provisions relating to an Authority infrastructure fund; and

29 ▶ makes technical changes.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 This bill provides a special effective date.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **10-1-304**, as last amended by Laws of Utah 2021, Chapter 414 and last amended by
37 Coordination Clause, Laws of Utah 2021, Chapter 367

38 **11-36a-102**, as last amended by Laws of Utah 2021, Chapter 35

39 **11-59-102**, as last amended by Laws of Utah 2021, Chapter 415

40 **11-59-104**, as enacted by Laws of Utah 2021, Chapter 415

41 **11-59-202**, as last amended by Laws of Utah 2020, Chapter 354

42 **11-59-306**, as enacted by Laws of Utah 2018, Chapter 388

43 **17D-4-102**, as last amended by Laws of Utah 2021, Chapter 415 and renumbered and
44 amended by Laws of Utah 2021, Chapter 314

45 **52-4-205**, as last amended by Laws of Utah 2021, Chapters 179 and 231

46 **59-2-924**, as last amended by Laws of Utah 2021, Chapters 214 and 388

47 **63A-3-401.5**, as enacted by Laws of Utah 2021, Chapter 415

48 **63A-3-402**, as enacted by Laws of Utah 2021, Chapter 415

49 **63A-3-404**, as enacted by Laws of Utah 2021, Chapter 415

50 ENACTS:

51 **11-59-205**, Utah Code Annotated 1953

52 **11-59-206**, Utah Code Annotated 1953

53 **11-59-207**, Utah Code Annotated 1953

54 **11-59-208**, Utah Code Annotated 1953

55 REPEALS:

56 **11-59-101**, as enacted by Laws of Utah 2018, Chapter 388

57

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

59 Section 1. Section **10-1-304** is amended to read:

60 **10-1-304. Municipality, military installation development authority, and Point of**
61 **the Mountain State Land Authority may levy tax -- Rate -- Imposition or repeal of tax --**
62 **Tax rate change -- Effective date -- Notice requirements -- Exemptions.**

63 (1) (a) Except as provided in Subsections (4) and (5), a municipality may levy a
64 municipal energy sales and use tax on the sale or use of taxable energy within the municipality:

65 (i) by ordinance as provided in Section [10-1-305](#); and

66 (ii) of up to 6% of the delivered value of the taxable energy.

67 (b) Subject to Section [63H-1-203](#), the military installation development authority
68 created in Section [63H-1-201](#) may levy a municipal energy sales and use tax under this part
69 within a project area described in a project area plan adopted by the authority under Title 63H,
70 Chapter 1, Military Installation Development Authority Act, as though the authority were a
71 municipality.

72 (c) (i) Beginning July 1, 2022, the Point of the Mountain State Land Authority, created
73 in Section [11-59-201](#), may by resolution levy a municipal energy sales and use tax under this
74 part within the area that constitutes the point of the mountain state land, as defined in Section
75 [11-59-102](#), as though the Point of the Mountain State Land Authority were a municipality.

76 (ii) The Point of the Mountain State Land Authority's adoption of a resolution under
77 Subsection (1)(c)(i) that otherwise complies with the requirements under this part applicable to
78 an ordinance is considered the equivalent of adopting an ordinance under this part.

79 (2) A municipal energy sales and use tax imposed under this part may be in addition to
80 any sales and use tax imposed by the municipality under Title 59, Chapter 12, Sales and Use
81 Tax Act.

82 (3) (a) For purposes of this Subsection (3):

83 (i) "Annexation" means an annexation to a municipality under Chapter 2, Part 4,
84 Annexation.

85 (ii) "Annexing area" means an area that is annexed into a municipality.

86 (b) (i) If, on or after May 1, 2000, a city or town enacts or repeals a tax or changes the
87 rate of a tax under this part, the enactment, repeal, or change shall take effect:

88 (A) on the first day of a calendar quarter; and

89 (B) after a 90-day period beginning on the date the commission receives notice meeting
90 the requirements of Subsection (3)(b)(ii) from the municipality.

91 (ii) The notice described in Subsection (3)(b)(i)(B) shall state:

92 (A) that the city or town will enact or repeal a tax or change the rate of a tax under this
93 part;

94 (B) the statutory authority for the tax described in Subsection (3)(b)(ii)(A);

95 (C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and

96 (D) if the city or town enacts the tax or changes the rate of the tax described in
97 Subsection (3)(b)(ii)(A), the new rate of the tax.

98 (c) (i) If, for an annexation that occurs on or after May 1, 2000, the annexation will
99 result in a change in the rate of a tax under this part for an annexing area, the change shall take
100 effect:

101 (A) on the first day of a calendar quarter; and

102 (B) after a 90-day period beginning on the date the commission receives notice meeting
103 the requirements of Subsection (3)(c)(ii) from the municipality that annexes the annexing area.

104 (ii) The notice described in Subsection (3)(c)(i)(B) shall state:

105 (A) that the annexation described in Subsection (3)(c)(i) will result in a change in the
106 rate of a tax under this part for the annexing area;

107 (B) the statutory authority for the tax described in Subsection (3)(c)(ii)(A);

108 (C) the effective date of the tax described in Subsection (3)(c)(ii)(A); and

109 (D) the new rate of the tax described in Subsection (3)(c)(ii)(A).

110 (4) (a) Subject to Subsection (4)(b), a sale or use of electricity within a municipality is
111 exempt from the tax authorized by this section if the sale or use is made under a tariff adopted
112 by the Public Service Commission of Utah only for purchase of electricity produced from a
113 new source of alternative energy, as defined in Section [59-12-102](#), as designated in the tariff by

114 the Public Service Commission of Utah.

115 (b) The exemption under Subsection (4)(a) applies to the portion of the tariff rate a
116 customer pays under the tariff described in Subsection (4)(a) that exceeds the tariff rate under
117 the tariff described in Subsection (4)(a) that the customer would have paid absent the tariff.

118 (5) (a) A municipality may not levy a municipal energy sales and use tax:

119 (i) within any portion of the municipality that is within a project area described in a
120 project area plan adopted by the military installation development authority under Title 63H,
121 Chapter 1, Military Installation Development Authority Act[-]; or

122 (ii) on or after July 1, 2022, within the point of the mountain state land, as defined in
123 Section 11-59-102.

124 (b) Subsection (5)(a) does not apply to:

125 (i) the military installation development authority's levy of a municipal energy sales
126 and use tax[-]; or

127 (ii) the Point of the Mountain State Land Authority's levy of a municipal energy sales
128 and use tax.

129 Section 2. Section **11-36a-102** is amended to read:

130 **11-36a-102. Definitions.**

131 As used in this chapter:

132 (1) (a) "Affected entity" means each county, municipality, local district under Title
133 17B, Limited Purpose Local Government Entities - Local Districts, special service district
134 under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation
135 entity established under Chapter 13, Interlocal Cooperation Act, and specified public utility:

136 (i) whose services or facilities are likely to require expansion or significant
137 modification because of the facilities proposed in the proposed impact fee facilities plan; or

138 (ii) that has filed with the local political subdivision or private entity a copy of the
139 general or long-range plan of the county, municipality, local district, special service district,
140 school district, interlocal cooperation entity, or specified public utility.

