

Representative V. Lowry Snow proposes the following substitute bill:

POINT OF THE MOUNTAIN STATE LAND AUTHORITY

AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: V. Lowry Snow

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ authorizes the Point of the Mountain State Land Authority to impose an energy sales and use tax and an energy tax;
- ▶ modifies the membership of a loan committee;
- ▶ moves the ability to approve a loan from the loan committee to the Authority board;
- ▶ modifies a provision relating to Authority powers;
- ▶ requires a lessee of point of the mountain state land to pay an annual fee and provides for the levy and collection of the fee;
- ▶ requires the Authority to be paid a portion of increased property tax revenue from parcels of land transferred to a private owner;
- ▶ modifies limitations on individuals serving as board members;
- ▶ modifies the purposes of a closed meeting to include certain discussions relating to the development of land owned by the state;



- modifies provisions relating to an Authority infrastructure fund; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

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

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

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

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

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

ENACTS:

11-59-205, Utah Code Annotated 1953

11-59-206, Utah Code Annotated 1953

11-59-207, Utah Code Annotated 1953

REPEALS:

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

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

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

10-1-304. Municipality, military installation development authority, and Point of

the Mountain State Land Authority may levy tax -- Rate -- Imposition or repeal of tax --
Tax rate change -- Effective date -- Notice requirements -- Exemptions.

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

(i) by ordinance as provided in Section 10-1-305; and

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

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

(c) The Point of the Mountain State Land Authority, created in Section 11-59-201, may
levy a municipal energy sales and use tax under this part within the area that constitutes the
point of the mountain state land, as defined in Section 11-59-102, as though the Point of the
Mountain State Land Authority were a municipality.

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

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

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

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

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

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

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

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

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

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

(C) the effective date of the tax described in Subsection (3)(b)(ii)(A); and
 (D) if the city or town enacts the tax or changes the rate of the tax described in Subsection (3)(b)(ii)(A), the new rate of the tax.

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

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

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

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

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

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

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

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

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

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

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

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

(ii) the point of the mountain state land, as defined in Section [11-59-102](#).

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

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

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

Section 2. Section **11-59-102** is amended to read:

11-59-102. Definitions.

As used in this chapter:

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

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

(3) "Development":

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

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

(ii) surveying, testing, locating existing utilities and other infrastructure, and other preliminary site work; and

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

(b) includes all activities associated with:

(i) marketing and business recruiting activities and efforts;

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

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

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

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

(6) "Public entity" means:

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

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

(7) "Publicly owned infrastructure and improvements":

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

(i) benefit the public; and

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

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

(b) includes:

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

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

(B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy, microgrids, or telecommunications service;

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

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

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

Section 3. Section **11-59-104** is amended to read:

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

(1) As used in this section:

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

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

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

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

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

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

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

181 ~~[(B) whose Senate district is closer to the boundary of the point of the mountain state~~
182 ~~land than is the Senate district of the other member of the Senate appointed under Subsection~~
183 ~~11-59-302(2)(a);]~~

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

185 ~~[(A) who is a member of the House of Representatives appointed under Subsection~~
186 ~~11-59-302(2)(b); and]~~

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

190 ~~[(iii) the board member who is appointed by the governor under Subsection~~
191 ~~11-59-302(2)(c)(i);]~~

192 ~~[(iv) the board member who is appointed by the governor under Subsection~~
193 ~~11-59-302(2)(c)(ii); and]~~

194 ~~[(v) the board member who is the mayor of Draper or a member of the Draper city~~
195 ~~council.]~~

196 (2) The authority shall establish a five-member loan committee consisting of:

197 (a) an individual who is the board member appointed by the governor under Subsection
198 11-59-302(2)(c)(ii);

199 (b) the individual who is a board member under Subsection 11-59-302(2)(e) because
200 the individual is the mayor of Draper or a member of the Draper city council;

201 (c) the executive director of the Department of Transportation, or the executive
202 director's designee;

203 (d) an individual with expertise in public finance, appointed by the governor; and

204 (e) an individual with expertise in infrastructure development, appointed by the
205 governor.

206 ~~[(2)]~~ (3) The loan [approval] committee may [approve] recommend for board approval
207 an infrastructure loan from the point of the mountain fund to a borrower for an infrastructure
208 project undertaken by the borrower.

