

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 **59-2-924**, as last amended by Laws of Utah 2021, Chapters 214 and 388
- 35 **59-12-103**, as last amended by Laws of Utah 2021, Chapters 367, 387, and 411
- 36 **63N-3-602**, as enacted by Laws of Utah 2021, Chapter 411
- 37 **63N-3-603**, as last amended by Laws of Utah 2021, First Special Session, Chapter 3
- 38 **63N-3-604**, as enacted by Laws of Utah 2021, Chapter 411
- 39 **63N-3-605**, as enacted by Laws of Utah 2021, Chapter 411
- 40 **63N-3-607**, as enacted by Laws of Utah 2021, Chapter 411
- 41 **63N-3-610**, as enacted by Laws of Utah 2021, Chapter 411



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

44 Section 1. Section **59-2-924** is amended to read:

45 **59-2-924. Definitions -- Report of valuation of property to county auditor and**
46 **commission -- Transmittal by auditor to governing bodies -- Calculation of certified tax**
47 **rate -- Rulemaking authority -- Adoption of tentative budget -- Notice provided by the**
48 **commission.**

49 (1) As used in this section:

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

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

53 (A) interest;

54 (B) penalties;

55 (C) collections from redemptions; or

56 (D) revenue received by a taxing entity from personal property that is semiconductor

57 manufacturing equipment assessed by a county assessor in accordance with Part 3, County
58 Assessment.

59 (b) "Adjusted tax increment" means the same as that term is defined in Section
60 17C-1-102.

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

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

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

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

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

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

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

74 (d) "Base taxable value" means:

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

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

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

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

82 (e) "Centrally assessed benchmark value" means an amount equal to the highest year
83 end taxable value of real and personal property the commission assesses in accordance with
84 Part 2, Assessment of Property, for a previous calendar year that begins on or after January 1,
85 2015, adjusted for taxable value attributable to:

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

87 (ii) an incorrect allocation of taxable value of real or personal property the commission

88 assesses in accordance with Part 2, Assessment of Property.

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

90 (A) zero; or

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

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

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

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

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

103 (i) zero; or

104 (ii) the sum of:

105 (A) locally assessed new growth;

106 (B) centrally assessed new growth; and

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

108 (j) "Host local government" means the same as that term is defined in Section
109 [63N-2-502](#).

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

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

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

115 (n) "Incremental value" means:

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

118 (A) the difference between the taxable value and the base taxable value of the property

119 that is located within a project area and on which property tax differential is collected; and

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

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

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

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

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

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

132 (B) the number that represents the percentage of the property tax allocation from that
133 project area that is paid to the authority; [~~or~~]

134 (iv) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter
135 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by multiplying:

136 (A) the difference between the taxable value and the base taxable value of the property
137 that is located within a housing and transit reinvestment zone and on which property tax
138 differential is collected; and

139 (B) the number that represents the percentage of the property tax differential that is
140 paid to the housing and transit reinvestment zone; or

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

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

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

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

147 (A) zero; or

148 (B) the amount calculated by subtracting the year end taxable value of real property the
149 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,

150 adjusted for prior year end incremental value from the taxable value of real property the county
151 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
152 for current year incremental value.

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

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

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

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

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

162 (p) "Project area" means:

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

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

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

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

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

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

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

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

178 (s) "Property tax allocation" means the same as that term is defined in Section
179 63H-1-102.

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

181 11-58-102.

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

183 (i) for the previous calendar year;

184 (ii) by a taxing entity;

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

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

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

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

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

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

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

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

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

201 (c) the certified tax rate; and

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

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

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

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

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

211 (B) any adjustments for current year incremental value;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 256 (i) the taxable value of real property:
 - 257 (A) the county assessor assesses in accordance with Part 3, County Assessment; and
 - 258 (B) contained on the assessment roll;
- 259 (ii) the year end taxable value of personal property:
 - 260 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
 - 261 (B) contained on the prior year's assessment roll; and
- 262 (iii) the taxable value of real and personal property the commission assesses in
263 accordance with Part 2, Assessment of Property.