141 (b) "Affected entity" does not include the local political subdivision or private entity

142 that is required under Section [11-36a-501](#) to provide notice.

143 (2) "Charter school" includes:

144 (a) an operating charter school;

145 (b) an applicant for a charter school whose application has been approved by a charter
146 school authorizer as provided in Title 53G, Chapter 5, Part 6, Charter School Credit
147 Enhancement Program; and

148 (c) an entity that is working on behalf of a charter school or approved charter applicant
149 to develop or construct a charter school building.

150 (3) "Development activity" means any construction or expansion of a building,
151 structure, or use, any change in use of a building or structure, or any changes in the use of land
152 that creates additional demand and need for public facilities.

153 (4) "Development approval" means:

154 (a) except as provided in Subsection (4)(b), any written authorization from a local
155 political subdivision that authorizes the commencement of development activity;

156 (b) development activity, for a public entity that may develop without written
157 authorization from a local political subdivision;

158 (c) a written authorization from a public water supplier, as defined in Section [73-1-4](#),
159 or a private water company:

160 (i) to reserve or provide:

161 (A) a water right;

162 (B) a system capacity; or

163 (C) a distribution facility; or

164 (ii) to deliver for a development activity:

165 (A) culinary water; or

166 (B) irrigation water; or

167 (d) a written authorization from a sanitary sewer authority, as defined in Section

168 [10-9a-103](#):

169 (i) to reserve or provide:

- 170 (A) sewer collection capacity; or
- 171 (B) treatment capacity; or
- 172 (ii) to provide sewer service for a development activity.
- 173 (5) "Enactment" means:
- 174 (a) a municipal ordinance, for a municipality;
- 175 (b) a county ordinance, for a county; and
- 176 (c) a governing board resolution, for a local district, special service district, or private
- 177 entity.
- 178 (6) "Encumber" means:
- 179 (a) a pledge to retire a debt; or
- 180 (b) an allocation to a current purchase order or contract.
- 181 (7) "Expense for overhead" means a cost that a local political subdivision or private
- 182 entity:
- 183 (a) incurs in connection with:
- 184 (i) developing an impact fee facilities plan;
- 185 (ii) developing an impact fee analysis; or
- 186 (iii) imposing an impact fee, including any related overhead expenses; and
- 187 (b) calculates in accordance with a methodology that is consistent with generally
- 188 accepted cost accounting practices.
- 189 (8) "Hookup fee" means a fee for the installation and inspection of any pipe, line,
- 190 meter, or appurtenance to connect to a gas, water, sewer, storm water, power, or other utility
- 191 system of a municipality, county, local district, special service district, or private entity.
- 192 (9) (a) "Impact fee" means a payment of money imposed upon new development
- 193 activity as a condition of development approval to mitigate the impact of the new development
- 194 on public infrastructure.
- 195 (b) "Impact fee" does not mean a tax, a special assessment, a building permit fee, a
- 196 hookup fee, a fee for project improvements, or other reasonable permit or application fee.
- 197 (10) "Impact fee analysis" means the written analysis of each impact fee required by

198 Section [11-36a-303](#).

199 (11) "Impact fee facilities plan" means the plan required by Section [11-36a-301](#).

200 (12) "Level of service" means the defined performance standard or unit of demand for
201 each capital component of a public facility within a service area.

202 (13) (a) "Local political subdivision" means a county, a municipality, a local district
203 under Title 17B, Limited Purpose Local Government Entities - Local Districts, [~~or~~] a special
204 service district under Title 17D, Chapter 1, Special Service District Act, or the Point of the
205 Mountain State Land Authority, created in Section [11-59-201](#).

206 (b) "Local political subdivision" does not mean a school district, whose impact fee
207 activity is governed by Section [11-36a-206](#).

208 (14) "Private entity" means an entity in private ownership with at least 100 individual
209 shareholders, customers, or connections, that is located in a first, second, third, or fourth class
210 county and provides water to an applicant for development approval who is required to obtain
211 water from the private entity either as a:

212 (a) specific condition of development approval by a local political subdivision acting
213 pursuant to a prior agreement, whether written or unwritten, with the private entity; or

214 (b) functional condition of development approval because the private entity:

215 (i) has no reasonably equivalent competition in the immediate market; and

216 (ii) is the only realistic source of water for the applicant's development.

217 (15) (a) "Project improvements" means site improvements and facilities that are:

218 (i) planned and designed to provide service for development resulting from a
219 development activity;

220 (ii) necessary for the use and convenience of the occupants or users of development
221 resulting from a development activity; and

222 (iii) not identified or reimbursed as a system improvement.

223 (b) "Project improvements" does not mean system improvements.

224 (16) "Proportionate share" means the cost of public facility improvements that are
225 roughly proportionate and reasonably related to the service demands and needs of any

226 development activity.

227 (17) "Public facilities" means only the following impact fee facilities that have a life
228 expectancy of 10 or more years and are owned or operated by or on behalf of a local political
229 subdivision or private entity:

230 (a) water rights and water supply, treatment, storage, and distribution facilities;

231 (b) wastewater collection and treatment facilities;

232 (c) storm water, drainage, and flood control facilities;

233 (d) municipal power facilities;

234 (e) roadway facilities;

235 (f) parks, recreation facilities, open space, and trails;

236 (g) public safety facilities;

237 (h) environmental mitigation as provided in Section [11-36a-205](#); or

238 (i) municipal natural gas facilities.

239 (18) (a) "Public safety facility" means:

240 (i) a building constructed or leased to house police, fire, or other public safety entities;

241 or

242 (ii) a fire suppression vehicle costing in excess of \$500,000.

243 (b) "Public safety facility" does not mean a jail, prison, or other place of involuntary
244 incarceration.

245 (19) (a) "Roadway facilities" means a street or road that has been designated on an
246 officially adopted subdivision plat, roadway plan, or general plan of a political subdivision,
247 together with all necessary appurtenances.

248 (b) "Roadway facilities" includes associated improvements to a federal or state
249 roadway only when the associated improvements:

250 (i) are necessitated by the new development; and

251 (ii) are not funded by the state or federal government.

252 (c) "Roadway facilities" does not mean federal or state roadways.

253 (20) (a) "Service area" means a geographic area designated by an entity that imposes an

254 impact fee on the basis of sound planning or engineering principles in which a public facility,
255 or a defined set of public facilities, provides service within the area.

256 (b) "Service area" may include the entire local political subdivision or an entire area
257 served by a private entity.

258 (21) "Specified public agency" means:

259 (a) the state;

260 (b) a school district; or

261 (c) a charter school.

262 (22) (a) "System improvements" means:

263 (i) existing public facilities that are:

264 (A) identified in the impact fee analysis under Section 11-36a-304; and

265 (B) designed to provide services to service areas within the community at large; and

266 (ii) future public facilities identified in the impact fee analysis under Section

267 11-36a-304 that are intended to provide services to service areas within the community at large.

268 (b) "System improvements" does not mean project improvements.

269 Section 3. Section 11-59-102 is amended to read:

270 **11-59-102. Definitions.**

271 As used in this chapter:

272 (1) "Authority" means the Point of the Mountain State Land Authority, created in
273 Section 11-59-201.