209 ~~[(3)]~~ (4) [The loan approval committee shall establish] If the loan committee
210 recommends an infrastructure loan, the loan committee shall recommend the terms of [an] the
211 infrastructure loan in accordance with Section 63A-3-404.

212 ~~[(4)]~~ (5) The ~~[loan approval committee]~~ board may establish policies and guidelines
213 with respect to prioritizing requests for infrastructure loans and approving infrastructure loans.

214 ~~[(5)]~~ (6) Within 60 days after the execution of an infrastructure loan, the ~~[loan approval~~
215 ~~committee]~~ board shall report the infrastructure loan, including the loan amount, terms, and
216 security, to the Executive Appropriations Committee.

217 ~~[(6)]~~ (7) (a) Salaries and expenses of committee members who are legislators shall be
218 paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3,
219 Legislator Compensation.

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

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

225 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
226 63A-3-107.

227 Section 4. Section 11-59-202 is amended to read:

228 **11-59-202. Authority powers.**

229 The authority may:

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

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

238 (3) sue and be sued;

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

241 (5) buy, obtain an option upon, or otherwise acquire any interest in real or personal
242 property, as necessary to accomplish the duties and responsibilities of the authority, including

an interest in real property, apart from point of the mountain state land, or personal property, outside point of the mountain state land, for publicly owned infrastructure and improvements, if the board considers the purchase, option, or other interest acquisition to be necessary for fulfilling the authority's development objectives;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 5. Section **11-59-205** is enacted to read:

11-59-205. Energy tax.

(1) By ordinance, an authority board may levy an energy tax on an energy supplier, as defined in Section 10-1-303, that supplies energy to a facility on the point of the mountain state land.

(2) The maximum rate of the energy tax under this section is 6% of the delivered value as defined in Section 10-1-303, except that delivered value does not include the amount of a tax paid under this section.

(3) (a) An energy supplier may recover an amount equal to the energy tax from its customers, if the energy supplier includes the amount as a separate billing line item.

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

(4) If the authority levies an energy use and sales tax under Section 10-1-304, the energy tax under this section paid by a customer is reduced by any energy sales and use tax paid by that customer on the same delivered value.

(5) (a) The energy tax under this section is payable by the energy supplier to the authority on a monthly basis as described by the ordinance levying the tax.

(b) The ordinance shall allow the energy supplier to retain 1% of the tax remittance each month to offset the energy supplier's costs of collecting and remitting the tax.

Section 6. Section **11-59-206** is enacted to read:

11-59-206. Annual fee in lieu of property tax.

(1) As used in this section:

(a) "Annual fee" means a fee:

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

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

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

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

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

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

(B) is leased by a private person; and

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

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

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

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

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

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

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

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

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

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

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

Section 7. Section **11-59-207** is enacted to read:

11-59-207. Portion of property tax augmentation to be paid to authority.

(1) As used in this section:

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

(b) "Property tax augmentation":

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

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

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

(ii) does not include property tax revenue from:

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

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

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

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

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

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

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

(2) The authority shall be paid 75% of property tax augmentation from a transferred

parcel:

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

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

if:

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

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

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

Section 8. Section **11-59-306** is amended to read:

11-59-306. Limitations on board members.

(1) As used in this section:

(a) "Direct financial benefit":

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

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

and

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

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

(b) "Family member" means a parent, spouse, sibling, child, or grandchild.

(c) "Interest in real property" means every type of real property interest, whether recorded or unrecorded, including:

(i) a legal or equitable interest;

(ii) an option on real property;

(iii) an interest under a contract;

(iv) fee simple ownership;

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

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

(vii) leasehold interest; and

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

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

~~[(a)]~~ (i) except as provided in Subsection (2)(b), the individual owns an interest in real property, other than a personal residence in which the individual resides, within five miles of the point of the mountain state land;

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

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

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

(b) An individual appointed as a board member under Subsection [11-59-302\(2\)\(e\)](#) or (f) who owns an interest in real property, other than a personal residence in which the individual resides, is not disqualified from serving as a board member.

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

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

(ii) for an individual appointed as a board member under Subsection [11-59-302\(2\)\(e\)](#) or (f), identifying any interest in real property, other than a personal residence in which the individual resides, located within five miles of the point of the mountain state land.

(b) If an individual appointed as a board member under Subsection [11-59-302\(2\)\(e\)](#) or

(f) takes action, during the individual's service as a board member, to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real property, other than a personal residence in which the individual intends to live, located within five miles of the point of the mountain state land, the individual shall submit a written statement to the board chair describing the action, the interest in real property that the individual intends to acquire, and the location of the real property.

