

**HOUSING AND TRANSIT REINVESTMENT ZONE**  
**AMENDMENTS**  
2024 GENERAL SESSION  
STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Stephen L. Whyte

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ amends definitions related to housing and transit reinvestment zones;
- ▶ amends provisions related to affordable housing thresholds to require 12% of the proposed dwelling units be reserved for certain levels of income;
- ▶ requires affordable housing requirements be met in each phase of development;
- ▶ requires that a housing and transit reinvestment zone be at least 10 acres;
- ▶ clarifies notice requirements to certain entities regarding the commencement of collection of tax increment;
- ▶ clarifies information required in a housing and transit reinvestment zone proposal;
- ▶ adds two additional members of the Legislature to the housing and transit reinvestment zone committee;
- ▶ amends provisions regarding overlap of a housing and transit reinvestment zone with a community reinvestment project area;
- ▶ amends provisions related to the sales and use tax increment captured within a housing and transit reinvestment zone, including:
  - how base year is established;



- 28 • contiguity of affected sales and use tax boundaries; and
- 29 • limiting a housing and transit reinvestment zone to only one sales and use tax
- 30 increment period; and
- 31 ▶ makes technical changes.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

- 38 **63N-3-602**, as last amended by Laws of Utah 2023, Chapter 357
- 39 **63N-3-603**, as last amended by Laws of Utah 2023, Chapter 357
- 40 **63N-3-604**, as last amended by Laws of Utah 2023, Chapter 357
- 41 **63N-3-605**, as last amended by Laws of Utah 2023, Chapter 357
- 42 **63N-3-610**, as last amended by Laws of Utah 2022, Chapter 433



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

45 Section 1. Section **63N-3-602** is amended to read:

46 **63N-3-602. Definitions.**

47 As used in this part:

48 (1) "Affordable housing" means housing occupied or reserved for occupancy by  
49 households with a gross household income:

50 (a) equal to or less than 80% of the median gross income of the applicable municipal or  
51 county statistical area for households of the same size[-], in certain circumstances as provided  
52 in this part; or

53 (b) equal to or less than 60% of the median gross income of the applicable municipal  
54 or county statistical area for households of the same size, in certain circumstances as provided  
55 in this part.

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

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

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

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

65 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a  
66 proposed station, stop, or terminal that is specifically identified ~~[in]~~ as needed in phase one of a  
67 metropolitan planning organization's adopted long-range transportation plan and in phase one  
68 of the relevant public transit district's ~~[five-year]~~ adopted long-range transit plan:

69 (a) along an existing bus rapid transit line; or

70 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

71 (7) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a  
72 large public transit district.

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

75 (8) "Commuter rail station" means an existing station, stop, or terminal, or a proposed  
76 station, stop, or terminal, which has been specifically identified ~~[in]~~ as needed in phase one of a  
77 metropolitan planning organization's adopted long-range transportation plan and in phase one  
78 of the relevant public transit district's ~~[five-year]~~ adopted long-range transit plan:

79 (a) along an existing commuter rail line;

80 (b) along an extension to an existing commuter rail line or new commuter rail line; or

81 (c) along a fixed guideway extension from an existing commuter rail line.

82 (9) (a) "Developable area" means the portion of land within a housing and transit  
83 reinvestment zone available for development and construction of business and residential uses.

84 (b) "Developable area" does not include portions of land within a housing and transit  
85 reinvestment zone that are allocated to:

86 (i) parks;

87 (ii) recreation facilities;

88 (iii) open space;

89 (iv) trails;

90 (v) publicly-owned roadway facilities; or

91 (vi) other public facilities.

92 (10) "Dwelling unit" means one or more rooms arranged for the use of one or more  
93 individuals living together, as a single housekeeping unit normally having cooking, living,  
94 sanitary, and sleeping facilities.

95 (11) "Enhanced development" means the construction of mixed uses including  
96 housing, commercial uses, and related facilities.

97 (12) "Enhanced development costs" means extra costs associated with structured  
98 parking costs, vertical construction costs, horizontal construction costs, life safety costs,  
99 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height  
100 of buildings or enhanced development.

101 (13) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

102 (14) "Horizontal construction costs" means the additional costs associated with  
103 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to  
104 achieve enhanced development in the housing and transit reinvestment zone.