274 (2) "Board" means the authority's board, created in Section 11-59-301.

275 (3) "Development":

276 (a) means the construction, reconstruction, modification, expansion, or improvement of
277 a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or
278 other facility, including:

279 (i) the demolition or preservation or repurposing of a building, infrastructure, or other
280 facility;

281 (ii) surveying, testing, locating existing utilities and other infrastructure, and other

282 preliminary site work; and

283 (iii) any associated planning, design, engineering, and related activities; and

284 (b) includes all activities associated with:

285 (i) marketing and business recruiting activities and efforts;

286 (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the
287 mountain state land; and

288 (iii) planning and funding for mass transit infrastructure to service the point of the
289 mountain state land.

290 (4) "New correctional facility" means the state correctional facility being developed in
291 Salt Lake City to replace the state correctional facility in Draper.

292 (5) "Point of the mountain state land" means the approximately 700 acres of
293 state-owned land in Draper, including land used for the operation of a state correctional facility
294 until completion of the new correctional facility and state-owned land in the vicinity of the
295 current state correctional facility.

296 (6) "Public entity" means:

297 (a) the state, including each department, division, or other agency of the state; or

298 (b) a county, city, town, metro township, school district, local district, special service
299 district, interlocal cooperation entity, community reinvestment agency, or other political
300 subdivision of the state, including the authority.

301 (7) "Publicly owned infrastructure and improvements":

302 (a) means infrastructure, improvements, facilities, or buildings that:

303 (i) benefit the public; and

304 (ii) (A) are owned by a public entity or a utility; or

305 (B) are publicly maintained or operated by a public entity; and

306 (b) includes:

307 (i) facilities, lines, or systems that provide:

308 (A) water, chilled water, or steam; or

309 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,

310 microgrids, or telecommunications service;

311 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
312 facilities, and public transportation facilities; and

313 (iii) greenspace, parks, trails, recreational amenities, or other similar facilities.

314 (8) "Taxing entity" means the same as that term is defined in Section 59-2-102.

315 Section 4. Section 11-59-104 is amended to read:

316 **11-59-104. Loan committee -- Approval of infrastructure loans.**

317 (1) As used in this section:

318 (a) "Borrower" means the same as that term is defined in Section 63A-3-401.5.

319 (b) "Infrastructure loan" means the same as that term is defined in Section
320 63A-3-401.5.

321 (c) "Infrastructure project" means the same as that term is defined in Section
322 63A-3-401.5.

323 (d) "Point of the mountain fund" means the same as that term is defined in Section
324 63A-3-401.5.

325 (e) "Loan [~~approval~~] committee" means a committee [~~consisting of:~~] established under
326 Subsection (2).

327 [~~(i) the board member:~~]

328 [~~(A) who is a member of the Senate appointed under Subsection 11-59-302(2)(a); and]~~

329 [~~(B) whose Senate district is closer to the boundary of the point of the mountain state~~
330 ~~land than is the Senate district of the other member of the Senate appointed under Subsection~~
331 ~~11-59-302(2)(a);]~~

332 [~~(ii) the board member:~~]

333 [~~(A) who is a member of the House of Representatives appointed under Subsection~~
334 ~~11-59-302(2)(b); and]~~

335 [~~(B) whose House district is closer to the boundary of the point of the mountain state~~
336 ~~land than is the House district of the other member of the House of Representatives appointed~~
337 ~~under Subsection 11-59-302(2)(b);]~~

338 ~~[(iii) the board member who is appointed by the governor under Subsection~~
 339 ~~11-59-302(2)(c)(i);]~~
 340 ~~[(iv) the board member who is appointed by the governor under Subsection~~
 341 ~~11-59-302(2)(c)(ii); and]~~
 342 ~~[(v) the board member who is the mayor of Draper or a member of the Draper city~~
 343 ~~council;]~~

- 344 (2) The authority shall establish a five-member loan committee consisting of:
 345 (a) the individual who is the board member appointed by the governor under
 346 Subsection 11-59-302(2)(c)(ii);
 347 (b) the individual who is a board member under Subsection 11-59-302(2)(e) because
 348 the individual is the mayor of Draper or a member of the Draper city council;
 349 (c) the executive director of the Department of Transportation, or the executive
 350 director's designee;
 351 (d) an individual, appointed by the governor, who:
 352 (i) is not an elected official; and
 353 (ii) has expertise in public finance or infrastructure development; and
 354 (e) an individual, appointed jointly by the president of the Senate and speaker of the
 355 House of Representatives, who:
 356 (i) is not an elected official; and
 357 (ii) has expertise in public finance or infrastructure development.

358 ~~[(2)]~~ (3) (a) The loan [approval] committee may [approve] recommend for board
 359 approval an infrastructure loan from the point of the mountain fund to a borrower for an
 360 infrastructure project undertaken by the borrower.

- 361 (b) An infrastructure loan from the point of the mountain fund may not be made unless:
 362 (i) the infrastructure loan is recommended by the loan committee; and
 363 (ii) the board approves the infrastructure loan.

364 ~~[(3)]~~ (4) [The loan approval committee shall establish] If the loan committee
 365 recommends an infrastructure loan, the loan committee shall recommend the terms of [an] the

366 infrastructure loan in accordance with Section 63A-3-404.

367 ~~[(4)]~~ (5) The ~~[loan approval committee]~~ board may establish policies and guidelines
368 with respect to prioritizing requests for infrastructure loans and approving infrastructure loans.

369 ~~[(5)]~~ (6) Within 60 days after the execution of an infrastructure loan, the ~~[loan approval~~
370 ~~committee]~~ board shall report the infrastructure loan, including the loan amount, terms, and
371 security, to the Executive Appropriations Committee.

372 ~~[(6)]~~ (7) (a) Salaries and expenses of committee members who are legislators shall be
373 paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3,
374 Legislator Compensation.

375 (b) A committee member who is not a legislator may not receive compensation or
376 benefits for the member's service on the committee, but may receive per diem and
377 reimbursement for travel expenses incurred as a committee member at the rates established by
378 the Division of Finance under:

379 (i) Sections 63A-3-106 and 63A-3-107; and

380 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
381 63A-3-107.

382 Section 5. Section 11-59-202 is amended to read:

383 **11-59-202. Authority powers.**

384 The authority may:

385 (1) as provided in this chapter, plan, manage, and implement the development of the
386 point of the mountain state land, including the ongoing operation of facilities on the point of
387 the mountain state land;

388 (2) undertake, or engage a consultant to undertake, any study, effort, or activity the
389 board considers appropriate to assist or inform the board about any aspect of the proposed
390 development of the point of the mountain state land, including the best development model and
391 financial projections relevant to the authority's efforts to fulfill its duties and responsibilities
392 under this section and Section 11-59-203;

393 (3) sue and be sued;

394 (4) enter into contracts generally, including a contract for the sharing of records under
395 Section 63G-2-206;

396 (5) buy, obtain an option upon, or otherwise acquire any interest in real or personal
397 property, as necessary to accomplish the duties and responsibilities of the authority, including
398 an interest in real property, apart from point of the mountain state land, or personal property,
399 outside point of the mountain state land, for publicly owned infrastructure and improvements,
400 if the board considers the purchase, option, or other interest acquisition to be necessary for
401 fulfilling the authority's development objectives;