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

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

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

- 269 (i) the taxing entity's intent to exceed the certified tax rate; and
- 270 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 271 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
272 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

273 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through

274 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
275 Committee if:

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

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

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

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

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

296 Section 2. Section **59-12-103** is amended to read:

297 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
298 **tax revenues.**

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

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

302 (b) amounts paid for:

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

- 305 (ii) mobile telecommunications service that originates and terminates within the
306 boundaries of one state only to the extent permitted by the Mobile Telecommunications
307 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 308 (iii) an ancillary service associated with a:
- 309 (A) telecommunications service described in Subsection (1)(b)(i); or
- 310 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 311 (c) sales of the following for commercial use:
- 312 (i) gas;
- 313 (ii) electricity;
- 314 (iii) heat;
- 315 (iv) coal;
- 316 (v) fuel oil; or
- 317 (vi) other fuels;
- 318 (d) sales of the following for residential use:
- 319 (i) gas;
- 320 (ii) electricity;
- 321 (iii) heat;
- 322 (iv) coal;
- 323 (v) fuel oil; or
- 324 (vi) other fuels;
- 325 (e) sales of prepared food;
- 326 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
327 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
328 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
329 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
330 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
331 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
332 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
333 horseback rides, sports activities, or any other amusement, entertainment, recreation,
334 exhibition, cultural, or athletic activity;
- 335 (g) amounts paid or charged for services for repairs or renovations of tangible personal

336 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

337 (i) the tangible personal property; and

338 (ii) parts used in the repairs or renovations of the tangible personal property described
339 in Subsection (1)(g)(i), regardless of whether:

340 (A) any parts are actually used in the repairs or renovations of that tangible personal
341 property; or

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

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

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

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

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

351 (i) stored;

352 (ii) used; or

353 (iii) otherwise consumed;

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

356 (i) stored;

357 (ii) used; or

358 (iii) consumed; and

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

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

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

362 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

371 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
372 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
373 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
374 State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

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

396 (e) (i) For a bundled transaction that is attributable to food and food ingredients and
397 tangible personal property other than food and food ingredients, a state tax and a local tax is

398 imposed on the entire bundled transaction equal to the sum of:

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

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

401 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

402 Sales and Use Tax Act, if the location of the transaction as determined under Sections

403 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

404 Additional State Sales and Use Tax Act; and

405 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

406 Sales and Use Tax Act, if the location of the transaction as determined under Sections

407 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

408 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

409 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

410 described in Subsection (2)(a)(ii).

411 (ii) If an optional computer software maintenance contract is a bundled transaction that

412 consists of taxable and nontaxable products that are not separately itemized on an invoice or

413 similar billing document, the purchase of the optional computer software maintenance contract

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

415 (iii) Subject to Subsection (2)(e)(iv), for a bundled transaction other than a bundled

416 transaction described in Subsection (2)(e)(i) or (ii):

417 (A) if the sales price of the bundled transaction is attributable to tangible personal

418 property, a product, or a service that is subject to taxation under this chapter and tangible

419 personal property, a product, or service that is not subject to taxation under this chapter, the

420 entire bundled transaction is subject to taxation under this chapter unless:

421 (I) the seller is able to identify by reasonable and verifiable standards the tangible

422 personal property, product, or service that is not subject to taxation under this chapter from the

423 books and records the seller keeps in the seller's regular course of business; or

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

425 (B) if the sales price of a bundled transaction is attributable to two or more items of

426 tangible personal property, products, or services that are subject to taxation under this chapter

427 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

428 higher tax rate unless:

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

432 (II) state or federal law provides otherwise.

433 (iv) For purposes of Subsection (2)(e)(iii), books and records that a seller keeps in the
434 seller's regular course of business includes books and records the seller keeps in the regular
435 course of business for nontax purposes.

436 (f) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(f)(ii)
437 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
438 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
439 of tangible personal property, other property, a product, or a service that is not subject to
440 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
441 the seller, at the time of the transaction:

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

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

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

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

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

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

458 (g) (i) If the sales price of a transaction is attributable to two or more items of tangible
459 personal property, products, or services that are subject to taxation under this chapter at

460 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
461 unless the seller, at the time of the transaction:

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

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

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

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

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

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

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

475 (iv) Subsection (2)(e)(i)(A)(I).

