

Senator Wayne A. Harper proposes the following substitute bill:

HOUSING AND TRANSIT REINVESTMENT ZONE

AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Stephen G. Handy

LONG TITLE

General Description:

This bill amends provisions related to housing and transit reinvestment zones.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows housing and transit reinvestment zones around light rail and bus rapid transit facilities;
- ▶ amends provisions related to the size limitations and number of allowed housing and transit reinvestment zones;
- ▶ requires equal participation by all local taxing entities;
- ▶ defines the term of each type of housing and transit reinvestment zone;
- ▶ amends the membership of the housing and transit reinvestment zone committee;
- ▶ requires relevant zoning changes be made before the housing and transit reinvestment zone may be approved by the committee;
- ▶ amends provisions related to the efficiency and feasibility analysis of a housing and transit reinvestment zone;
- ▶ amends provisions related to state participation in a housing and transit



26 reinvestment zone; and
27 ▶ makes technical changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

- 34 **59-12-103**, as last amended by Laws of Utah 2021, Chapters 367, 387, and 411
- 35 **63N-3-602**, as enacted by Laws of Utah 2021, Chapter 411
- 36 **63N-3-603**, as last amended by Laws of Utah 2021, First Special Session, Chapter 3
- 37 **63N-3-604**, as enacted by Laws of Utah 2021, Chapter 411
- 38 **63N-3-605**, as enacted by Laws of Utah 2021, Chapter 411
- 39 **63N-3-607**, as enacted by Laws of Utah 2021, Chapter 411
- 40 **63N-3-610**, as enacted by Laws of Utah 2021, Chapter 411



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

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

44 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
45 **tax revenues.**

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

- 48 (a) retail sales of tangible personal property made within the state;
- 49 (b) amounts paid for:
 - 50 (i) telecommunications service, other than mobile telecommunications service, that
 - 51 originates and terminates within the boundaries of this state;
 - 52 (ii) mobile telecommunications service that originates and terminates within the
 - 53 boundaries of one state only to the extent permitted by the Mobile Telecommunications
 - 54 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - 55 (iii) an ancillary service associated with a:
 - 56 (A) telecommunications service described in Subsection (1)(b)(i); or

- 57 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 58 (c) sales of the following for commercial use:
 - 59 (i) gas;
 - 60 (ii) electricity;
 - 61 (iii) heat;
 - 62 (iv) coal;
 - 63 (v) fuel oil; or
 - 64 (vi) other fuels;
- 65 (d) sales of the following for residential use:
 - 66 (i) gas;
 - 67 (ii) electricity;
 - 68 (iii) heat;
 - 69 (iv) coal;
 - 70 (v) fuel oil; or
 - 71 (vi) other fuels;
- 72 (e) sales of prepared food;
- 73 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
- 74 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 75 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 76 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 77 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 78 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 79 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 80 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 81 exhibition, cultural, or athletic activity;
- 82 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 83 property, unless Section [59-12-104](#) provides for an exemption from sales and use tax for:
 - 84 (i) the tangible personal property; and
 - 85 (ii) parts used in the repairs or renovations of the tangible personal property described
 - 86 in Subsection (1)(g)(i), regardless of whether:
 - 87 (A) any parts are actually used in the repairs or renovations of that tangible personal

88 property; or

89 (B) the particular parts used in the repairs or renovations of that tangible personal
90 property are exempt from a tax under this chapter;

91 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
92 assisted cleaning or washing of tangible personal property;

93 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
94 accommodations and services that are regularly rented for less than 30 consecutive days;

95 (j) amounts paid or charged for laundry or dry cleaning services;

96 (k) amounts paid or charged for leases or rentals of tangible personal property if within
97 this state the tangible personal property is:

98 (i) stored;

99 (ii) used; or

100 (iii) otherwise consumed;

101 (l) amounts paid or charged for tangible personal property if within this state the
102 tangible personal property is:

103 (i) stored;

104 (ii) used; or

105 (iii) consumed; and

106 (m) amounts paid or charged for a sale:

107 (i) (A) of a product transferred electronically; or

108 (B) of a repair or renovation of a product transferred electronically; and

109 (ii) regardless of whether the sale provides:

110 (A) a right of permanent use of the product; or

111 (B) a right to use the product that is less than a permanent use, including a right:

112 (I) for a definite or specified length of time; and

113 (II) that terminates upon the occurrence of a condition.