402 (6) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
403 personal property;

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

405 (8) provide for the development of the point of the mountain state land under one or
406 more contracts, including the development of publicly owned infrastructure and improvements
407 and other infrastructure and improvements on or related to the point of the mountain state land;

408 (9) exercise powers and perform functions under a contract, as authorized in the
409 contract;

410 (10) accept financial or other assistance from any public or private source for the
411 authority's activities, powers, and duties, and expend any funds so received for any of the
412 purposes of this chapter;

413 (11) borrow money, contract with, or accept financial or other assistance from the
414 federal government, a public entity, or any other source for any of the purposes of this chapter
415 and comply with any conditions of the loan, contract, or assistance;

416 (12) issue bonds to finance the undertaking of any development objectives of the
417 authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and
418 Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;

419 (13) hire employees, including contract employees, in addition to or in place of staff
420 provided under Section 11-59-304;

421 (14) transact other business and exercise all other powers provided for in this chapter;

422 (15) enter into a development agreement with a developer of some or all of the point of
423 the mountain state land;

424 (16) provide for or finance an energy efficiency upgrade, a renewable energy system, or
425 electric vehicle charging infrastructure as defined in Section [11-42a-102](#), in accordance with
426 Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act;

427 (17) exercise powers and perform functions that the authority is authorized by statute
428 to exercise or perform;

429 (18) enter into one or more interlocal agreements under Title 11, Chapter 13, Interlocal
430 Cooperation Act, with one or more local government entities for the delivery of services to the
431 point of the mountain state land; ~~and~~

432 (19) enter into an agreement with the federal government or an agency of the federal
433 government, as the board considers necessary or advisable, to enable or assist the authority to
434 exercise its powers or fulfill its duties and responsibilities under this chapter[-];

435 (20) provide funding for the development of publicly owned infrastructure and
436 improvements or other infrastructure and improvements on or related to the point of the
437 mountain state land; and

438 (21) impose impact fees under Title 11, Chapter 36a, Impact Fees Act, and other fees
439 related to development activities.

440 Section 6. Section **11-59-205** is enacted to read:

441 **11-59-205. Authority funds.**

442 (1) Authority funds consist of all money that the authority receives from any source,
443 including:

444 (a) money appropriated by the Legislature;

445 (b) money from lease revenue;

446 (c) revenue from fees or other charges imposed by the authority; and

447 (d) other money paid to or acquired by the authority, as provided in this chapter or
448 other applicable law.

449 (2) The authority may use authority funds to carry out any of the powers of the

450 authority under this chapter or for any purpose authorized under this chapter, including:

451 (a) providing long-term benefits to the state from the development or use of point of
452 the mountain state land;

453 (b) investment in authority projects;

454 (c) repayment of point of the mountain infrastructure loans;

455 (d) repayment of or collateral for authority bonds;

456 (e) the sharing of money with other governmental entities under an interlocal
457 agreement; and

458 (f) paying any consulting fees, staff salaries, and other administrative, overhead, legal,
459 and operating expenses of the authority.

460 (3) The authority may not spend or use any money the authority receives under Section
461 10-1-304, 11-59-206, 11-59-207, or 11-59-208 until after June 30, 2023.

462 Section 7. Section 11-59-206 is enacted to read:

463 **11-59-206. Energy sales and use tax.**

464 (1) As provided in Subsection 10-1-304(1)(c), the authority may by resolution levy an
465 energy sales and use tax, under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use
466 Tax Act, on an energy supplier, as defined in Section 10-1-303, that supplies energy to a
467 facility on the point of the mountain state land.

468 (2) An energy sales and use tax under this section is subject to the maximum rate under
469 Subsection 10-3-304(1)(a)(ii), except that delivered value does not include the amount of a tax
470 paid under this section.

471 (3) (a) An energy supplier may recover from the energy supplier's customers an amount
472 equal to the energy sales and use tax, if the energy supplier includes the amount as a separate
473 billing line item.

474 (b) An energy sales and use tax levied under this section is in addition to the rate
475 approved by the Public Service Commission and charged to the customer.

476 (4) (a) An energy sales and use tax under this section is payable by the energy supplier
477 to the authority on a monthly basis as described by the resolution levying the tax.

478 (b) A resolution levying an energy sales and use tax shall allow the energy supplier to
479 retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting
480 and remitting the tax.

481 (5) Beginning July 1, 2022, a municipality may not levy an energy sales and use tax on
482 an energy supplier for energy that the energy supplier supplies to a facility located on the point
483 of the mountain state land.

484 Section 8. Section **11-59-207** is enacted to read:

485 **11-59-207. Annual fee in lieu of property tax.**

486 (1) As used in this section:

487 (a) "Annual fee" means a fee:

488 (i) that is levied and collected each year, as provided in this section; and

489 (ii) in an amount that is the equivalent of the cumulative real property tax that would
490 be levied and collected on leased property by all taxing entities if the leased property were not
491 exempt property.

492 (b) "Exempt property" means real property that is exempt from ad valorem property tax
493 because the real property is owned by the state.

494 (c) "Lease agreement" means an agreement by which a private person leases from the
495 state real property that is part of the point of the mountain state land.

496 (d) (i) "Leased property" means real property that:

497 (A) is part of the point of the mountain state land;

498 (B) is leased by a private person; and

499 (C) would be subject to ad valorem property tax if the real property were owned by the
500 private person.

501 (ii) "Leased property" includes attachments and other improvements to the real
502 property that would be included in an assessment of the value of the real property if the real
503 property were not exempt property.

504 (e) "Leased property value" means the value that leased property would have if the
505 leased property were subject to ad valorem property tax.

506 (f) "Lessee" means a private person that leases property that is part of the point of the
507 mountain state land under a lease agreement.

508 (2) Beginning January 1 of the year immediately following the execution of a lease
509 agreement, a lessee under the lease agreement shall pay an annual fee with respect to the leased
510 property that is the subject of the lease agreement.

511 (3) In a county in which the point of the mountain state land is located:

512 (a) the county assessor shall determine the leased property value of leased property that
513 is subject to an annual fee as though the leased property were subject to ad valorem property
514 tax;

515 (b) the county treasurer shall collect an annual fee in the same way and at the same
516 time that the treasurer would collect ad valorem property tax on the leased property if the
517 leased property were subject to ad valorem property tax;

518 (c) the county may retain an administrative fee for collecting and distributing the
519 annual fee in the same amount that would apply if the leased property were not exempt
520 property; and

521 (d) the county treasurer shall distribute to the authority all revenue from an annual fee
522 on leased property in the same way and at the same time as the treasurer distributes ad valorem
523 property tax revenue to taxing entities in accordance with Section [59-2-1365](#).

524 (4) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege
525 Tax.

526 Section 9. Section **11-59-208** is enacted to read:

527 **11-59-208. Portion of property tax augmentation to be paid to authority.**

528 (1) As used in this section:

529 (a) "Base taxable value" means the taxable value in the year before the transfer date.