105 (15) "Housing and transit reinvestment zone" means a housing and transit reinvestment  
106 zone created pursuant to this part.

107 (16) "Housing and transit reinvestment zone committee" means a housing and transit  
108 reinvestment zone committee created pursuant to Section 63N-3-605.

109 (17) "Large public transit district" means the same as that term is defined in Section  
110 17B-2a-802.

111 (18) "Light rail" means a passenger rail public transit system with right-of-way and  
112 fixed rails:

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

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

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

116 (19) "Light rail station" means an existing station, stop, or terminal or a proposed  
117 station, stop, or terminal, which has been specifically identified ~~[in]~~ as needed in phase one of a  
118 metropolitan planning organization's adopted long-range transportation plan and in phase one  
119 of the relevant public transit district's ~~[five-year]~~ adopted long-range plan:

120 (a) along an existing light rail line; or

- 121 (b) along an extension to an existing light rail line or new light rail line.
- 122 (20) "Metropolitan planning organization" means the same as that term is defined in
- 123 Section [72-1-208.5](#).
- 124 (21) "Mixed use development" means development with a mix of:
- 125 (a) multi-family residential use; and
- 126 (b) at least one additional land use, which shall be a significant part of the overall
- 127 development.
- 128 (22) "Municipality" means the same as that term is defined in Section [10-1-104](#).
- 129 (23) "Participant" means the same as that term is defined in Section [17C-1-102](#).
- 130 (24) "Participation agreement" means the same as that term is defined in Section
- 131 [17C-1-102](#), except that the agency may not provide and the person may not receive a direct
- 132 subsidy.
- 133 (25) "Public transit county" means a county that has created a small public transit
- 134 district.
- 135 (26) "Public transit hub" means a public transit depot or station where four or more
- 136 routes serving separate parts of the county-created transit district stop to transfer riders between
- 137 routes.
- 138 (27) "Sales and use tax base year" means a sales and use tax year determined by the
- 139 first year pertaining to the tax imposed in Section [59-12-103](#) after the sales and use tax
- 140 boundary for a housing and transit reinvestment zone is established.
- 141 (28) "Sales and use tax boundary" means a boundary created as described in Section
- 142 [63N-3-604](#), based on state sales and use tax collection that corresponds as closely as reasonably
- 143 practicable to the housing and transit reinvestment zone boundary.
- 144 (29) "Sales and use tax increment" means the difference between:
- 145 (a) the amount of state sales and use tax revenue generated each year following the
- 146 sales and use tax base year by the sales and use tax from the area within a housing and transit
- 147 reinvestment zone designated in the housing and transit reinvestment zone proposal as the area
- 148 from which sales and use tax increment is to be collected; and
- 149 (b) the amount of state sales and use tax revenue that was generated from that same
- 150 area during the sales and use tax base year.
- 151 (30) "Sales and use tax revenue" means revenue that is generated from the tax imposed

152 under Section [59-12-103](#).

153 (31) "Small public transit district" means the same as that term is defined in Section  
154 [17B-2a-802](#).

155 (32) "Tax Commission" means the State Tax Commission created in Section [59-1-201](#).

156 (33) (a) "Tax increment" means the difference between:

157 ~~[(a)]~~ (i) the amount of property tax revenue generated each tax year by a taxing entity  
158 from the area within a housing and transit reinvestment zone designated in the housing and  
159 transit reinvestment zone proposal as the area from which tax increment is to be collected,  
160 using the current assessed value and each taxing entity's current certified tax rate as defined in  
161 Section [59-2-924](#); and

162 ~~[(b)]~~ (ii) the amount of property tax revenue that would be generated from that same  
163 area using the base taxable value and each taxing entity's current certified tax rate as defined in  
164 Section [59-2-924](#).

165 (b) "Tax increment" does not include property tax revenue from:

166 (i) a multicounty assessing and collecting levy described in Subsection [59-2-1602\(2\)](#);

167 or

168 (ii) a county additional property tax described in Subsection [59-2-1602\(4\)](#).

169 (34) "Taxing entity" means the same as that term is defined in Section [17C-1-102](#).