114 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
115 are imposed on a transaction described in Subsection (1) equal to the sum of:

116 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

117 (A) 4.70% plus the rate specified in Subsection (12)(a); and

118 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

119 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
120 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
121 State Sales and Use Tax Act; and

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

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

128 (b) Except as provided in Subsection (2)(e) or (f) and subject to Subsection (2)(k), a
129 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
130 the sum of:

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

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

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

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

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

140 (d) Except as provided in Subsection (2)(e) or (f), a state tax is imposed on amounts
141 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
142 a rate of 4.85%.

143 (e) (i) For a bundled transaction that is attributable to food and food ingredients and
144 tangible personal property other than food and food ingredients, a state tax and a local tax is
145 imposed on the entire bundled transaction equal to the sum of:

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

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

148 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
149 Sales and Use Tax Act, if the location of the transaction as determined under Sections

150 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
151 Additional State Sales and Use Tax Act; and

152 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
153 Sales and Use Tax Act, if the location of the transaction as determined under Sections
154 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
155 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

158 (ii) If an optional computer software maintenance contract is a bundled transaction that
159 consists of taxable and nontaxable products that are not separately itemized on an invoice or
160 similar billing document, the purchase of the optional computer software maintenance contract
161 is 40% taxable under this chapter and 60% nontaxable under this chapter.

162 (iii) Subject to Subsection (2)(e)(iv), for a bundled transaction other than a bundled
163 transaction described in Subsection (2)(e)(i) or (ii):

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

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

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

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

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

179 (II) state or federal law provides otherwise.

180 (iv) For purposes of Subsection (2)(e)(iii), books and records that a seller keeps in the

181 seller's regular course of business includes books and records the seller keeps in the regular
182 course of business for nontax purposes.

183 (f) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(f)(ii)
184 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
185 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
186 of tangible personal property, other property, a product, or a service that is not subject to
187 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
188 the seller, at the time of the transaction:

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

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

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

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

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

202 (iii) For purposes of Subsections (2)(f)(i) and (ii), books and records that a seller keeps
203 in the seller's regular course of business includes books and records the seller keeps in the
204 regular course of business for nontax purposes.

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

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

211 (B) is able to identify by reasonable and verifiable standards the tangible personal

212 property, product, or service that is subject to taxation under this chapter at the lower tax rate
213 from the books and records the seller keeps in the seller's regular course of business.

214 (ii) For purposes of Subsection (2)(g)(i), books and records that a seller keeps in the
215 seller's regular course of business includes books and records the seller keeps in the regular
216 course of business for nontax purposes.

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

- 219 (i) Subsection (2)(a)(i)(A);
- 220 (ii) Subsection (2)(b)(i);
- 221 (iii) Subsection (2)(c)(i); or
- 222 (iv) Subsection (2)(e)(i)(A)(I).

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

- 226 (A) Subsection (2)(a)(i)(A);
- 227 (B) Subsection (2)(b)(i);
- 228 (C) Subsection (2)(c)(i); or
- 229 (D) Subsection (2)(e)(i)(A)(I).

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

- 233 (A) Subsection (2)(a)(i)(A);
- 234 (B) Subsection (2)(b)(i);
- 235 (C) Subsection (2)(c)(i); or
- 236 (D) Subsection (2)(e)(i)(A)(I).

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

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

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

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

244 (B) Subsection (2)(b)(i);

245 (C) Subsection (2)(c)(i); or

246 (D) Subsection (2)(e)(i)(A)(I).

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

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

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

254 (A) a commercial use;

255 (B) an industrial use; or

256 (C) a residential use.

257 (3) (a) The following state taxes shall be deposited into the General Fund:

258 (i) the tax imposed by Subsection (2)(a)(i)(A);

259 (ii) the tax imposed by Subsection (2)(b)(i);

260 (iii) the tax imposed by Subsection (2)(c)(i); and

261 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

262 (b) The following local taxes shall be distributed to a county, city, or town as provided
263 in this chapter:

264 (i) the tax imposed by Subsection (2)(a)(ii);

265 (ii) the tax imposed by Subsection (2)(b)(ii);

266 (iii) the tax imposed by Subsection (2)(c)(ii); and

267 (iv) the tax imposed by Subsection (2)(e)(i)(B).

268 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
269 Fund.