530 (b) "Property tax augmentation":

531 (i) means the amount of property tax that is the difference between:

532 (A) the amount of property tax revenues generated each tax year by all taxing entities
533 from a transferred parcel, using the current assessed value of the property; and

534 (B) the amount of property tax revenues that would be generated from that same
535 transferred parcel using the base taxable value of the property; and

536 (ii) does not include property tax revenue from:

537 (A) a county additional property tax or multicounty assessing and collecting levy
538 imposed in accordance with Section [59-2-1602](#);

539 (B) a judgment levy imposed by a taxing entity under Section [59-2-1328](#) or [59-2-1330](#);
540 or

541 (C) a levy imposed by a taxing entity under Section [11-14-310](#) to pay for a general
542 obligation bond.

543 (c) "Transfer date" means the date that fee title to land that is part of the point of the
544 mountain state land is transferred to a private person.

545 (d) "Transferred parcel" means a parcel of land:

546 (i) that is part of the point of the mountain state land; and

547 (ii) the fee title to which has been transferred to a private person.

548 (2) Beginning January 1, 2023, the authority shall be paid 75% of property tax
549 augmentation from a transferred parcel:

550 (a) for a period of 25 years beginning January 1 of the year immediately following the
551 transfer date for the transferred parcel; and

552 (b) for a period of an additional 15 years beyond the period stated in Subsection (2)(a)
553 if:

554 (i) the board determines by resolution that the additional years will produce a
555 significant benefit to the authority; and

556 (ii) the resolution is adopted before the end of the 25-year period under Subsection
557 (2)(a).

558 (3) A county that collects property tax on property within the county in which the point
559 of the mountain state land is located shall pay and distribute to the authority the amount of
560 property tax augmentation that the authority is entitled to collect under Subsection (2), in the
561 manner and at the time provided in Section [59-2-1365](#).

562 Section 10. Section **11-59-306** is amended to read:

563 **11-59-306. Limitations on board members.**

564 (1) As used in this section:

565 (a) "Designated individual" means an individual:

566 (i) (A) who is a member of the Senate or House of Representatives;

567 (B) who has been appointed as a member of the board under Subsection

568 11-59-302(2)(a) or (b); and

569 (C) whose legislative district includes some or all of the point of the mountain state

570 land; or

571 (ii) who is designated to serve as a board member under Subsection 11-59-302(2)(e) or

572 (f).

573 [~~(a)~~] (b) "Direct financial benefit":

574 (i) means any form of financial benefit that accrues to an individual directly as a result
575 of the development of the point of the mountain state land, including:

576 (A) compensation, commission, or any other form of a payment or increase of money;

577 and

578 (B) an increase in the value of a business or property; and

579 (ii) does not include a financial benefit that accrues to the public generally as a result of
580 the development of the point of the mountain state land.

581 [~~(b)~~] (c) "Family member" means a parent, spouse, sibling, child, or grandchild.

582 [~~(c)~~] (d) "Interest in real property" means every type of real property interest, whether
583 recorded or unrecorded, including:

584 (i) a legal or equitable interest;

585 (ii) an option on real property;

586 (iii) an interest under a contract;

587 (iv) fee simple ownership;

588 (v) ownership as a tenant in common or in joint tenancy or another joint ownership
589 arrangement;

590 (vi) ownership through a partnership, limited liability company, or corporation that
591 holds title to a real property interest in the name of the partnership, limited liability company,
592 or corporation;

593 (vii) leasehold interest; and

594 (viii) any other real property interest that is capable of being owned.

595 (2) An individual may not serve as a member of the board if:

596 (a) subject to Subsection (5) for a designated individual, the individual owns an interest
597 in real property, other than a personal residence in which the individual resides, on or within
598 five miles of the point of the mountain state land;

599 (b) a family member of the individual owns an interest in real property, other than a
600 personal residence in which the family member resides, located on or within one-half mile of
601 the point of the mountain state land; [~~or~~]

602 (c) the individual or a family member of the individual owns an interest in, is directly
603 affiliated with, or is an employee or officer of a firm, company, or other entity that the
604 individual reasonably believes is likely to participate in or receive compensation or other direct
605 financial benefit from the development of the point of the mountain state land[~~;~~]; or

606 (d) the individual or a family member of the individual receives or is expected to
607 receive a direct financial benefit.

608 (3) (a) Before taking office as a board member, an individual shall submit to the
609 authority a statement:

610 (i) verifying that the individual's service as a board member does not violate
611 Subsection (2)[~~;~~]; and

612 (ii) for a designated individual, identifying any interest in real property, other than a
613 personal residence in which the individual resides, located on or within five miles of the point
614 of the mountain state land.

615 (b) If a designated individual takes action, during the individual's service as a board
616 member, to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real
617 property, other than a personal residence in which the individual intends to live, located on or

618 within five miles of the point of the mountain state land, the designated individual shall submit
 619 a written statement to the board chair describing the action, the interest in real property that the
 620 designated individual intends to acquire, and the location of the real property.

621 (4) ~~[A]~~ Except for a board member who is a designated individual, a board member
 622 [may not,] is disqualified from further service as a board member if the board member, at any
 623 time during the board member's service on the board, [take] takes any action to initiate,
 624 negotiate, or otherwise arrange for the acquisition of an interest in real property, other than a
 625 personal residence in which the member intends to reside, located on or within five miles of the
 626 point of the mountain state land.

627 (5) A designated individual who submits a written statement under Subsection
 628 (3)(a)(ii) or (b) may not serve or continue to serve as a board member unless at least two-thirds
 629 of all other board members conclude that the designated individual's service as a board member
 630 does not and will not create a material conflict of interest impairing the ability of the
 631 designated individual to exercise fair and impartial judgment as a board member and to act in
 632 the best interests of the authority.

633 ~~[(5)]~~ (6) (a) The board may not allow a firm, company, or other entity to participate in
 634 planning, managing, or implementing the development of the point of the mountain state land
 635 if a board member or a family member of a board member owns an interest in, is directly
 636 affiliated with, or is an employee or officer of the firm, company, or other entity.

637 (b) Before allowing a firm, company, or other entity to participate in planning,
 638 managing, or implementing the development of the point of the mountain state land, the board
 639 may require the firm, company, or other entity to certify that no board member or family
 640 member of a board member owns an interest in, is directly affiliated with, or is an employee or
 641 officer of the firm, company, or other entity.

642 Section 11. Section **17D-4-102** is amended to read:

643 **17D-4-102. Definitions.**

644 As used in this chapter:

645 (1) "Board" means the board of trustees of a public infrastructure district.

646 (2) "Creating entity" means the county, municipality, or development authority that
647 approves the creation of a public infrastructure district.

648 (3) "Development authority" means:

649 (a) the Utah Inland Port Authority created in Section [11-58-201](#); ~~[or]~~

650 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); or

651 ~~[(b)]~~ (c) the military installation development authority created in Section [63H-1-201](#).

652 (4) "District applicant" means the person proposing the creation of a public
653 infrastructure district.

654 (5) "Division" means a division of a public infrastructure district:

655 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
656 other divisions within the public infrastructure district, taking into account existing or potential
657 developments which, when completed, would increase or decrease the population within the
658 public infrastructure district; and

659 (b) which a member of the board represents.

660 (6) "Governing document" means the document governing a public infrastructure
661 district to which the creating entity agrees before the creation of the public infrastructure
662 district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
663 Provisions Applicable to All Local Districts, and this chapter.