(4) [A] Except for a board member appointed under Subsection 11-59-302(2)(e) or (f), a board member may not, at any time during the board member's service on the board, take any action to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real property, other than a personal residence in which the member intends to reside, located within five miles of the point of the mountain state land.

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

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

Section 9. Section **17D-4-102** is amended to read:

17D-4-102. Definitions.

As used in this chapter:

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

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

(3) "Development authority" means:

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

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

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

(4) "District applicant" means the person proposing the creation of a public

infrastructure district.

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

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

(b) which a member of the board represents.

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

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

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

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

(B) on taxable property within the district;

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

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

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

(i) a short-term bond;

(ii) a tax and revenue anticipation bond; or

(iii) a special assessment bond.

(8) "Public infrastructure and improvements" means:

(a) publicly owned infrastructure and improvements, as defined in Section 11-58-102, for a public infrastructure district created by the Utah Inland Port Authority created in Section 11-58-201; and

(b) the same as that term is defined in Section 63H-1-102, for a public infrastructure district created by the military installation development authority created in Section 63H-1-201.

Section 10. Section 52-4-205 is amended to read:

52-4-205. Purposes of closed meetings -- Certain issues prohibited in closed meetings.

(1) A closed meeting described under Section 52-4-204 may only be held for:

(a) except as provided in Subsection (3), discussion of the character, professional competence, or physical or mental health of an individual;

(b) strategy sessions to discuss collective bargaining;

(c) strategy sessions to discuss pending or reasonably imminent litigation;

(d) strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, or to discuss a proposed development agreement, project proposal, or financing proposal related to the development of land owned by the state, if public discussion [~~of the transaction~~] would:

(i) disclose the appraisal or estimated value of the property under consideration; or

(ii) prevent the public body from completing the transaction on the best possible terms;

(e) strategy sessions to discuss the sale of real property, including any form of a water right or water shares, if:

(i) public discussion of the transaction would:

(A) disclose the appraisal or estimated value of the property under consideration; or

(B) prevent the public body from completing the transaction on the best possible terms;

(ii) the public body previously gave public notice that the property would be offered for sale; and

(iii) the terms of the sale are publicly disclosed before the public body approves the sale;

(f) discussion regarding deployment of security personnel, devices, or systems;

(g) investigative proceedings regarding allegations of criminal misconduct;

(h) as relates to the Independent Legislative Ethics Commission, conducting business relating to the receipt or review of ethics complaints;

(i) as relates to an ethics committee of the Legislature, a purpose permitted under Subsection 52-4-204(1)(a)(iii)(C);

(j) as relates to the Independent Executive Branch Ethics Commission created in Section 63A-14-202, conducting business relating to an ethics complaint;

(k) as relates to a county legislative body, discussing commercial information as

defined in Section 59-1-404;

(l) as relates to the Utah Higher Education Assistance Authority and its appointed board of directors, discussing fiduciary or commercial information as defined in Section 53B-12-102;

(m) deliberations, not including any information gathering activities, of a public body acting in the capacity of:

(i) an evaluation committee under Title 63G, Chapter 6a, Utah Procurement Code, during the process of evaluating responses to a solicitation, as defined in Section 63G-6a-103;

(ii) a protest officer, defined in Section 63G-6a-103, during the process of making a decision on a protest under Title 63G, Chapter 6a, Part 16, Protests; or

(iii) a procurement appeals panel under Title 63G, Chapter 6a, Utah Procurement Code, during the process of deciding an appeal under Title 63G, Chapter 6a, Part 17, Procurement Appeals Board;

(n) the purpose of considering information that is designated as a trade secret, as defined in Section 13-24-2, if the public body's consideration of the information is necessary in order to properly conduct a procurement under Title 63G, Chapter 6a, Utah Procurement Code;

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

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

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

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

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

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

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

(2) The following meetings shall be closed:

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

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

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

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

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

(d) a meeting of a conservation district as defined in Section 17D-3-102 for the purpose of advising the Natural Resource Conservation Service of the United States Department of Agriculture on a farm improvement project if the discussed information is protected information under federal law;

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

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

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

(ii) failing to close the meeting would:

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

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

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

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

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

- (a) interview a person applying to fill an elected position;
- (b) discuss filling a midterm vacancy or temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office; or
- (c) discuss the character, professional competence, or physical or mental health of the person whose name was submitted for consideration to fill a midterm vacancy or temporary absence governed by Title 20A, Chapter 1, Part 5, Candidate Vacancy and Vacancy and Temporary Absence in Elected Office.