270 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
271 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
272 through (g):

273 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

274 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

275 (B) for the fiscal year; or

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

277 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
278 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
279 Department of Natural Resources to:

280 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
281 protect sensitive plant and animal species; or

282 (B) award grants, up to the amount authorized by the Legislature in an appropriations
283 act, to political subdivisions of the state to implement the measures described in Subsections
284 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

285 (ii) Money transferred to the Department of Natural Resources under Subsection
286 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
287 person to list or attempt to have listed a species as threatened or endangered under the
288 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

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

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

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

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

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

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

304 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

305 Conservation and Development Fund created in Section 73-10-24;

306 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

307 Program Subaccount created in Section 73-10c-5; and

308 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

309 Program Subaccount created in Section 73-10c-5.

310 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

311 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

312 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

313 (ii) In addition to the uses allowed of the Water Resources Conservation and

314 Development Fund under Section 73-10-24, the Water Resources Conservation and

315 Development Fund may also be used to:

316 (A) conduct hydrologic and geotechnical investigations by the Division of Water

317 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

318 quantifying surface and ground water resources and describing the hydrologic systems of an

319 area in sufficient detail so as to enable local and state resource managers to plan for and

320 accommodate growth in water use without jeopardizing the resource;

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

322 (C) protect the state's interest in interstate water compact allocations, including the

323 hiring of technical and legal staff.

324 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

325 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

326 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

327 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described

328 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount

329 created in Section 73-10c-5 for use by the Division of Drinking Water to:

330 (i) provide for the installation and repair of collection, treatment, storage, and

331 distribution facilities for any public water system, as defined in Section 19-4-102;

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

333 (iii) develop surface water sources.

334 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

335 2006, the difference between the following amounts shall be expended as provided in this

336 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

348 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
349 remaining difference described in Subsection (5)(a) shall be:

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

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

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

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

361 (i) preconstruction costs:

362 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
363 26, Bear River Development Act; and

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

366 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,

367 Chapter 26, Bear River Development Act;

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

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

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

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

379 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
380 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
381 (1) for the fiscal year shall be deposited as follows:

382 (a) for fiscal year 2020-21 only:

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

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

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

390 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
391 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
392 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
393 created by Section 72-2-124:

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

398 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
399 (B) the tax imposed by Subsection (2)(b)(i);
400 (C) the tax imposed by Subsection (2)(c)(i); and
401 (D) the tax imposed by Subsection (2)(e)(i)(A)(I); plus
402 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
403 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
404 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
405 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

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

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

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

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

421 (iii) Subject to Subsection (7)(b)(iv)(E), in all subsequent fiscal years after a year in
422 which 17% of the revenues collected from the sales and use taxes described in Subsections
423 (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall
424 annually deposit 17% of the revenues collected from the sales and use taxes described in
425 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

426 (iv) (A) As used in this Subsection (7)(b)(iv), "additional growth revenue" means the
427 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%
428 the relevant revenue collected in the previous fiscal year.

429 (B) As used in this Subsection (7)(b)(iv), "combined amount" means the combined
430 total amount of money deposited into the Cottonwood Canyons fund under Subsections
431 (7)(b)(iv)(F) and [~~(8)(c)(iv)(F)~~] (8)(d)(vi) in any single fiscal year.

432 (C) As used in this Subsection (7)(b)(iv), "Cottonwood Canyons fund" means the
433 Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).

434 (D) As used in this Subsection (7)(b)(iv), "relevant revenue" means the portion of taxes
435 listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in
436 Subsections (7)(a)(i)(A) through (D).

437 (E) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
438 reduce the deposit under Subsection [~~(7)(c)(iii)~~] (7)(a) into the Transportation Investment Fund
439 of 2005 by an amount equal to the amount of the deposit under this Subsection (7)(b)(iv) to the
440 Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue,
441 subject to the limit in Subsection (7)(b)(iv)(F).

442 (F) The commission shall annually deposit the amount described in Subsection
443 (7)(b)(iv)(E) into the Cottonwood Canyons fund, subject to an annual maximum combined
444 amount for any single fiscal year of \$20,000,000.

445 (G) If the amount of relevant revenue declines in a fiscal year compared to the previous
446 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
447 Canyons fund under this Subsection (7)(b)(iv) in the same proportion as the decline in relevant
448 revenue.

449 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
450 Subsections (6) and (7), and subject to Subsections (8)(b) and (d)(v), for a fiscal year beginning
451 on or after July 1, 2018, the commission shall annually deposit into the Transportation
452 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
453 Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following
454 taxes:

- 455 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 456 (ii) the tax imposed by Subsection (2)(b)(i);
- 457 (iii) the tax imposed by Subsection (2)(c)(i); and
- 458 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

459 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually

460 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
461 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
462 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
463 or use in this state that exceeds 29.4 cents per gallon.

464 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
465 into the Transit Transportation Investment Fund created in Section [72-2-124](#).

466 (d) (i) As used in this Subsection (8)(d), "additional growth revenue" means the
467 amount of relevant revenue collected in the current fiscal year that exceeds by more than 3%
468 the relevant revenue collected in the previous fiscal year.

469 (ii) As used in this Subsection (8)(d), "combined amount" means the combined total
470 amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iv)(F)
471 and (8)(d)(vi) in any single fiscal year.