170 (35) "Vertical construction costs" means the additional costs associated with  
171 construction above four stories and structured parking to achieve enhanced development in the  
172 housing and transit reinvestment zone.

173 Section 2. Section **63N-3-603** is amended to read:

174 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**  
175 **reinvestment zone.**

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

178 (a) higher utilization of public transit;

179 (b) increasing availability of housing, including affordable housing, and fulfillment of  
180 moderate income housing plans;

181 (c) improving efficiencies in parking and transportation, including walkability of  
182 communities near public transit facilities;

- 183 (d) overcoming development impediments and market conditions that render a  
 184 development cost prohibitive absent the proposal and incentives;
- 185 (e) conservation of water resources through efficient land use;
- 186 (f) improving air quality by reducing fuel consumption and motor vehicle trips;
- 187 (g) encouraging transformative mixed-use development and investment in  
 188 transportation and public transit infrastructure in strategic areas;
- 189 (h) strategic land use and municipal planning in major transit investment corridors as  
 190 described in Subsection 10-9a-403(2);
- 191 (i) increasing access to employment and educational opportunities; and
- 192 (j) increasing access to child care.

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

197 ~~[(a)]~~ (i) except as provided in Subsection (3), at least ~~[10%]~~ 12% of the proposed  
 198 dwelling units within the housing and transit reinvestment zone are affordable housing units~~;~~,  
 199 with:

200 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy by  
 201 households with a gross household income equal to or less than 80% of the median gross  
 202 income of the applicable municipal or county statistical area for households of the same size;  
 203 and

204 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy by  
 205 households with a gross household income equal to or less than 60% of the median gross  
 206 income of the applicable municipal or county statistical area for households of the same size.

207 ~~[(b) at least 51% of the developable area within the housing and transit reinvestment~~  
 208 ~~zone includes residential uses with, except as provided in Subsection (4)(c), an average of 50~~  
 209 ~~dwelling units per acre or greater;]~~

210 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone  
 211 shall include:

212 (A) at least 51% of the developable area within a housing and transit reinvestment zone  
 213 as residential uses; and

214 (B) an average of at least 50 dwelling units per acre within the acreage of the housing  
215 and transit reinvestment zone dedicated to residential uses;

216 ~~[(c)]~~ (iii) mixed-use development; and

217 ~~[(d)]~~ (iv) a mix of dwelling units to ensure that a reasonable percentage of the dwelling  
218 units has more than one bedroom.

219 (b) (i) If a housing and transit reinvestment zone is phased, a municipality or public  
220 transit county shall ensure that a housing and transit reinvestment zone is phased and  
221 developed to provide the required 12% of affordable housing units in each phase of  
222 development.

223 (ii) A municipality or public transit county may allow a housing and transit  
224 reinvestment zone to be phased and developed in a manner to provide more of the required  
225 affordable housing units in early phases of development.

226 (iii) A municipality or public transit county shall include in a housing and transit  
227 reinvestment zone proposal an affordable housing plan, which may include deed restrictions, to  
228 ensure the affordable housing required in the proposal will continue to meet the definition of  
229 affordable housing at least throughout the entire term of the housing and transit reinvestment  
230 zone.

231 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
232 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at  
233 a bus rapid transit station, the housing and transit reinvestment zone shall include:

234 (i) at least 51% of the developable area within a housing and transit reinvestment zone  
235 as residential uses; and

236 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing  
237 and transit reinvestment zone dedicated to residential uses.

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

243 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a  
244 commuter rail station, and a public transit county may only propose a housing and transit



245 reinvestment zone at a public transit hub, that:

246 (i) subject to Subsection (5)(a):

247 (A) (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not  
248 exceed a 1/3 mile radius of a commuter rail station;

249 (II) for a municipality that is a city of the first class with a population greater than  
250 150,000 that is within a county of the first class, with an opportunity zone created pursuant to  
251 Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail  
252 station located within the opportunity zone; or

253 (III) for a public transit county, does not exceed a 1/3 mile radius of a public transit  
254 hub; and

255 (B) has a total area of no more than 125 noncontiguous acres;

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

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

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

265 (i) subject to Subsection (5):

266 (A) does not exceed:

267 (I) except as provided in Subsection [~~(4)(b)(i)(A)(II) or (III)~~], (4)(b)(i)(A)(II), (III), or  
268 (4)(e), a 1/4 mile radius of a bus rapid transit station or light rail station;