Section 11. Section **59-2-924** is amended to read:

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

(1) As used in this section:

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

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

(A) interest;

(B) penalties;

(C) collections from redemptions; or

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

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

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

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

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

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

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

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

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

(d) "Base taxable value" means:

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

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

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

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

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

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

(i) an annexation to a taxing entity; or

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

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

(A) zero; or

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

current year, adjusted for current year incremental value.

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

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

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

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

(i) zero; or

(ii) the sum of:

(A) locally assessed new growth;

(B) centrally assessed new growth; and

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

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

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

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

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

(n) "Incremental value" means:

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

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

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

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

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

677 taxable value; and

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

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

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

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

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

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

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

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

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

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

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

698 (A) zero; or

699 (B) the amount calculated by subtracting the year end taxable value of real property the
700 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
701 adjusted for prior year end incremental value from the taxable value of real property the county
702 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
703 for current year incremental value.

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

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

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

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

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

(p) "Project area" means:

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

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

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

(q) "Project area new growth" means:

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

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

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

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

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

(s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.

(t) "Property tax differential" means the same as that term is defined in Section 11-58-102.

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

(i) for the previous calendar year;

(ii) by a taxing entity;

(iii) from tangible personal property contained on the prior year's tax rolls that is exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year beginning on January 1, 2022; and

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

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

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

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

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

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

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

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

(c) the certified tax rate; and

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

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

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

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

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

(B) any adjustments for current year incremental value;

(ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the average of the percentage net change in the value of taxable property for the equalization

769 period for the three calendar years immediately preceding the current calendar year;

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

772 (A) the amount calculated under Subsection (4)(b)(ii); and

773 (B) the percentage of property taxes collected for the five calendar years immediately
774 preceding the current calendar year; and

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

777 (A) multiplying the percentage of property taxes collected for the five calendar years
778 immediately preceding the current calendar year by eligible new growth; and

779 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the amount
780 calculated under Subsection (4)(b)(iii).

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

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

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

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

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

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

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

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

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

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

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

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

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

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

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

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

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

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

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

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

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

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

(i) the amount calculated under Subsection (9)(b) is 10% or more of the year end

taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value; and

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

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

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

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

Section 12. Section **63A-3-401.5** is amended to read:

63A-3-401.5. Definitions.

As used in this part:

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

(2) "Independent political subdivision" means:

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

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

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

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

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

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

(a) within a project area; or

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

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

(7) "Inland port fund" means the infrastructure fund created in Subsection 63A-3-402(1)(a).

(8) "Military development fund" means the infrastructure fund created in Subsection 63A-3-402(1)(c).

(9) "Point of the mountain fund" means the infrastructure fund created in Subsection 63A-3-402(1)(b).

(10) "Project area" means:

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

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

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

(11) "Property tax revenue" means:

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

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

(12) "Public infrastructure and improvements":

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

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

(ii) includes an inland port facility; ~~[and]~~

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

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

895 (13) "Respective loan approval [~~committee~~] body" means:

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

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

900 (c) the committee created in Section 63H-1-104, for purposes of an infrastructure loan
901 from the military development fund.

902 Section 13. Section 63A-3-402 is amended to read:

903 **63A-3-402. Infrastructure funds established -- Purpose of funds -- Use of money**
904 **in funds.**

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

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

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

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

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

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

913 (b) The division may not loan money in an infrastructure fund without the approval of
914 the respective loan approval [~~committee~~] body.

915 Section 14. Section 63A-3-404 is amended to read:

916 **63A-3-404. Loan agreement.**

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

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

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

921 (B) revenue generated from an infrastructure project.

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

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

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

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

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

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

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

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

939 (A) compliance with the agreement; or

940 (B) the payment of damages; and

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

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

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

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

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

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

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

957 Section 15. **Repealer.**

958 This bill repeals:

959 Section **11-59-101**, Title.

960 Section 16. **Effective date.**

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

962 (2) The amendments to Sections [10-1-304](#), [11-59-205](#), [11-59-206](#), [11-59-207](#), and
963 [59-2-924](#) take effect July 1, 2022.