472 (iii) As used in this Subsection (8)(d), "Cottonwood Canyons fund" means the
473 Cottonwood Canyons Transportation Investment Fund created in Subsection [72-2-124](#)(10).

474 (iv) As used in this Subsection (8)(d), "relevant revenue" means the portion of taxes
475 listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described
476 in Subsections (8)(a)(i) through (iv).

477 (v) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
478 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
479 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
480 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
481 limit in Subsection (8)(d)(vi).

482 (vi) The commission shall annually deposit the amount described in Subsection
483 (8)(d)(v) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
484 for any single fiscal year of \$20,000,000.

485 (vii) If the amount of relevant revenue declines in a fiscal year compared to the
486 previous fiscal year, the commission shall decrease the amount of the contribution to the
487 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in
488 relevant revenue.

489 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
490 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund

491 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

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

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

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

500 (b) For purposes of Subsection (10)(a), the Division of Finance may not deposit into
501 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
502 charged for food and food ingredients, except for tax revenue generated by a bundled
503 transaction attributable to food and food ingredients and tangible personal property other than
504 food and food ingredients described in Subsection (2)(e).

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

511 (12) (a) The rate specified in this subsection is 0.15%.

512 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall, for a fiscal year
513 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
514 rate described in Subsection (12)(a) on the transactions that are subject to the sales and use tax
515 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section
516 26-36b-208.

517 (13) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
518 2020-21, the Division of Finance shall deposit \$200,000 into the General Fund as a dedicated
519 credit solely for use of the Search and Rescue Financial Assistance Program created in, and
520 expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

521 (14) (a) For each fiscal year beginning with fiscal year 2020-21, the Division of

522 Finance shall annually transfer \$1,813,400 of the revenue deposited into the Transportation
523 Investment Fund of 2005 under Subsections (6) through (8) to the General Fund.

524 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
525 under Subsections (6) through (8) is less than \$1,813,400 for a fiscal year, the Division of
526 Finance shall transfer the total revenue deposited into the Transportation Investment Fund of
527 2005 under Subsections (6) through (8) during the fiscal year to the General Fund.

528 (15) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),
529 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
530 a housing and transit reinvestment zone is established, the commission, at least annually, shall
531 transfer an amount equal to [~~15%~~] 20% of the sales and use tax increment within an established
532 sales and use tax boundary, as defined in Section [63N-3-602](#), and as determined by the housing
533 and transit reinvestment zone committee as described in Subsection [63N-3-610\(3\)](#):

534 (a) at least 10% transferred into the Transit Transportation Investment Fund created in
535 Section [72-2-124](#)[~~7~~]; and

536 (b) up to 10% transferred to the municipality or public transit county to be used as
537 described in Section [63N-3-610](#).

538 Section 2. Section [63N-3-602](#) is amended to read:

539 **[63N-3-602. Definitions.](#)**

540 As used in this part:

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

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

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

545 (4) "Base year" means, for a proposed housing and transit reinvestment zone area, a
546 year beginning the first day of the calendar quarter determined by the last equalized tax roll
547 before the adoption of the housing and transit reinvestment zone.

548 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast
549 and efficient service that may include dedicated lanes, busways, traffic signal priority,
550 off-board fare collection, elevated platforms, and enhanced stations.

551 [~~5~~] (6) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated
552 by a large public transit district.

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

555 ~~[(6)]~~ (7) "Commuter rail station" means a station, stop, or terminal along an existing
556 commuter rail line, or along an extension to an existing commuter rail line or new commuter
557 rail line that is included in a metropolitan planning organization's adopted long-range
558 transportation plan.

559 ~~[(7) "Dwelling unit" means one or more rooms arranged for the use of one or more
560 individuals living together, as a single housekeeping unit normally having cooking, living,
561 sanitary, and sleeping facilities.]~~

562 (8) "Enhanced development" means the construction of mixed uses including housing,
563 commercial uses, and related facilities~~[, at an average density of 50 dwelling units or more per
564 acre on the developable acres].~~

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

569 (10) "Equivalent dwelling unit" means each unit in a dwelling equivalent to one legal
570 sleeping room.

571 ~~[(10)]~~ (11) "Horizontal construction costs" means the additional costs associated with
572 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to
573 achieve enhanced development in the housing and transit reinvestment zone.

574 ~~[(11)]~~ (12) "Housing and transit reinvestment zone" means a housing and transit
575 reinvestment zone created pursuant to this part.

576 ~~[(12)]~~ (13) "Housing and transit reinvestment zone committee" means a housing and
577 transit reinvestment zone committee created pursuant to Section [63N-3-605](#).