269 (II) for a municipality that is a city of the first class with a population greater than  
270 150,000 that is within a county of the first class, a 1/2 mile radius of a light rail station located  
271 in an opportunity zone created pursuant to Section  
272 1400Z-1, Internal Revenue Code; or

273 (III) a 1/2 mile radius of a light rail station located within a master-planned  
274 development of 500 acres or more; and

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

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

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

283 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
284 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at  
285 a bus rapid transit station, if the proposed housing density within the housing and transit  
286 reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each  
287 taxing entity's tax increment above the base year is 60%.

288 (d) A municipality that is a city of the first class with a population greater than 150,000  
289 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may  
290 only propose one housing and transit reinvestment zone within an opportunity zone.

291 (e) (i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection  
292 (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to an area  
293 between two light rail stations if the two light rail stations are within a 2/3 mile distance on the  
294 same light rail line.

295 (ii) If a housing and transit reinvestment zone is extended to accommodate two light  
296 rail stations as described in Subsection (4)(e)(i):

297 (A) the housing and transit reinvestment zone is limited to a total area not to exceed  
298 100 noncontiguous acres; and

299 (B) the housing and transit reinvestment zone may not exceed a 1/4 mile radius from  
300 the light rail stations or any point on the light rail line between the two stations.

301 ~~[(e) A county of the first class may not propose a housing and transit reinvestment zone~~  
302 ~~that includes an area that is part of a project area, as that term is defined in Section 17C-1-102,~~  
303 ~~and created under Title 17C, Chapter 1, Agency Operations, until the project area is dissolved~~  
304 ~~pursuant to Section 17C-1-702.]~~

305 (5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a  
306 parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the

307 housing and transit reinvestment zone area and will not count against the limitations described  
308 in Subsection (4)(a)(i).

309 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit  
310 station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included  
311 as part of the housing and transit reinvestment zone area and will not count against the  
312 limitations described in Subsection (4)(b)(i).

313 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.

314 (6) The notice of commencement of collection of tax increment required in Subsection  
315 (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the following entities no later  
316 than January 1 of the year for which the tax increment collection is proposed to commence:

317 (a) the tax commission;

318 (b) the State Board of Education;

319 (c) the state auditor;

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

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

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

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

327 (b) Within a county of the first class, the maximum number of housing and transit  
328 reinvestment zones at bus rapid transit stations is three.

329 (8) (a) This Subsection (8) applies to a specified county, as defined in Section  
330 [17-27a-408](#), that has created a small public transit district on or before January 1, 2022.

331 (b) (i) A county described in Subsection (8)(a) shall, in accordance with Section  
332 [63N-3-604](#), prepare and submit to the Governor's Office of Economic Opportunity a proposal  
333 to create a housing and transit reinvestment zone on or before December 31, 2022.

334 (ii) A county described in Subsection (8)(a) that, on December 31, 2022, was  
335 noncompliant under Section [17-27a-408](#) for failure to demonstrate in the county's moderate  
336 income housing report that the county complied with Subsection (8)(b)(i), may cure the  
337 deficiency in the county's moderate income housing report by submitting satisfactory proof to

338 the Housing and Community Development Division that, notwithstanding the deadline in  
339 Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic  
340 Opportunity a proposal to create a housing and transit reinvestment zone.

341 (c) (i) A county described in Subsection (8)(a) may not propose a housing and transit  
342 reinvestment zone if more than 15% of the acreage within the housing and transit reinvestment  
343 zone boundary is owned by the county.

344 (ii) For purposes of determining the percentage of acreage owned by the county as  
345 described in Subsection (8)(c)(i), a county may exclude any acreage owned that is used for  
346 highways, bus rapid transit, light rail, or commuter rail within the boundary of the housing and  
347 transit reinvestment zone.