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

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

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

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

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

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

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

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

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

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

490 (j) (i) For a tax rate described in Subsection (2)(j)(ii), if a tax due on a catalogue sale is

491 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
492 change in a tax rate takes effect:

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

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

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

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

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

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

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

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

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

507 (A) a commercial use;

508 (B) an industrial use; or

509 (C) a residential use.

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

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

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

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

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

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

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

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

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

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

521 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General

522 Fund.

523 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
524 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
525 through (g):

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

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

528 (B) for the fiscal year; or

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

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

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

535 (B) award grants, up to the amount authorized by the Legislature in an appropriations
536 act, to political subdivisions of the state to implement the measures described in Subsections
537 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

553 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
554 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
555 water rights.

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

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

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

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

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

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

569 (A) conduct hydrologic and geotechnical investigations by the Division of Water
570 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
571 quantifying surface and ground water resources and describing the hydrologic systems of an
572 area in sufficient detail so as to enable local and state resource managers to plan for and
573 accommodate growth in water use without jeopardizing the resource;

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

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

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

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

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

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

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

586 (iii) develop surface water sources.

587 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
588 2006, the difference between the following amounts shall be expended as provided in this
589 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

614 (i) preconstruction costs:

615 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
616 26, Bear River Development Act; and

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

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

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

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

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

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

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

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

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

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

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

643 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
644 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
645 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

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

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

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

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

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

654 (D) the tax imposed by Subsection (2)(e)(i)(A)(I); plus

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

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

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

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

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

674 (iii) Subject to Subsection (7)(b)(iv)(E), in all subsequent fiscal years after a year in
675 which 17% of the revenues collected from the sales and use taxes described in Subsections
676 (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall

677 annually deposit 17% of the revenues collected from the sales and use taxes described in
678 Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

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

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

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

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

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

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

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

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

- 708 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 709 (ii) the tax imposed by Subsection (2)(b)(i);
- 710 (iii) the tax imposed by Subsection (2)(c)(i); and
- 711 (iv) the tax imposed by Subsection (2)(e)(i)(A)(I).

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

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

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

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

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

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

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

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

738 (vii) If the amount of relevant revenue declines in a fiscal year compared to the

739 previous fiscal year, the commission shall decrease the amount of the contribution to the
740 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in
741 relevant revenue.

742 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
743 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
744 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

745 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(b),
746 and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of
747 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
748 72-2-124 the amount of revenue described as follows:

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

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

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

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

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

765 (b) Notwithstanding Subsection (3)(a), the Division of Finance shall, for a fiscal year
766 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
767 rate described in Subsection (12)(a) on the transactions that are subject to the sales and use tax
768 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section
769 26-36b-208.

770 (13) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
771 2020-21, the Division of Finance shall deposit \$200,000 into the General Fund as a dedicated
772 credit solely for use of the Search and Rescue Financial Assistance Program created in, and
773 expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

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

777 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
778 under Subsections (6) through (8) is less than \$1,813,400 for a fiscal year, the Division of
779 Finance shall transfer the total revenue deposited into the Transportation Investment Fund of
780 2005 under Subsections (6) through (8) during the fiscal year to the General Fund.

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

787 (a) at least 10% transferred into the Transit Transportation Investment Fund created in
788 Section 72-2-124[-]; and

789 (b) up to 10% transferred to the municipality or public transit county to be used as
790 described in Section 63N-3-610.

791 Section 3. Section 63N-3-602 is amended to read:

792 **63N-3-602. Definitions.**

793 As used in this part:

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

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

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

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

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

804 ~~[(5)]~~ (6) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated
805 by a large public transit district.

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

808 ~~[(6)]~~ (7) "Commuter rail station" means a station, stop, or terminal along an existing
809 commuter rail line, or along an extension to an existing commuter rail line or new commuter
810 rail line that is included in a metropolitan planning organization's adopted long-range
811 transportation plan.

812 ~~[(7)]~~ (8) "Dwelling unit" means one or more rooms arranged for the use of one or more
813 individuals living together, as a single housekeeping unit normally having cooking, living,
814 sanitary, and sleeping facilities.