578 ~~[(13)]~~ (14) "Large public transit district" means the same as that term is defined in
579 Section [17B-2a-802](#).

580 (15) "Light rail" means a passenger rail public transit system with right-of-way and
581 fixed rails:

582 (a) dedicated to exclusive use by light-rail public transit vehicles;

583 (b) that may cross streets at grade; and

584 (c) that may share parts of surface streets.

585 [~~(14)~~] (16) "Metropolitan planning organization" means the same as that term is
586 defined in Section [72-1-208.5](#).

587 [~~(15)~~] (17) "Mixed use development" means development with a mix of multi-family
588 residential use and at least one additional land use.

589 [~~(16)~~] (18) "Municipality" means the same as that term is defined in Section [10-1-104](#).

590 [~~(17)~~] (19) "Participant" means the same as that term is defined in Section [17C-1-102](#).

591 [~~(18)~~] (20) "Participation agreement" means the same as that term is defined in Section
592 [17C-1-102](#).

593 [~~(19)~~] (21) "Public transit county" means a county that has created a small public
594 transit district.

595 [~~(20)~~] (22) "Public transit hub" means a public transit depot or station where four or
596 more routes serving separate parts of the county-created transit district stop to transfer riders
597 between routes.

598 [~~(21)~~] (23) "Sales and use tax base year" means a sales and use tax year determined by
599 the first year pertaining to the tax imposed in Section [59-12-103](#) after the sales and use tax
600 boundary for a housing and transit reinvestment zone is established.

601 [~~(22)~~] (24) "Sales and use tax boundary" means a boundary created as described in
602 Section [63N-3-604](#), based on state sales and use tax collection that corresponds as closely as
603 reasonably practicable to the housing and transit reinvestment zone boundary.

604 [~~(23)~~] (25) "Sales and use tax increment" means the difference between:

605 (a) the amount of state sales and use tax revenue generated each year following the
606 sales and use tax base year by the sales and use tax from the area within a housing and transit
607 reinvestment zone designated in the housing and transit reinvestment zone proposal as the area
608 from which sales and use tax increment is to be collected; and

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

611 [~~(24)~~] (26) "Sales and use tax revenue" means revenue that is generated from the tax
612 imposed under Section [59-12-103](#).

613 [~~(25)~~] (27) "Small public transit district" means the same as that term is defined in
614 Section [17B-2a-802](#).

615 [~~(26)~~] (28) "Tax commission" means the State Tax Commission created in Section
616 59-1-201.

617 [~~(27)~~] (29) "Tax increment" means the difference between:

618 (a) the amount of property tax revenue generated each tax year by a taxing entity from
619 the area within a housing and transit reinvestment zone designated in the housing and transit
620 reinvestment zone proposal as the area from which tax increment is to be collected, using the
621 current assessed value and each taxing entity's current certified tax rate as defined in Section
622 59-2-924; and

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

626 [~~(28)~~] (30) "Taxing entity" means the same as that term is defined in Section
627 17C-1-102.

628 [~~(29)~~] (31) "Vertical construction costs" means the additional costs associated with
629 construction above four stories and structured parking to achieve enhanced development in the
630 housing and transit reinvestment zone.

631 Section 3. Section 63N-3-603 is amended to read:

632 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**
633 **reinvestment zone.**

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

636 (a) higher utilization of public transit;

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

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

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

640 (e) encouraging transformative mixed-use development and investment in

641 transportation and public transit infrastructure in strategic areas;

642 (f) strategic land use and municipal planning in major transit investment corridors as
643 described in Subsection 10-9a-403(2); and

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

645 (2) In order to accomplish the objectives described in Subsection (1), a municipality or

646 public transit county that initiates the process to create a housing and transit reinvestment zone
647 as described in this part shall ensure that the proposal for a housing and transit reinvestment
648 zone includes:

649 (a) except as provided in Subsection (3), at least 10% of the proposed ~~[housing]~~
650 equivalent dwelling units within the housing and transit reinvestment zone are affordable
651 housing units;

652 (b) a dedication of at least 51% of the developable area within the housing and transit
653 reinvestment zone to residential development with an average of 50 ~~[multi-family]~~ equivalent
654 dwelling units per acre or greater; and

655 (c) mixed-use development.