664 (7) (a) "Limited tax bond" means a bond:

665 (i) that is directly payable from and secured by ad valorem property taxes that are
666 levied:

667 (A) by a public infrastructure district that issues the bond; and

668 (B) on taxable property within the district;

669 (ii) that is a general obligation of the public infrastructure district; and

670 (iii) for which the ad valorem property tax levy for repayment of the bond does not
671 exceed the property tax levy rate limit established under Section [17D-4-303](#) for any fiscal year,
672 except as provided in Subsection [17D-4-301](#)(8).

673 (b) "Limited tax bond" does not include:

- 674 (i) a short-term bond;
- 675 (ii) a tax and revenue anticipation bond; or
- 676 (iii) a special assessment bond.
- 677 (8) "Public infrastructure and improvements" means:
- 678 (a) publicly owned infrastructure and improvements, as defined in Section 11-58-102,
- 679 for a public infrastructure district created by the Utah Inland Port Authority created in Section
- 680 11-58-201; and
- 681 (b) the same as that term is defined in Section 63H-1-102, for a public infrastructure
- 682 district created by the military installation development authority created in Section 63H-1-201.
- 683 Section 12. Section 52-4-205 is amended to read:
- 684 **52-4-205. Purposes of closed meetings -- Certain issues prohibited in closed**
- 685 **meetings.**
- 686 (1) A closed meeting described under Section 52-4-204 may only be held for:
- 687 (a) except as provided in Subsection (3), discussion of the character, professional
- 688 competence, or physical or mental health of an individual;
- 689 (b) strategy sessions to discuss collective bargaining;
- 690 (c) strategy sessions to discuss pending or reasonably imminent litigation;
- 691 (d) strategy sessions to discuss the purchase, exchange, or lease of real property,
- 692 including any form of a water right or water shares, or to discuss a proposed development
- 693 agreement, project proposal, or financing proposal related to the development of land owned by
- 694 the state, if public discussion [~~of the transaction~~] would:
- 695 (i) disclose the appraisal or estimated value of the property under consideration; or
- 696 (ii) prevent the public body from completing the transaction on the best possible terms;
- 697 (e) strategy sessions to discuss the sale of real property, including any form of a water
- 698 right or water shares, if:
- 699 (i) public discussion of the transaction would:
- 700 (A) disclose the appraisal or estimated value of the property under consideration; or
- 701 (B) prevent the public body from completing the transaction on the best possible terms;

- 702 (ii) the public body previously gave public notice that the property would be offered for
- 703 sale; and
- 704 (iii) the terms of the sale are publicly disclosed before the public body approves the
- 705 sale;
- 706 (f) discussion regarding deployment of security personnel, devices, or systems;
- 707 (g) investigative proceedings regarding allegations of criminal misconduct;
- 708 (h) as relates to the Independent Legislative Ethics Commission, conducting business
- 709 relating to the receipt or review of ethics complaints;
- 710 (i) as relates to an ethics committee of the Legislature, a purpose permitted under
- 711 Subsection [52-4-204\(1\)\(a\)\(iii\)\(C\)](#);
- 712 (j) as relates to the Independent Executive Branch Ethics Commission created in
- 713 Section [63A-14-202](#), conducting business relating to an ethics complaint;
- 714 (k) as relates to a county legislative body, discussing commercial information as
- 715 defined in Section [59-1-404](#);
- 716 (l) as relates to the Utah Higher Education Assistance Authority and its appointed
- 717 board of directors, discussing fiduciary or commercial information as defined in Section
- 718 [53B-12-102](#);
- 719 (m) deliberations, not including any information gathering activities, of a public body
- 720 acting in the capacity of:
 - 721 (i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code,
 - 722 during the process of evaluating responses to a solicitation, as defined in Section [63G-6a-103](#);
 - 723 (ii) a protest officer, defined in Section [63G-6a-103](#), during the process of making a
 - 724 decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or
 - 725 (iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement
 - 726 Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part 17,
 - 727 Procurement Appeals Board;
 - 728 (n) the purpose of considering information that is designated as a trade secret, as
 - 729 defined in Section [13-24-2](#), if the public body's consideration of the information is necessary in

730 order to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement Code;

731 (o) the purpose of discussing information provided to the public body during the
732 procurement process under Title 63G, Chapter 6a, Utah Procurement Code, if, at the time of
733 the meeting:

734 (i) the information may not, under Title 63G, Chapter 6a, Utah Procurement Code, be
735 disclosed to a member of the public or to a participant in the procurement process; and

736 (ii) the public body needs to review or discuss the information in order to properly
737 fulfill its role and responsibilities in the procurement process;

738 (p) as relates to the governing board of a governmental nonprofit corporation, as that
739 term is defined in Section 11-13a-102, the purpose of discussing information that is designated
740 as a trade secret, as that term is defined in Section 13-24-2, if:

741 (i) public knowledge of the discussion would reasonably be expected to result in injury
742 to the owner of the trade secret; and

743 (ii) discussion of the information is necessary for the governing board to properly
744 discharge the board's duties and conduct the board's business; or

745 (q) a purpose for which a meeting is required to be closed under Subsection (2).

746 (2) The following meetings shall be closed:

747 (a) a meeting of the Health and Human Services Interim Committee to review a report
748 described in Subsection 62A-16-301(1)(a), and the responses to the report described in
749 Subsections 62A-16-301(2) and (4);

750 (b) a meeting of the Child Welfare Legislative Oversight Panel to:

751 (i) review a report described in Subsection 62A-16-301(1)(a), and the responses to the
752 report described in Subsections 62A-16-301(2) and (4); or

753 (ii) review and discuss an individual case, as described in Subsection 62A-4a-207(5);

754 (c) a meeting of the Opioid and Overdose Fatality Review Committee, created in
755 Section 26-7-13, to review and discuss an individual case, as described in Subsection
756 26-7-13(10);

757 (d) a meeting of a conservation district as defined in Section 17D-3-102 for the

758 purpose of advising the Natural Resource Conservation Service of the United States
759 Department of Agriculture on a farm improvement project if the discussed information is
760 protected information under federal law;

761 (e) a meeting of the Compassionate Use Board established in Section 26-61a-105 for
762 the purpose of reviewing petitions for a medical cannabis card in accordance with Section
763 26-61a-105; and

764 (f) a meeting of the Colorado River Authority of Utah if:

765 (i) the purpose of the meeting is to discuss an interstate claim to the use of the water in
766 the Colorado River system; and

767 (ii) failing to close the meeting would:

768 (A) reveal the contents of a record classified as protected under Subsection
769 63G-2-305(82);

770 (B) reveal a legal strategy relating to the state's claim to the use of the water in the
771 Colorado River system;

772 (C) harm the ability of the Colorado River Authority of Utah or river commissioner to
773 negotiate the best terms and conditions regarding the use of water in the Colorado River
774 system; or

775 (D) give an advantage to another state or to the federal government in negotiations
776 regarding the use of water in the Colorado River system.

777 (3) In a closed meeting, a public body may not:

778 (a) interview a person applying to fill an elected position;

779 (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A,
780 Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office;
781 or

782 (c) discuss the character, professional competence, or physical or mental health of the
783 person whose name was submitted for consideration to fill a midterm vacancy or temporary
784 absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and
785 Temporary Absence in Elected Office.