815 ~~[(8)]~~ (9) "Enhanced development" means the construction of mixed uses including
816 housing, commercial uses, and related facilities~~[- at an average density of 50 dwelling units or~~
817 ~~more per acre on the developable acres].~~

818 ~~[(9)]~~ (10) "Enhanced development costs" means extra costs associated with structured
819 parking costs, vertical construction costs, horizontal construction costs, life safety costs,
820 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height
821 of buildings or enhanced development.

822 ~~[(10)]~~ (11) "Horizontal construction costs" means the additional costs associated with
823 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to
824 achieve enhanced development in the housing and transit reinvestment zone.

825 ~~[(11)]~~ (12) "Housing and transit reinvestment zone" means a housing and transit
826 reinvestment zone created pursuant to this part.

827 ~~[(12)]~~ (13) "Housing and transit reinvestment zone committee" means a housing and
828 transit reinvestment zone committee created pursuant to Section [63N-3-605](#).

829 ~~[(13)]~~ (14) "Large public transit district" means the same as that term is defined in
830 Section [17B-2a-802](#).

831 (15) "Light rail" means a passenger rail public transit system with right-of-way and

832 fixed rails:

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

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

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

836 [~~(14)~~] (16) "Metropolitan planning organization" means the same as that term is
837 defined in Section 72-1-208.5.

838 [~~(15)~~] (17) "Mixed use development" means development with a mix of multi-family
839 residential use and at least one additional land use.

840 [~~(16)~~] (18) "Municipality" means the same as that term is defined in Section 10-1-104.

841 [~~(17)~~] (19) "Participant" means the same as that term is defined in Section 17C-1-102.

842 [~~(18)~~] (20) "Participation agreement" means the same as that term is defined in Section
843 17C-1-102.

844 [~~(19)~~] (21) "Public transit county" means a county that has created a small public
845 transit district.

846 [~~(20)~~] (22) "Public transit hub" means a public transit depot or station where four or
847 more routes serving separate parts of the county-created transit district stop to transfer riders
848 between routes.

849 [~~(21)~~] (23) "Sales and use tax base year" means a sales and use tax year determined by
850 the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax
851 boundary for a housing and transit reinvestment zone is established.

852 [~~(22)~~] (24) "Sales and use tax boundary" means a boundary created as described in
853 Section 63N-3-604, based on state sales and use tax collection that corresponds as closely as
854 reasonably practicable to the housing and transit reinvestment zone boundary.

855 [~~(23)~~] (25) "Sales and use tax increment" means the difference between:

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

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

862 [~~(24)~~] (26) "Sales and use tax revenue" means revenue that is generated from the tax

863 imposed under Section 59-12-103.

864 ~~[(25)]~~ (27) "Small public transit district" means the same as that term is defined in
865 Section 17B-2a-802.

866 ~~[(26)]~~ (28) "Tax commission" means the State Tax Commission created in Section
867 59-1-201.

868 ~~[(27)]~~ (29) "Tax increment" means the difference between:

869 (a) the amount of property tax revenue generated each tax year by a taxing entity from
870 the area within a housing and transit reinvestment zone designated in the housing and transit
871 reinvestment zone proposal as the area from which tax increment is to be collected, using the
872 current assessed value and each taxing entity's current certified tax rate as defined in Section
873 59-2-924; and

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

877 ~~[(28)]~~ (30) "Taxing entity" means the same as that term is defined in Section
878 17C-1-102.

879 ~~[(29)]~~ (31) "Vertical construction costs" means the additional costs associated with
880 construction above four stories and structured parking to achieve enhanced development in the
881 housing and transit reinvestment zone.

882 Section 4. Section 63N-3-603 is amended to read:

883 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**
884 **reinvestment zone.**

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

887 (a) higher utilization of public transit;

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

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

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

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

892 transportation and public transit infrastructure in strategic areas;

893 (f) strategic land use and municipal planning in major transit investment corridors as

894 described in Subsection 10-9a-403(2); and

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

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

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

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

905 (c) mixed-use development.