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

661 ~~[(4) A municipality or public transit county may only propose a housing and transit~~
662 ~~reinvestment zone that.]~~

663 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a
664 commuter rail station, and a public transit county may only propose a housing and transit
665 reinvestment zone at a public transit hub, that:

666 ~~[(a)]~~ (i) subject to Subsection (5)(a):

667 ~~[(+)]~~ (A) (I) for a municipality, does not exceed a 1/3 mile radius of a commuter rail
668 station; or

669 ~~[(B)]~~ (II) for a public transit county, does not exceed a 1/3 mile radius of a public
670 transit hub; and

671 ~~[(+)]~~ (B) has a total area of no more than 125 noncontiguous square acres;

672 ~~[(b)]~~ (ii) subject to Section [63N-3-607](#), proposes the capture of a maximum of 80% of
673 each taxing entity's tax increment above the base year for a term of no more than 25
674 consecutive years on each parcel within a 45-year period not to exceed the tax increment
675 amount approved in the housing and transit reinvestment zone proposal; and

676 ~~[(e)]~~ (iii) the commencement of collection of tax increment, for all or a portion of the

677 housing and transit reinvestment zone, will be triggered by providing notice as described in
678 Subsection (6).

679 (b) A municipality or public transit county may only propose a housing and transit
680 reinvestment zone at a light rail station or bus rapid transit station that:

681 (i) subject to Subsection (5):

682 (A) does not exceed a 1/4 mile radius of a bus rapid transit station or light rail station;

683 and

684 (B) has a total area of no more than 100 noncontiguous square acres;

685 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
686 maximum of 80% of each taxing entity's tax increment above the base year for a term of no
687 more than 15 consecutive years on each parcel within a 30-year period not to exceed the tax
688 increment amount approved in the housing and transit reinvestment zone proposal; and

689 (iii) the commencement of collection of tax increment, for all or a portion of the
690 housing and transit reinvestment zone, will be triggered by providing notice as described in
691 Subsection (6).

692 (c) For a housing and transit reinvestment zone around a light rail or bus rapid transit
693 station, if the proposed total acreage within the housing and transit reinvestment zone is less
694 than:

695 (i) 40 equivalent dwelling units per acre, the maximum capture of each taxing entity's
696 tax increment above the base year is 60%; and

697 (ii) 30 equivalent dwelling units per acre, the maximum capture of each taxing entity's
698 tax increment above the base year is 40%.

699 ~~[(5) - H]~~ (5) (a) For a housing and transit reinvestment zone for a commuter rail station,
700 if a parcel is bisected by the 1/3 mile radius, the full parcel may be included as part of the
701 housing and transit reinvestment zone area and will not count against the limitations described
702 in Subsection (4)(a)(i).

703 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
704 station, if a parcel is bisected by the 1/4 mile radius, the full parcel may be included as part of
705 the housing and transit reinvestment zone area and will not count against the limitations
706 described in Subsection (4)(b)(i).

707 (6) The notice of commencement of collection of tax increment required in Subsection

708 [~~(4)(c)~~] (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to:

- 709 (a) the tax commission;
- 710 (b) the State Board of Education;
- 711 (c) the state auditor;
- 712 (d) the auditor of the county in which the housing and transit reinvestment zone is
- 713 located;
- 714 (e) each taxing entity affected by the collection of tax increment from the housing and
- 715 transit reinvestment zone; and
- 716 (f) the Governor's Office of Economic Opportunity.

717 (7) (a) The maximum number of housing and transit reinvestment zones at light rail

718 stations is eight in any given county.

719 (b) The maximum number of housing and transit reinvestment zones at bus rapid

720 transit stations is three in any given county.

721 Section 4. Section **63N-3-604** is amended to read:

722 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**

723 **Analysis.**

724 (1) Subject to approval of the housing and transit reinvestment zone committee as

725 described in Section **63N-3-605**, in order to create a housing and transit reinvestment zone, a

726 municipality or public transit county that has general land use authority over the housing and

727 transit reinvestment zone area, shall:

- 728 (a) prepare a proposal for the housing and transit reinvestment zone that:
 - 729 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the
 - 730 objectives described in Subsection **63N-3-603(1)**;
 - 731 (ii) explains how the municipality or public transit county will achieve the
 - 732 requirements of Subsection **63N-3-603(2)(a)**;
 - 733 (iii) defines the specific transportation infrastructure needs, if any, and proposed
 - 734 improvements;
 - 735 (iv) defines the boundaries of:
 - 736 (A) the housing and transit reinvestment zone; and
 - 737 (B) the sales and use tax boundary corresponding to the housing and transit
 - 738 reinvestment zone boundary, as described in Section **63N-3-610**;

739 (v) identifies any development impediments that prevent the development from being a
740 market-rate investment and proposed strategies for addressing each one;

741 (vi) describes the proposed development plan, including the requirements described in
742 Subsections 63N-3-603(2) and (4);

743 (vii) establishes a base year and collection period to calculate the tax increment within
744 the housing and transit reinvestment zone;