348 (d) To accomplish the objectives described in Subsection (1), if a county described in  
349 Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit an  
350 application before December 31, 2022, an owner of undeveloped property who has submitted a  
351 land use application to the county on or before December 31, 2022, and is within a 1/3 mile  
352 radius of a public transit hub in a county described in Subsection (8)(a), including parcels that  
353 are bisected by the 1/3 mile radius, shall have the right to develop and build a mixed-use  
354 development including the following:

355 (i) excluding the parcels devoted to commercial uses as described in Subsection  
356 (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area, with at least  
357 10% of the dwelling units as affordable housing units;

358 (ii) commercial uses including office, retail, educational, and healthcare in support of  
359 the mixed-use development constituting up to 1/3 of the total planned gross building square  
360 footage of the subject parcels; and

361 (iii) any other infrastructure element necessary or reasonable to support the mixed-use  
362 development, including parking infrastructure, streets, sidewalks, parks, and trails.

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

364 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**  
365 **Analysis.**

366 (1) Subject to approval of the housing and transit reinvestment zone committee as  
367 described in Section **63N-3-605**, in order to create a housing and transit reinvestment zone, a  
368 municipality or public transit county that has general land use authority over the housing and

369 transit reinvestment zone area, shall:

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

371 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the  
372 objectives described in Subsection [63N-3-603\(1\)](#);

373 (ii) explains how the municipality or public transit county will achieve the  
374 requirements of Subsection [63N-3-603\(2\)\(a\)\(i\)](#);

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

377 (iv) defines the boundaries of:

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

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

381 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:

382 (A) the proposed boundary and radius from a public transit hub;

383 (B) proposed housing density within the housing and transit reinvestment zone; and

384 (C) existing zoning and proposed zoning changes related to the housing and transit  
385 reinvestment zone;

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

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

390 (viii) establishes a base year and collection period to calculate the tax increment within  
391 the housing and transit reinvestment zone;

392 (ix) establishes a sales and use tax base year to calculate the sales and use tax  
393 increment within the housing and transit reinvestment zone in accordance with Section  
394 [63N-3-610](#);

395 (x) describes projected maximum revenues generated and the amount of tax increment  
396 capture from each taxing entity and proposed expenditures of revenue derived from the housing  
397 and transit reinvestment zone;

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

400 (xii) evaluates possible benefits to active and public transportation availability and  
401 impacts on air quality;

402 (xiii) proposes a finance schedule to align expected revenue with required financing  
403 costs and payments;

404 (xiv) provides a pro-forma for the planned development [~~including the cost differential~~  
405 ~~between surface parked multi-family development and enhanced development~~] that:

406 (A) satisfies the requirements described in Subsections ~~63N-3-603~~(2), (3), and (4); and

407 (B) includes data showing the cost difference between what type of development could  
408 feasibly be developed absent the housing and transit reinvestment zone tax increment and the  
409 type of development that is proposed to be developed with the housing and transit reinvestment  
410 zone tax increment; and

411 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail  
412 station, or bus rapid transit station that is proposed and not in public transit service operation as  
413 of the date of submission of the proposal, demonstrates that the proposed station is:

414 (A) included [~~in~~] as needed in phase one of a metropolitan planning organization's  
415 adopted long-range transportation plan and in phase one of the relevant public transit district's  
416 [~~five-year~~] adopted long-range plan; and

417 (B) reasonably anticipated to be constructed in the near future; and

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

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

423 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's  
424 Office of Economic Opportunity shall:

425 (i) within 14 days after the date on which the Governor's Office of Economic  
426 Opportunity receives the proposal described in Subsection (1)(b), provide notice of the  
427 proposal to all affected taxing entities, including the Tax Commission, cities, counties, school  
428 districts, and metropolitan planning organizations; and

429 (ii) at the expense of the proposing municipality or public transit county as described in  
430 Subsection (5), contract with an independent entity to perform the gap analysis described in

431 Subsection (3)(b).

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

433 (i) a description of the planned development;

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

437 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency  
438 of the proposal;

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

442 (v) based on the market analysis and other findings, an opinion relative to the  
443 appropriate amount of potential public financing reasonably determined to be necessary to  
444 achieve the objectives described in Subsection 63N-3-603(1).

445 (c) After receiving notice from the Governor's Office of Economic Opportunity of a  
446 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the Tax  
447 Commission shall:

448 (i) evaluate the feasibility of administering the tax implications of the proposal; and

449 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any  
450 challenges in the administration of the proposal, or indicating that the Tax Commission can  
451 feasibly administer the proposal.