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

911 [~~(4) A municipality or public transit county may only propose a housing and transit~~
912 ~~reinvestment zone that:~~]

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

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

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

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

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

922 [~~(b)~~] (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of
923 each taxing entity's tax increment above the base year for a term of no more than 25
924 consecutive years on each parcel within a 45-year period not to exceed the tax increment

925 amount approved in the housing and transit reinvestment zone proposal; and

926 ~~[(e)]~~ (iii) the commencement of collection of tax increment, for all or a portion of the
927 housing and transit reinvestment zone, will be triggered by providing notice as described in
928 Subsection (6).

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

931 (i) subject to Subsection (5):

932 (A) does not exceed a 1/3 mile radius of a bus rapid transit station or light rail station;

933 and

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

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

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

942 (c) For a housing and transit reinvestment zone around a light rail or bus rapid transit
943 station, if the proposed housing density within the housing and transit reinvestment zone is less
944 than:

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

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

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

953 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
954 station, if a parcel is bisected by the 1/3 mile radius, the full parcel may be included as part of
955 the housing and transit reinvestment zone area and will not count against the limitations

956 described in Subsection (4)(b)(i).

957 (6) The notice of commencement of collection of tax increment required in Subsection
958 [~~(4)(c)~~] (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to:

959 (a) the tax commission;

960 (b) the State Board of Education;

961 (c) the state auditor;

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

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

966 (f) the Governor's Office of Economic Opportunity.

967 (7) (a) The maximum number of housing and transit reinvestment zones at light rail
968 stations is eight in any given county.

969 (b) The maximum number of housing and transit reinvestment zones at bus rapid
970 transit stations is three in any given county.

971 Section 5. Section **63N-3-604** is amended to read:

972 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**
973 **Analysis.**

974 (1) Subject to approval of the housing and transit reinvestment zone committee as
975 described in Section **63N-3-605**, in order to create a housing and transit reinvestment zone, a
976 municipality or public transit county that has general land use authority over the housing and
977 transit reinvestment zone area, shall:

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

979 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the
980 objectives described in Subsection **63N-3-603(1)**;

981 (ii) explains how the municipality or public transit county will achieve the
982 requirements of Subsection **63N-3-603(2)(a)**;

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

985 (iv) defines the boundaries of:

986 (A) the housing and transit reinvestment zone; and

987 (B) the sales and use tax boundary corresponding to the housing and transit
988 reinvestment zone boundary, as described in Section [63N-3-610](#);

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

991 (vi) describes the proposed development plan, including the requirements described in
992 Subsections [63N-3-603\(2\)](#) and (4);

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

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

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

1000 (x) includes an analysis of other applicable or eligible incentives, grants, or sources of
1001 revenue that can be used to reduce the finance gap;

1002 (xi) evaluates possible benefits to active and public transportation availability and
1003 impacts on air quality;

1004 ~~[(xi)]~~ (xii) proposes a finance schedule to align expected revenue with required
1005 financing costs and payments; and

1006 ~~[(xii)]~~ (xiii) provides a pro-forma for the planned development including the cost
1007 differential between surface parked multi-family development and enhanced development that
1008 satisfies the requirements described in Subsections [63N-3-603\(2\)](#), (3), and (4); and

1009 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office
1010 of Economic Opportunity.

1011 ~~[(2) Before submitting the proposed housing and transit reinvestment zone to the~~
1012 ~~Governor's Office of Economic Opportunity as described in Subsection (1)(b), the municipality~~
1013 ~~or public transit county proposing the housing and transit reinvestment zone shall ensure that~~
1014 ~~the area of the proposed housing and transit reinvestment zone is zoned in such a manner to~~
1015 ~~accommodate the requirements of a housing and transit reinvestment zone described in this~~
1016 ~~section and the proposed development.]~~

1017 (2) As part of the proposal described in Subsection (1), a municipality or public transit

1018 county shall study and evaluate possible impacts of a proposed housing and transit
1019 reinvestment zone on parking within the city and housing and transit reinvestment zone.

1020 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's
1021 Office of Economic Opportunity shall, at the expense of the proposing municipality or public
1022 transit county as described in Subsection (5), contract with an independent entity to perform the
1023 gap analysis described in Subsection (3)(b).