745 (viii) establishes a sales and use tax base year to calculate the sales and use tax
746 increment within the housing and transit reinvestment zone;

747 (ix) describes projected maximum revenues generated and the amount of tax increment
748 capture from each taxing entity and proposed expenditures of revenue derived from the housing
749 and transit reinvestment zone;

750 (x) includes an analysis of other applicable or eligible incentives, grants, or sources of
751 revenue that can be used to reduce the finance gap;

752 (xi) evaluates possible benefits to active and public transportation availability and
753 impacts on air quality;

754 ~~[(xi)]~~ (xii) proposes a finance schedule to align expected revenue with required
755 financing costs and payments; and

756 ~~[(xii)]~~ (xiii) provides a pro-forma for the planned development including the cost
757 differential between surface parked multi-family development and enhanced development that
758 satisfies the requirements described in Subsections 63N-3-603(2), (3), and (4); and

759 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
760 of Economic Opportunity.

761 ~~[(2) Before submitting the proposed housing and transit reinvestment zone to the~~
762 ~~Governor's Office of Economic Opportunity as described in Subsection (1)(b), the municipality~~
763 ~~or public transit county proposing the housing and transit reinvestment zone shall ensure that~~
764 ~~the area of the proposed housing and transit reinvestment zone is zoned in such a manner to~~
765 ~~accommodate the requirements of a housing and transit reinvestment zone described in this~~
766 ~~section and the proposed development.]~~

767 (2) As part of the proposal described in Subsection (1), a municipality or public transit
768 county shall study and evaluate possible impacts of a proposed housing and transit
769 reinvestment zone on parking within the city and housing and transit reinvestment zone.

770 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's
771 Office of Economic Opportunity shall, at the expense of the proposing municipality or public
772 transit county as described in Subsection (5), contract with an independent entity to perform the
773 gap analysis described in Subsection (3)(b).

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

775 (i) a description of the planned development;

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

779 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency
780 of the proposal; [~~and~~]

781 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
782 development costs associated with the housing and transit reinvestment zone proposal and
783 enable the proposal development to occur; and

784 [~~(iv)~~] (v) based on the market analysis and other findings, an opinion relative to the
785 minimum amount of potential public financing reasonably determined to be necessary to
786 achieve the objectives described in Subsection 63N-3-603(1).

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

789 (a) amend the housing and transit reinvestment zone proposal based on the findings of
790 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic
791 Opportunity submit the amended housing and transit reinvestment zone proposal to the housing
792 and transit reinvestment zone committee; or

793 (b) request that the Governor's Office of Economic Opportunity submit the original
794 housing and transit reinvestment zone proposal to the housing and transit reinvestment zone
795 committee.

796 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated
797 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap
798 analysis described in Subsection (3)(b).

799 (b) The Governor's Office of Economic Opportunity may expend funds received from a
800 municipality or public transit county as dedicated credits to pay for the costs associated with

801 the gap analysis described in Subsection (3)(b).

802 Section 5. Section **63N-3-605** is amended to read:

803 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

804 (1) For any housing and transit reinvestment zone proposed under this part, there is
805 created a housing and transit reinvestment zone committee with membership described in
806 Subsection (2).

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

809 (a) one representative from the Governor's Office of Economic Opportunity, designated
810 by the executive director of the Governor's Office of Economic Opportunity;

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

814 (c) one representative from the Department of Transportation created in Section
815 [72-1-201](#), designated by the executive director of the Department of Transportation;

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

819 ~~[(e) one representative of each relevant metropolitan planning organization, designated
820 by the chair of the metropolitan planning organization;]~~

821 (e) one individual from the Office of the State Treasurer, designated by the state
822 treasurer;

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

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

825 ~~[(h) one member designated by the chair of the State Board of Education;]~~

826 (h) one individual from the tax commission, designated by the executive director of the
827 tax commission;

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

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

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

834 (3) The individual designated by the Governor's Office of Economic Opportunity as
835 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone
836 committee.

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

839 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
840 committee is an action of the housing and transit reinvestment zone committee.

841 (5) After the Governor's Office of Economic Opportunity receives the results of the
842 analysis described in Section 63N-3-604, and after the Governor's Office of Economic
843 Opportunity has received a request from the submitting municipality or public transit county to
844 submit the housing and transit reinvestment zone proposal to the housing and transit
845 reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each
846 of the entities described in Subsection (2) of the formation of the housing and transit
847 reinvestment zone committee.

