

SB0190S03 compared with SB0190S02

~~{deleted text}~~ shows text that was in SB0190S02 but was deleted in SB0190S03.

inserted text shows text that was not in SB0190S02 but was inserted into SB0190S03.

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Representative ~~{Steve Eliason}~~R. Neil Walter proposes the following substitute bill:

HIGHER EDUCATION DEVELOPMENT AREAS STUDY

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: ~~{}~~Chris H. Wilson

House Sponsor: ~~{}~~Steve Eliason

LONG TITLE

General Description:

This bill ~~{enacts provisions relating to the}~~requires the Political Subdivisions Interim Committee to study issues relating to a university's development of university-owned property~~{ owned by certain higher education institutions}~~.

Highlighted Provisions:

This bill:

- ▶ ~~{authorizes certain higher education institutions to designate a development area; consisting of property owned by the institution;~~
- ~~provides a process for an institution to adopt a resolution designating a development area;~~
- ~~requires an institution to establish a fund for revenue from the development area and provides for uses of money in the fund;~~

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- provides for property an eligible university leases to a private person to be exempt from a privilege tax;
- requires approval from the Infrastructure and General Government Committee and the institution's board of trustees before the institution may adopt a requires the Political Subdivisions Interim Committee to study development {agreement;
- provides limitations on a board member's participation in development actions and requires a board member to disclose a conflict before the board approves a development agreement; and
- requires the board to provide an annual report to the Higher Education Appropriations Subcommittee for each development area agreements relating to the development of university-owned property; and
 - ▶ establishes the study items to be included in the study.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

~~{53B-20-107}~~36-12-5.5, Utah Code Annotated 1953

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

Section 1. Section ~~{53B-20-107}~~36-12-5.5 is enacted to read:

~~{53B-20-107}~~36-12-5.5.~~{ Development}~~ Political Subdivisions Interim Committee study on the development of ~~{university}~~university-owned property.

(1) As used in this section ~~{~~:

—→ (a) "Board" means the board of trustees of an eligible university.

—→ (b) "Conflict" means a situation in which a board member or a family member of a board member will or is likely to receive a direct financial benefit because of the development of eligible university property within a development area.

—→ (c) "Designation resolution" means a board resolution designating eligible university property as a development area.

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- ~~— (d) "Development action" means:~~
 - ~~— (i) board deliberations on whether to adopt a designation resolution;~~
 - ~~— (ii) the board's adoption of a designation resolution;~~
 - ~~— (iii) board deliberations on whether to approve a development agreement; or~~
 - ~~— (iv) the board's approval of a development agreement.~~
- ~~— (e) "Development agreement" means an agreement governing the development of eligible university property within a development area.~~
- ~~— (f) "Development area" means a single, contiguous area:~~
 - ~~— (i) of only eligible university property; and~~
 - ~~— (ii) that the eligible university designates for development in a designation resolution, as provided in this section.~~
- ~~— (g) "Development fund" means the fund described in and established under Subsection (4):~~
- ~~— (h) "Direct financial benefit":~~
 - ~~— (i) means any form of financial benefit that accrues to an individual directly, including:~~
 - ~~— (A) compensation, commission, or any other form of a payment or increase of money;~~
 - ~~and~~
 - ~~— (B) an increase in the value of a business or property; and~~
 - ~~— (ii) does not include a financial benefit that accrues to the public generally.~~
- ~~— (i) "Eligible }, "university" means an institution of higher education listed in Subsection 53B-1-102(1)(a).~~
 - ~~— (j) "Eligible university property" means real property owned by an eligible university.~~
- ~~— (k) "Family member" means a parent, spouse, sibling, child, or grandchild.~~
- ~~— (l) "Leased property" means eligible university property that:~~
 - ~~— (i) is within a development area; and~~
 - ~~— (ii) an eligible university leases to a private person.~~
- ~~— (2) (a) An eligible university may, by resolution of the board, designate eligible university property as a development area.~~
- ~~— (b) Before adopting a designation resolution, a board shall:~~
 - ~~— (i) provide notice of the public hearing required}2). During the 2024 interim, the Political Subdivisions Interim Committee shall study development agreements relating to the~~

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development of university-owned property.