1024 (b) The gap analysis required in Subsection (3)(a) shall include:

1025 (i) a description of the planned development;

1026 (ii) a market analysis relative to other comparable project developments included in or
1027 adjacent to the municipality or public transit county absent the proposed housing and transit
1028 reinvestment zone;

1029 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency
1030 of the proposal; [~~and~~]

1031 (iv) an evaluation of the proposed increment capture needed to cover the enhanced
1032 development costs associated with the housing and transit reinvestment zone proposal and
1033 enable the proposed development to occur; and

1034 [~~(iv)~~] (v) based on the market analysis and other findings, an opinion relative to the
1035 minimum amount of potential public financing reasonably determined to be necessary to
1036 achieve the objectives described in Subsection 63N-3-603(1).

1037 (4) After receiving the results from the analysis described in Subsection (3)(b), the
1038 municipality or public transit county proposing the housing and transit reinvestment zone may:

1039 (a) amend the housing and transit reinvestment zone proposal based on the findings of
1040 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic
1041 Opportunity submit the amended housing and transit reinvestment zone proposal to the housing
1042 and transit reinvestment zone committee; or

1043 (b) request that the Governor's Office of Economic Opportunity submit the original
1044 housing and transit reinvestment zone proposal to the housing and transit reinvestment zone
1045 committee.

1046 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated
1047 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap
1048 analysis described in Subsection (3)(b).

1049 (b) The Governor's Office of Economic Opportunity may expend funds received from a
1050 municipality or public transit county as dedicated credits to pay for the costs associated with
1051 the gap analysis described in Subsection (3)(b).

1052 Section 6. Section **63N-3-605** is amended to read:

1053 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

1054 (1) For any housing and transit reinvestment zone proposed under this part, there is
1055 created a housing and transit reinvestment zone committee with membership described in
1056 Subsection (2).

1057 (2) Each housing and transit reinvestment zone committee shall consist of the
1058 following members:

1059 (a) one representative from the Governor's Office of Economic Opportunity, designated
1060 by the executive director of the Governor's Office of Economic Opportunity;

1061 (b) one representative from each municipality that is a party to the proposed housing
1062 and transit reinvestment zone, designated by the chief executive officer of each respective
1063 municipality;

1064 (c) one representative from the Department of Transportation created in Section
1065 [72-1-201](#), designated by the executive director of the Department of Transportation;

1066 (d) one representative from a large public transit district that serves the proposed
1067 housing and transit reinvestment zone area, designated by the chair of the board of trustees of a
1068 large public transit district;

1069 ~~[(e) one representative of each relevant metropolitan planning organization, designated
1070 by the chair of the metropolitan planning organization;]~~

1071 (e) one individual from the Office of the State Treasurer, designated by the state
1072 treasurer;

1073 (f) one member designated by the president of the Senate;

1074 (g) one member designated by the speaker of the House of Representatives;

1075 ~~[(h) one member designated by the chair of the State Board of Education;]~~

1076 (h) one individual from the tax commission, designated by the executive director of the
1077 tax commission;

1078 (i) one member designated by the chief executive officer of each county affected by the
1079 housing and transit reinvestment zone;

1080 (j) one representative designated by the school superintendent from the school district
1081 affected by the housing and transit reinvestment zone; and

1082 (k) one representative, representing the largest participating local taxing entity, after
1083 the municipality, county, and school district.

1084 (3) The individual designated by the Governor's Office of Economic Opportunity as
1085 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone
1086 committee.

1087 (4) (a) A majority of the members of the housing and transit reinvestment zone
1088 committee constitutes a quorum of the housing and transit reinvestment zone committee.

1089 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
1090 committee is an action of the housing and transit reinvestment zone committee.

1091 (5) After the Governor's Office of Economic Opportunity receives the results of the
1092 analysis described in Section 63N-3-604, and after the Governor's Office of Economic
1093 Opportunity has received a request from the submitting municipality or public transit county to
1094 submit the housing and transit reinvestment zone proposal to the housing and transit
1095 reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each
1096 of the entities described in Subsection (2) of the formation of the housing and transit
1097 reinvestment zone committee.

1098 (6) (a) The chair of the housing and transit reinvestment zone committee shall convene
1099 a public meeting to consider the proposed housing and transit reinvestment zone.