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

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

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

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

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

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

860 (8) (a) ~~[The]~~ Subject to Subsection (8)(b), the housing and transit reinvestment zone
861 committee may:

862 ~~[(a)]~~ (i) request changes to the housing and transit reinvestment zone proposal based on

863 the analysis described in Section [63N-3-604](#); or

864 ~~(b)~~ (ii) vote to approve or deny the proposal.

865 (b) Before the housing and transit reinvestment zone committee may approve the
866 housing and transit reinvestment zone proposal, the municipality or public transit county
867 proposing the housing and transit reinvestment zone shall ensure that the area of the proposed
868 housing and transit reinvestment zone is zoned in such a manner to accommodate the
869 requirements of a housing and transit reinvestment zone described in this section and the
870 proposed development.

871 (9) If a housing and transit reinvestment zone is approved by the committee:

872 (a) the proposed housing and transit reinvestment zone is established according to the
873 terms of the housing and transit reinvestment zone proposal; ~~and~~

874 (b) affected local taxing entities are required to participate according to the terms of the
875 housing and transit reinvestment zone proposal~~[-]; and~~

876 (c) each affected taxing municipality is required to participate at the same rate as a
877 participating county.

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

880 Section 6. Section **63N-3-607** is amended to read:

881 **63N-3-607. Payment, use, and administration of revenue from a housing and**
882 **transit reinvestment zone.**

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

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

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

893 (c) (i) Tax increment paid to the municipality or public transit county are housing and

894 transit reinvestment zone funds and shall be administered by an agency created by the
895 municipality or public transit county within which the housing and transit reinvestment zone is
896 located.

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

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

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

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

906 (b) If any housing and transit reinvestment zone funds will be used outside of the
907 housing and transit reinvestment zone there must be a finding in the approved proposal for a
908 housing and transit reinvestment zone that the use of the housing and transit reinvestment zone
909 funds outside of the housing and transit reinvestment zone will directly benefit the housing and
910 transit reinvestment zone.

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

914 (a) income targeted housing costs;

915 (b) structured parking within the housing and transit reinvestment zone;

916 (c) enhanced development costs;

917 (d) horizontal construction costs;

918 (e) vertical construction costs;

919 (f) land purchase costs within the housing and transit reinvestment zone; or

920 (g) the costs of the municipality or public transit county to create and administer the
921 housing and transit reinvestment zone, which may not exceed 1% of the total housing and
922 transit reinvestment zone funds, plus the costs to complete the gap analysis described in
923 Subsection [63N-3-604](#)~~(3)~~(2).

924 (5) Housing and transit reinvestment zone funds may be paid to a participant, if the

925 agency and participant enter into a participation agreement which requires the participant to
 926 utilize the housing and transit reinvestment zone funds as allowed in this section.

927 (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of
 928 bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter
 929 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

930 (7) A municipality or public transit county may create one or more public infrastructure
 931 districts within the housing and transit reinvestment zone under [~~Title 17B, Chapter 2a, Part~~
 932 ~~12~~] Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing
 933 and transit reinvestment zone funds to guarantee the payment of public infrastructure bonds
 934 issued by a public infrastructure district.

935 Section 7. Section **63N-3-610** is amended to read:

936 **63N-3-610. Sales and use tax increment in a housing and transit reinvestment**
 937 **zone.**

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

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

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

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

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

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

948 (b) The municipality or public transit county shall include the sales and use tax
 949 boundary in the housing and transit reinvestment zone proposal as described in Section
 950 **63N-3-604**.

951 (3) (a) Beginning the first day of the calendar quarter one year after the sales and use
 952 tax boundary for a housing and transit reinvestment zone is established, the tax commission
 953 shall, at least annually, transfer [~~an~~] a total amount equal to [~~+5~~] 20% of the sales and use tax
 954 increment within an established sales and use tax boundary [~~into the Transit Transportation~~
 955 ~~Investment Fund created in Section 72-2-124.~~], with:

956 (i) at least 10% of the sales and use tax increment within the established sales and use
957 tax boundary being transferred to the Transit Transportation Investment Fund created in
958 Section [72-2-124](#); and

959 (ii) upon approval of the housing and transit reinvestment zone committee, up to 10%
960 of the sales and use tax increment within the established sales and use tax boundary being
961 transferred to the municipality or public transit county that proposed the housing and transit
962 reinvestment zone.

963 (b) (i) Any revenue transferred in accordance with Subsection (3)(a)(ii) may only be
964 used within the housing and transit reinvestment zone for parking or other infrastructure.

965 (ii) Any revenue transferred in accordance with Subsection (3)(a)(ii) that is not
966 allocated for parking or other infrastructure within the housing and transit reinvestment zone
967 shall be transferred to the Transit Transportation Investment Fund created in Section [72-2-124](#).

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

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

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

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

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

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

977 and

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