786 Section 13. Section **59-2-924** is amended to read:

787 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
788 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
789 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
790 **commission.**

791 (1) As used in this section:

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

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

795 (A) interest;

796 (B) penalties;

797 (C) collections from redemptions; or

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

801 (b) "Adjusted tax increment" means the same as that term is defined in Section
802 [17C-1-102](#).

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

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

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

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

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

813 (A) semiconductor manufacturing equipment assessed by a county assessor in

814 accordance with Part 3, County Assessment; and

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

816 (d) "Base taxable value" means:

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

819 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
820 the same as that term is defined in Section 11-59-207;

821 [(ii)] (iii) for an agency created under Section 17C-1-201.5, the same as that term is
822 defined in Section 17C-1-102;

823 [(iii)] (iv) for an authority created under Section 63H-1-201, the same as that term is
824 defined in Section 63H-1-102; or

825 [(iv)] (v) for a host local government, the same as that term is defined in Section
826 63N-2-502.

827 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
828 end taxable value of real and personal property the commission assesses in accordance with
829 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
830 2015, adjusted for taxable value attributable to:

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

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

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

835 (A) zero; or

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

840 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
841 change in the method of apportioning the value prescribed by the Legislature, a court, or the

842 commission in an administrative rule or administrative order.

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

845 (h) "Community reinvestment agency" means the same as that term is defined in
846 Section [17C-1-102](#).

847 (i) "Eligible new growth" means the greater of:

848 (i) zero; or

849 (ii) the sum of:

850 (A) locally assessed new growth;

851 (B) centrally assessed new growth; and

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

853 (j) "Host local government" means the same as that term is defined in Section
854 [63N-2-502](#).

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

856 (l) "Hotel property new growth" means an amount equal to the incremental value that
857 is no longer provided to a host local government as incremental property tax revenue.

858 (m) "Incremental property tax revenue" means the same as that term is defined in
859 Section [63N-2-502](#).

860 (n) "Incremental value" means:

861 (i) for an authority created under Section [11-58-201](#), the amount calculated by
862 multiplying:

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

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

867 (ii) for the Point of the Mountain State Land Authority created in Section [11-59-201](#),
868 an amount calculated by multiplying:

869 (A) the difference between the current assessed value of the property and the base

870 taxable value; and

871 (B) the number that represents the percentage of the property tax augmentation, as
872 defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;

873 [(ii)] (iii) for an agency created under Section 17C-1-201.5, the amount calculated by
874 multiplying:

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

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

879 [(iii)] (iv) for an authority created under Section 63H-1-201, the amount calculated by
880 multiplying:

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

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

885 [(iv)] (v) for a host local government, an amount calculated by multiplying:

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

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

890 (o) (i) "Locally assessed new growth" means the greater of:

891 (A) zero; or

892 (B) the amount calculated by subtracting the year end taxable value of real property the
893 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
894 adjusted for prior year end incremental value from the taxable value of real property the county
895 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
896 for current year incremental value.

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

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

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

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

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

906 (p) "Project area" means:

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

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

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

913 (q) "Project area new growth" means:

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

916 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
917 an amount equal to the incremental value that is no longer provided to the Point of the
918 Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

919 [~~(ii)~~] (iii) for an agency created under Section 17C-1-201.5, an amount equal to the
920 incremental value that is no longer provided to an agency as tax increment; or

921 [~~(iii)~~] (iv) for an authority created under Section 63H-1-201, an amount equal to the
922 incremental value that is no longer provided to an authority as property tax allocation.

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

925 (s) "Property tax allocation" means the same as that term is defined in Section

926 63H-1-102.

927 (t) "Property tax differential" means the same as that term is defined in Section

928 11-58-102.

929 (u) "Qualifying exempt revenue" means revenue received:

930 (i) for the previous calendar year;

931 (ii) by a taxing entity;

932 (iii) from tangible personal property contained on the prior year's tax rolls that is

933 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on

934 January 1, 2022; and

935 (iv) on the aggregate 2021 year end taxable value of the tangible personal property that
936 exceeds \$15,300.

937 (v) "Tax increment" means the same as that term is defined in Section 17C-1-102.

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

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

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

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

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

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

948 (c) the certified tax rate; and

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

950 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
951 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
952 prior year minus the qualifying exempt revenue by the amount calculated under Subsection
953 (4)(b).

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

956 (i) calculate for the taxing entity the difference between:
957 (A) the aggregate taxable value of all property taxed; and
958 (B) any adjustments for current year incremental value;

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

963 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
964 of:
965 (A) the amount calculated under Subsection (4)(b)(ii); and
966 (B) the percentage of property taxes collected for the five calendar years immediately
967 preceding the current calendar year; and

968 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an amount
969 determined by:
970 (A) multiplying the percentage of property taxes collected for the five calendar years
971 immediately preceding the current calendar year by eligible new growth; and
972 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
973 calculated under Subsection (4)(b)(iii).

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

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

978 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
979 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
980 services under Sections 17-34-1 and 17-36-9; and
981 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county

982 purposes and such other levies imposed solely for the municipal-type services identified in
983 Section 17-34-1 and Subsection 17-36-3(23);

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

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

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

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

999 (b) The ad valorem property tax revenue generated by a judgment levy described in
1000 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
1001 rate.

1002 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1003 (i) the taxable value of real property:

- 1004 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
- 1005 (B) contained on the assessment roll;

1006 (ii) the year end taxable value of personal property:

- 1007 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
- 1008 (B) contained on the prior year's assessment roll; and

1009 (iii) the taxable value of real and personal property the commission assesses in

1010 accordance with Part 2, Assessment of Property.

1011 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
1012 growth.

1013 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

1014 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
1015 notify the county auditor of:

1016 (i) the taxing entity's intent to exceed the certified tax rate; and

1017 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

1018 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
1019 exceeds the certified tax rate in accordance with Sections [59-2-919](#) and [59-2-919.1](#).

1020 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
1021 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
1022 Committee if:

1023 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
1024 taxable value of the real and personal property the commission assesses in accordance with
1025 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
1026 value; and

1027 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
1028 taxable value of the real and personal property of a taxpayer the commission assesses in
1029 accordance with Part 2, Assessment of Property, for the previous year.

1030 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
1031 subtracting the taxable value of real and personal property the commission assesses in
1032 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
1033 incremental value, from the year end taxable value of the real and personal property the
1034 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
1035 adjusted for prior year end incremental value.

1036 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1037 subtracting the total taxable value of real and personal property of a taxpayer the commission

1038 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
1039 year end taxable value of the real and personal property of a taxpayer the commission assesses
1040 in accordance with Part 2, Assessment of Property, for the previous year.

1041 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
1042 the requirement under Subsection (9)(a)(ii).

1043 Section 14. Section **63A-3-401.5** is amended to read:

1044 **63A-3-401.5. Definitions.**

1045 As used in this part:

1046 (1) "Borrower" means a person who borrows money from an infrastructure fund for an
1047 infrastructure project.