1100 (b) A meeting of the housing and transit reinvestment zone committee is subject to
1101 Title 52, Chapter 4, Open and Public Meetings Act.

1102 (7) (a) The proposing municipality or public transit county shall present the housing
1103 and transit reinvestment zone proposal to the housing and transit reinvestment zone committee
1104 in a public meeting.

1105 (b) The housing and transit reinvestment zone committee shall:

1106 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone
1107 described in Subsections 63N-3-603(2) and (4) have been met; and

1108 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis
1109 described in Subsection 63N-3-604(2).

1110 (8) (a) [The] Subject to Subsection (8)(b), the housing and transit reinvestment zone

1111 committee may:

1112 ~~[(a)]~~ (i) request changes to the housing and transit reinvestment zone proposal based on
1113 the analysis described in Section 63N-3-604; or

1114 ~~[(b)]~~ (ii) vote to approve or deny the proposal.

1115 (b) Before the housing and transit reinvestment zone committee may approve the
1116 housing and transit reinvestment zone proposal, the municipality or public transit county
1117 proposing the housing and transit reinvestment zone shall ensure that the area of the proposed
1118 housing and transit reinvestment zone is zoned in such a manner to accommodate the
1119 requirements of a housing and transit reinvestment zone described in this section and the
1120 proposed development.

1121 (9) If a housing and transit reinvestment zone is approved by the committee:

1122 (a) the proposed housing and transit reinvestment zone is established according to the
1123 terms of the housing and transit reinvestment zone proposal; ~~[and]~~

1124 (b) affected local taxing entities are required to participate according to the terms of the
1125 housing and transit reinvestment zone proposal~~[-];~~ and

1126 (c) each affected taxing municipality is required to participate at the same rate as a
1127 participating county.

1128 (10) A housing and transit reinvestment zone proposal may be amended by following
1129 the same procedure as approving a housing and transit reinvestment zone proposal.

1130 Section 7. Section 63N-3-607 is amended to read:

1131 **63N-3-607. Payment, use, and administration of revenue from a housing and**
1132 **transit reinvestment zone.**

1133 (1) A municipality or public transit county may receive and use tax increment and
1134 housing and transit reinvestment zone funds in accordance with this part.

1135 (2) (a) A county that collects property tax on property located within a housing and
1136 transit reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the
1137 municipality or public transit county any tax increment the municipality or public transit county
1138 is authorized to receive up to the maximum approved by the housing and transit reinvestment
1139 zone committee.

1140 (b) Tax increment distributed to a municipality or public transit county in accordance
1141 with Subsection (2)(a) is not revenue of the taxing entity or municipality or public transit

1142 county.

1143 (c) (i) Tax increment paid to the municipality or public transit county are housing and
1144 transit reinvestment zone funds and shall be administered by an agency created by the
1145 municipality or public transit county within which the housing and transit reinvestment zone is
1146 located.

1147 (ii) Before an agency may receive housing and transit reinvestment zone funds from
1148 the municipality or public transit county, the municipality or public transit county and the
1149 agency shall enter into an interlocal agreement with terms that:

1150 (A) are consistent with the approval of the housing and transit reinvestment zone
1151 committee; and

1152 (B) meet the requirements of Section [63N-3-603](#).

1153 (3) (a) A municipality or public transit county and agency shall use housing and transit
1154 reinvestment zone funds within, or for the direct benefit of, the housing and transit
1155 reinvestment zone.

1156 (b) If any housing and transit reinvestment zone funds will be used outside of the
1157 housing and transit reinvestment zone there must be a finding in the approved proposal for a
1158 housing and transit reinvestment zone that the use of the housing and transit reinvestment zone
1159 funds outside of the housing and transit reinvestment zone will directly benefit the housing and
1160 transit reinvestment zone.