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

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

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

461 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated

462 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap  
463 analysis described in Subsection (3)(b).

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

467 Section 4. Section **63N-3-605** is amended to read:

468 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

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

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

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

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

479 (c) a member of the Transportation Commission created in Section [72-1-301](#);

480 (d) a member of the board of trustees of a large public transit district;

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

483 (f) [~~one member~~] two members designated by the president of the Senate;

484 (g) [~~one member~~] two members designated by the speaker of the House of  
485 Representatives;

486 (h) one member designated by the chief executive officer of each county affected by  
487 the housing and transit reinvestment zone;

488 (i) one representative designated by the school superintendent from the school district  
489 affected by the housing and transit reinvestment zone; and

490 (j) one representative, representing the largest participating local taxing entity, after the  
491 municipality, county, and school district.

492 (3) The individual designated by the Governor's Office of Economic Opportunity as



493 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone  
494 committee.

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

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

499 (5) After the Governor's Office of Economic Opportunity receives the results of the  
500 analysis described in Section 63N-3-604, and after the Governor's Office of Economic  
501 Opportunity has received a request from the submitting municipality or public transit county to  
502 submit the housing and transit reinvestment zone proposal to the housing and transit  
503 reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each  
504 of the entities described in Subsection (2) of the formation of the housing and transit  
505 reinvestment zone committee.

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

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

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

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

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

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

518 (8) (a) Subject to Subsection (8)(b), the housing and transit reinvestment zone  
519 committee may:

520 (i) request changes to the housing and transit reinvestment zone proposal based on the  
521 analysis, characteristics, and criteria described in Section 63N-3-604; or

522 (ii) vote to approve or deny the proposal.

523 (b) Before the housing and transit reinvestment zone committee may approve the

524 housing and transit reinvestment zone proposal, the municipality or public transit county  
525 proposing the housing and transit reinvestment zone shall ensure that the area of the proposed  
526 housing and transit reinvestment zone is zoned in such a manner to accommodate the  
527 requirements of a housing and transit reinvestment zone described in this section and the  
528 proposed development.

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

530 (a) the proposed housing and transit reinvestment zone is established according to the  
531 terms of the housing and transit reinvestment zone proposal;

532 (b) affected local taxing entities are required to participate according to the terms of the  
533 housing and transit reinvestment zone proposal; and

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

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

538 Section 5. Section **63N-3-610** is amended to read:

539 **63N-3-610. Sales and use tax increment in a housing and transit reinvestment**  
540 **zone.**

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

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

544 (b) establish a sales and use tax base year and collection period to calculate and transfer  
545 the state sales and use tax increment within the housing and transit reinvestment zone, which  
546 sales and use tax base year is established prospectively, 90 days after the date of the notice  
547 described in Subsection (4).

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

550 (i) is based on state sales and use tax collection boundaries; [~~and~~]

551 (ii) follows as closely as reasonably practicable the boundary of the housing and transit  
552 reinvestment zone[~~;~~]; and

553 (iii) is one contiguous area that includes at least the entire boundary of the housing and  
554 transit reinvestment zone.

555 (b) If a state sales and use tax boundary is bisected by the boundary of the housing and  
556 transit reinvestment zone, the housing and transit reinvestment zone may include the entire  
557 state sales and use tax boundary.

558 [~~(b)~~] (c) The municipality or public transit county shall include the sales and use tax  
559 boundary in the housing and transit reinvestment zone proposal as described in Section  
560 [63N-3-604](#).

561 (3) (a) Beginning the first day of the calendar quarter one year after the sales and use  
562 tax boundary for a housing and transit reinvestment zone is established, the tax commission  
563 shall, at least annually, transfer an amount equal to 15% of the sales and use tax increment  
564 within an established sales and use tax boundary into the Transit Transportation Investment  
565 Fund created in Section [72-2-124](#).

566 (b) A municipality or public transit county may only propose one sales and use tax  
567 increment period for a housing and transit reinvestment zone established under this section.

568 (4) (a) The establishment of a sales and use tax base year and the requirement  
569 described in Subsection (3) to transfer incremental sales tax revenue shall take effect:

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

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

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

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

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

577 and

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

579 Section 6. **Effective date.**

580 This bill takes effect on May 1, 2024.