1048 (2) "Independent political subdivision" means:

1049 (a) the Utah Inland Port Authority created in Section [11-58-201](#);

1050 (b) the Point of the Mountain State Land Authority created in Section [11-59-201](#); or

1051 (c) the Military Installation Development Authority created in Section [63H-1-201](#).

1052 (3) "Infrastructure fund" means a fund created in Subsection [63A-3-402\(1\)](#).

1053 (4) "Infrastructure loan" means a loan of infrastructure fund money to finance an
1054 infrastructure project.

1055 (5) "Infrastructure project" means a project to acquire, construct, reconstruct,
1056 rehabilitate, equip, or improve public infrastructure and improvements:

1057 (a) within a project area; or

1058 (b) outside a project area, if the respective loan approval [~~committee~~] body determines
1059 by resolution that the public infrastructure and improvements are of benefit to the project area.

1060 (6) "Inland port" means the same as that term is defined in Section [11-58-102](#).

1061 (7) "Inland port fund" means the infrastructure fund created in Subsection
1062 [63A-3-402\(1\)\(a\)](#).

1063 (8) "Military development fund" means the infrastructure fund created in Subsection
1064 [63A-3-402\(1\)\(c\)](#).

1065 (9) "Point of the mountain fund" means the infrastructure fund created in Subsection

1066 63A-3-402(1)(b).

1067 (10) "Project area" means:

1068 (a) the same as that term is defined in Section 11-58-102, for purposes of an
1069 infrastructure loan from the inland port fund;

1070 (b) the point of the mountain state land, as defined in Section 11-59-102, for purposes
1071 of an infrastructure loan from the point of the mountain fund; and

1072 (c) the same as that term is defined in Section 63H-1-102, for purposes of an
1073 infrastructure loan from the military development fund.

1074 (11) "Property tax revenue" means:

1075 (a) property tax differential, as defined in Section 11-58-102, for purposes of an
1076 infrastructure loan from the inland port fund; or

1077 (b) property tax allocation, as defined in Section 63H-1-102, for purposes of an
1078 infrastructure loan from the military development fund.

1079 (12) "Public infrastructure and improvements":

1080 (a) for purposes of an infrastructure loan from the inland port fund:

1081 (i) means publicly owned infrastructure and improvements, as defined in Section
1082 11-58-102; and

1083 (ii) includes an inland port facility; ~~and~~

1084 (b) means publicly owned infrastructure and improvements, as defined in Section
1085 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; and

1086 ~~[(b)]~~ (c) means the same as that term is defined in Section 63H-1-102, for purposes of
1087 an infrastructure loan from the military development fund.

1088 (13) "Respective loan approval ~~committee~~ body" means:

1089 (a) the committee created in Section 11-58-106, for purposes of an infrastructure loan
1090 from the inland port fund;

1091 (b) the ~~committee~~ board created in Section ~~[11-59-104]~~ 11-59-301, for purposes of an
1092 infrastructure loan from the point of the mountain fund; and

1093 (c) the committee created in Section 63H-1-104, for purposes of an infrastructure loan

1094 from the military development fund.

1095 Section 15. Section **63A-3-402** is amended to read:

1096 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**
1097 **in funds.**

1098 (1) There are created, as enterprise revolving loan funds:

1099 (a) the inland port infrastructure revolving loan fund;

1100 (b) the point of the mountain infrastructure revolving loan fund; and

1101 (c) the military development infrastructure revolving loan fund.

1102 (2) The purpose of each infrastructure fund is to provide funding, through
1103 infrastructure loans, for infrastructure projects undertaken by a borrower.

1104 (3) (a) Money in an infrastructure fund may be used only to provide loans for
1105 infrastructure projects.

1106 (b) The division may not loan money in an infrastructure fund without the approval of:

1107 (i) the respective loan approval [~~committee.~~] body; and

1108 (ii) the Executive Appropriations Committee of the Legislature, for a loan from the
1109 point of the mountain fund.

1110 Section 16. Section **63A-3-404** is amended to read:

1111 **63A-3-404. Loan agreement.**

1112 (1) (a) A borrower that borrows money from an infrastructure fund shall enter into a
1113 loan agreement with the division for repayment of the money.

1114 (b) (i) A loan agreement under Subsection (1)(a) shall be secured by:

1115 (A) bonds, notes, or another evidence of indebtedness validly issued under state law; or

1116 (B) revenue generated from an infrastructure project.

1117 (ii) The security provided under Subsection (1)(b)(i) may include the borrower's pledge
1118 of some or all of a revenue source that the borrower controls.

1119 (c) The respective loan approval [~~committee~~] body may determine that property tax
1120 revenue or revenue from the infrastructure project for which the infrastructure loan is obtained
1121 is sufficient security for an infrastructure loan.

1122 (2) An infrastructure loan shall bear interest at a rate not to exceed .5% above bond
1123 market interest rates available to the state.

1124 (3) (a) Subject to Subsection (3)(b), the respective loan approval [~~committee~~] body
1125 shall determine the length of term of an infrastructure loan.

1126 (b) If the security for an infrastructure loan is property tax revenue, the repayment
1127 terms of the infrastructure loan agreement shall allow sufficient time for the property tax
1128 revenue to generate sufficient money to cover payments under the infrastructure loan.

1129 (4) An infrastructure loan agreement may provide for a portion of the loan proceeds to
1130 be applied to a reserve fund to secure repayment of the infrastructure loan.

1131 (5) (a) If a borrower fails to comply with the terms of an infrastructure loan agreement,
1132 the division may:

1133 (i) seek any legal or equitable remedy to obtain:

1134 (A) compliance with the agreement; or

1135 (B) the payment of damages; and

1136 (ii) request a state agency with money due to the borrower to withhold payment of the
1137 money to the borrower and instead to pay the money to the division to pay any amount due
1138 under the infrastructure loan agreement.

1139 (b) A state agency that receives a request from the division under Subsection (5)(a)(ii)
1140 shall pay to the division the money due to the borrower to the extent of the amount due under
1141 the infrastructure loan agreement.

1142 (6) Upon approval from the respective loan approval [~~committee~~] body, the division
1143 shall loan money from an infrastructure fund according to the terms established by the
1144 respective loan approval [~~committee~~] body.

1145 (7) (a) The division shall administer and enforce an infrastructure loan according to the
1146 terms of the infrastructure loan agreement.

1147 (b) (i) Beginning May 5, 2021, the division shall assume responsibility from the State
1148 Infrastructure Bank Fund for servicing the loan under Subsection 63B-27-101(3)(a).

1149 (ii) Payments due after May 5, 2021 under the loan under Subsection 63B-27-101(3)(a)

1150 shall be made to the division rather than to the State Infrastructure Bank Fund, to be deposited
1151 into the military development fund.

1152 Section 17. **Repealer.**

1153 This bill repeals:

1154 Section [11-59-101](#), **Title.**

1155 Section 18. **Effective date.**

1156 (1) Except as provided in Subsection (2), this bill takes effect May 4, 2022.

1157 (2) If approved by two-thirds of all the members elected to each house, the
1158 amendments to Section [52-4-205](#) take effect upon approval by the governor, or the day
1159 following the constitutional time limit of Utah Constitution, Article VII, Section 8, without the
1160 governor's signature, or in the case of a veto, the date of veto override.