- ~~(3) The study under Subsection (2)(b)(ii), as required for a class A notice under Section 63G-30-102, for at least seven days before the day of the public hearing; and~~
- ~~—— (ii) hold a public hearing on the proposed adoption of a designation resolution;~~
- ~~—— (c) A notice under Subsection (2)(b)(i) shall include a copy of the proposed designation resolution;~~
- ~~—— (d) A designation resolution, including a proposed designation resolution that accompanies a notice under Subsection (2)(b)(i), shall:~~
- ~~—— (i) accurately describe the boundary of the proposed development area;~~
- ~~—— (ii) describe the development that is proposed to occur in the proposed development area; and~~
- ~~—— (iii) estimate the amount and sources of revenue the eligible university expects to receive from the development area;~~
- ~~—— (e) Before adopting a designation resolution, a board may modify the proposed designation resolution to:~~
- ~~—— (i) address concerns raised in a public hearing held under Subsection (2)(b)(ii); or~~
- ~~—— (ii) clarify or adjust provisions of the proposed designation resolution, as the board considers appropriate;~~
- ~~—— (f) The board may not adopt a designation resolution if the board has previously adopted a designation resolution;~~
- ~~—— (3) Within 30 days after the board's adoption of a designation resolution, the board or the board's delegee shall deliver a copy of the designation resolution to:~~
- ~~—— (a) the clerk of the municipality in which the development area that is the subject of the designation resolution is located; and~~
- ~~—— (b) the assessor and treasurer of the county in which the development area that is the subject of the designation resolution is located;~~
- ~~—— (4) (a) Upon adoption of a designation resolution, a board shall establish a separate fund related to the development area that is the subject of the designation resolution;~~
- ~~—— (b) An eligible university shall deposit into a development fund all money the eligible university receives from the development and lease of eligible university property within a development area;~~

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~~_____ (c) Money in a development fund shall be accounted for separately from any other fund of the eligible university.~~

~~_____ (d) An eligible university may use money in a development fund for:~~

~~_____ (i) expenses associated with the development of the development area;~~

~~_____ (ii) capital facility projects of the eligible university;~~

~~_____ (iii) operation and maintenance costs associated with capital facilities of the eligible university; or~~

~~_____ (iv) any other eligible university-related purpose.~~

~~_____ (5) (a) Subject to Subsection (5)b), an eligible university may} shall address:~~

~~_____ (a) the conditions under which a university may, consistent with current law, enter into a development agreement}:~~

~~_____ (b) Before an eligible university may enter} with a private person for the development of university-owned property;~~

~~_____ (b) how counties, municipalities, special districts, special service districts, and other political subdivisions of the state would be impacted by a university entering into a development agreement}:~~

~~_____ (i) the board shall receive the approval of the Infrastructure and General Government Committee of the Legislature} with a private person for the development {agreement; and~~

~~_____ (ii) the board shall approve the development agreement by resolution, adopted in a public meeting.~~

~~_____ (6) (a) A board member may not participate in a development action if the board member or a family member of the board member owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the board member reasonably believes is likely to participate in or receive a direct financial benefit from} of university-owned property;~~

~~_____ (c) whether a privilege tax should apply to buildings and other improvements constructed on university-owned property;~~

~~_____ (d) (i) if a privilege tax does not apply, how the revenue that would have resulted from the privilege tax should be apportioned, including whether the university should be allowed to retain some or all of the revenue that would have resulted from a privilege tax;~~

~~_____ (ii) if a privilege tax does apply, how the revenue from the tax should be distributed;~~

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(e) how much land a university should be allowed to develop and what should the approval process be for a university to enter into an agreement with a private person for the development of ~~land that is the subject of~~ university-owned property; and

(f) whether a university should be required to include restrictions on a development partner that enters into a development agreement~~;~~

~~—— (b) Before the board approves a development agreement, the board shall require any member with a conflict to disclose the conflict in writing to the board.~~

~~—— (c) Nothing in this Subsection (6) may be construed to affect the application or effect of any other code provision applicable to a board member relating to ethics or conflicts of interest.~~

~~—— (7) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege Tax.~~

~~—— (8) (a) A board shall present a written report to the Higher Education Appropriations Subcommittee no later than September 30 of each year after the board's adoption of a designation resolution.~~

~~—— (b) A report under Subsection (8)(a) shall:~~

~~—— (i) describe~~;~~ with the university for the development ~~taking place or expected to take place within the development area; and~~~~

~~—— (ii) provide a summary of money deposited into and expended from the development fund for that development area.~~

~~of university-owned property.~~

Section 2. **Effective date.**

This bill takes effect on May 1, 2024.