1161 (4) A municipality or public transit county shall use housing and transit reinvestment
1162 zone funds to achieve the purposes described in Subsections [63N-3-603](#)(1) and (2), by paying
1163 all or part of the costs of any of the following:

1164 (a) income targeted housing costs;

1165 (b) structured parking within the housing and transit reinvestment zone;

1166 (c) enhanced development costs;

1167 (d) horizontal construction costs;

1168 (e) vertical construction costs;

1169 (f) [~~land purchase~~] property acquisition costs within the housing and transit
1170 reinvestment zone; or

1171 (g) the costs of the municipality or public transit county to create and administer the
1172 housing and transit reinvestment zone, which may not exceed 1% of the total housing and

1173 transit reinvestment zone funds, plus the costs to complete the gap analysis described in
1174 Subsection [63N-3-604](#)~~(3)~~(2).

1175 (5) Housing and transit reinvestment zone funds may be paid to a participant, if the
1176 agency and participant enter into a participation agreement which requires the participant to
1177 utilize the housing and transit reinvestment zone funds as allowed in this section.

1178 (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of
1179 bonds issued by the municipality or public transit county in accordance with Title 17C, Chapter
1180 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

1181 (7) A municipality or public transit county may create one or more public infrastructure
1182 districts within the housing and transit reinvestment zone under [~~Title 17B, Chapter 2a, Part~~
1183 ~~42~~] Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the housing
1184 and transit reinvestment zone funds to guarantee the payment of public infrastructure bonds
1185 issued by a public infrastructure district.

1186 Section 8. Section **63N-3-610** is amended to read:

1187 **63N-3-610. Sales and use tax increment in a housing and transit reinvestment**
1188 **zone.**

1189 (1) A housing and transit reinvestment proposal shall, in consultation with the tax
1190 commission:

1191 (a) create a sales and use tax boundary as described in Subsection (2); and

1192 (b) establish a sales and use tax base year and collection period to calculate and transfer
1193 the state sales and use tax increment within the housing and transit reinvestment zone.

1194 (2) (a) The municipality or public transit county, in consultation with the tax
1195 commission, shall establish a sales and use tax boundary that:

1196 (i) is based on state sales and use tax collection boundaries; and

1197 (ii) follows as closely as reasonably practicable the boundary of the housing and transit
1198 reinvestment zone.

1199 (b) The municipality or public transit county shall include the sales and use tax
1200 boundary in the housing and transit reinvestment zone proposal as described in Section
1201 [63N-3-604](#).

1202 (3) (a) Beginning the first day of the calendar quarter one year after the sales and use
1203 tax boundary for a housing and transit reinvestment zone is established, the tax commission

1204 shall, at least annually, transfer ~~[an]~~ a total amount equal to ~~[15]~~ 20% of the sales and use tax
1205 increment within an established sales and use tax boundary ~~[into the Transit Transportation~~
1206 ~~Investment Fund created in Section 72-2-124.]~~, with:

1207 (i) at least 10% of the sales and use tax increment within the established sales and use
1208 tax boundary being transferred to the Transit Transportation Investment Fund created in
1209 Section 72-2-124; and

1210 (ii) upon approval of the housing and transit reinvestment zone committee, up to 10%
1211 of the sales and use tax increment within the established sales and use tax boundary being
1212 transferred to the municipality or public transit county that proposed the housing and transit
1213 reinvestment zone.

1214 (b) (i) Any revenue transferred in accordance with Subsection (3)(a)(ii) may only be
1215 used within the housing and transit reinvestment zone for the uses described in Subsection
1216 63N-3-607(4).

1217 (ii) Any revenue transferred in accordance with Subsection (3)(a)(ii) that is not
1218 allocated for parking or other infrastructure within the housing and transit reinvestment zone
1219 shall be transferred to the Transit Transportation Investment Fund created in Section 72-2-124.

1220 (4) (a) The requirement described in Subsection (3) to transfer incremental sales tax
1221 revenue shall take effect:

1222 (i) on the first day of a calendar quarter; and

1223 (ii) after a 90-day waiting period, beginning on the date the commission receives notice
1224 from the municipality or public transit county meeting the requirements of Subsection (4)(b).

1225 (b) The notice described in Subsection (4)(a) shall include:

1226 (i) a statement that the housing and transit reinvestment zone will be established under
1227 this part;

1228 (ii) the approval date and effective date of the housing and transit reinvestment zone;

1229 and

1230 (iii) the definitions of the sales and use tax boundary and sales and use tax base year.