

INLAND PORT AUTHORITY AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W Stevenson

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to the Utah Inland Port Authority.

Highlighted Provisions:

This bill:

- ▶ makes the Utah Inland Port Authority subject to the Utah Industrial Facilities and Development Act;
- ▶ modifies limitations on board members;
- ▶ modifies notice requirements for a project area plan;
- ▶ prohibits the authority from paying certain developer costs associated with the construction of public infrastructure and improvements in a project area;
- ▶ provides that the base taxable value of project area land applies to land added to the project area;
- ▶ modifies provisions relating to the distribution of sales tax revenue; and
- ▶ removes a condition applicable to the authority's creation of a remediation project area.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 AMENDS:

29 **11-17-2**, as last amended by Laws of Utah 2020, Chapter 354

30 **11-17-3.5**, as enacted by Laws of Utah 2009, Chapter 92

31 **11-58-206**, as last amended by Laws of Utah 2023, Chapter 259

32 **11-58-304**, as last amended by Laws of Utah 2022, Chapter 82

33 **11-58-503**, as last amended by Laws of Utah 2023, Chapter 435

34 **11-58-504**, as enacted by Laws of Utah 2018, Chapter 179

35 **11-58-602**, as last amended by Laws of Utah 2023, Chapter 259

36 **11-58-605**, as enacted by Laws of Utah 2023, Chapter 259

37 **59-12-205**, as last amended by Laws of Utah 2023, Chapters 302, 471 and 492



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

40 Section 1. Section **11-17-2** is amended to read:

41 **11-17-2. Definitions.**

42 As used in this chapter:

43 (1) "Bonds" means bonds, notes, or other evidences of indebtedness.

44 (2) "Energy efficiency upgrade" means an improvement that is permanently affixed to
45 real property and that is designed to reduce energy consumption, including:

46 (a) insulation in:

47 (i) a wall, ceiling, roof, floor, or foundation; or

48 (ii) a heating or cooling distribution system;

49 (b) an insulated window or door, including:

50 (i) a storm window or door;

51 (ii) a multiglazed window or door;

52 (iii) a heat-absorbing window or door;

53 (iv) a heat-reflective glazed and coated window or door;

54 (v) additional window or door glazing;

55 (vi) a window or door with reduced glass area; or

56 (vii) other window or door modifications that reduce energy loss;

57 (c) an automatic energy control system;

58 (d) in a building or a central plant, a heating, ventilation, or air conditioning and

59 distribution system;

60 (e) caulking or weatherstripping;

61 (f) a light fixture that does not increase the overall illumination of a building unless an
62 increase is necessary to conform with the applicable building code;

63 (g) an energy recovery system;

64 (h) a daylighting system;

65 (i) measures to reduce the consumption of water, through conservation or more
66 efficient use of water, including:

67 (i) installation of a low-flow toilet or showerhead;

68 (ii) installation of a timer or timing system for a hot water heater; or

69 (iii) installation of a rain catchment system; or

70 (j) any other modified, installed, or remodeled fixture that is approved as a utility
71 cost-savings measure by the governing body.

72 (3) "Finance" or "financing" includes the issuing of bonds by a municipality, county, or
73 state university for the purpose of using a portion, or all or substantially all of the proceeds to
74 pay for or to reimburse the user, lender, or the user or lender's designee for the costs of the
75 acquisition of facilities of a project, or to create funds for the project itself where appropriate,
76 whether these costs are incurred by the municipality, the county, the state university, the user,
77 or a designee of the user. If title to or in these facilities at all times remains in the user, the
78 bonds of the municipality or county shall be secured by a pledge of one or more notes,
79 debentures, bonds, other secured or unsecured debt obligations of the user or lender, or the
80 sinking fund or other arrangement as in the judgment of the governing body is appropriate for
81 the purpose of assuring repayment of the bond obligations to investors in accordance with their
82 terms.

83 (4) "Governing body" means:

84 (a) for a county, city, town, or metro township, the legislative body of the county, city,
85 town, or metro township;

86 (b) for the Utah Inland Port Authority created in Section [11-58-201](#), the board, as
87 defined in Section [11-58-102](#);

88 ~~(b)~~ (c) for the military installation development authority created in Section
89 [63H-1-201](#), the board, as defined in Section [63H-1-102](#);

90 ~~[(e)]~~ (d) for a state university except as provided in Subsection ~~[(4)(d)]~~ (4)(e), the
91 board or body having the control and supervision of the state university; and

92 ~~[(d)]~~ (e) for a nonprofit corporation or foundation created by and operating under the
93 auspices of a state university, the board of directors or board of trustees of that corporation or
94 foundation.

95 (5) (a) "Industrial park" means land, including all necessary rights, appurtenances,
96 easements, and franchises relating to it, acquired and developed by a municipality, county, or
97 state university for the establishment and location of a series of sites for plants and other
98 buildings for industrial, distribution, and wholesale use.

99 (b) "Industrial park" includes the development of the land for an industrial park under
100 this chapter or the acquisition and provision of water, sewerage, drainage, street, road,
101 sidewalk, curb, gutter, street lighting, electrical distribution, railroad, or docking facilities, or
102 any combination of them, but only to the extent that these facilities are incidental to the use of
103 the land as an industrial park.

104 (6) "Lender" means a trust company, savings bank, savings and loan association, bank,
105 credit union, or any other lending institution that lends, loans, or leases proceeds of a financing
106 to the user or a user's designee.

107 (7) "Mortgage" means a mortgage, trust deed, or other security device.

108 (8) "Municipality" means any incorporated city, town, or metro township in the state,
109 including cities or towns operating under home rule charters.

110 (9) "Pollution" means any form of environmental pollution including water pollution,
111 air pollution, pollution caused by solid waste disposal, thermal pollution, radiation
112 contamination, or noise pollution.

113 (10) (a) "Project" means:

114 (i) an industrial park, land, interest in land, building, structure, facility, system, fixture,
115 improvement, appurtenance, machinery, equipment, or any combination of them, whether or
116 not in existence or under construction:

117 (A) that is suitable for industrial, manufacturing, warehousing, research, business, and
118 professional office building facilities, commercial, shopping services, food, lodging, low
119 income rental housing, recreational, or any other business purposes;

120 (B) that is suitable to provide services to the general public;

121 (C) that is suitable for use by any corporation, person, or entity engaged in health care
122 services, including hospitals, nursing homes, extended care facilities, facilities for the care of
123 persons with a physical or mental disability, and administrative and support facilities; or

124 (D) that is suitable for use by a state university for the purpose of aiding in the
125 accomplishment of its authorized academic, scientific, engineering, technical, and economic
126 development functions;

127 (ii) any land, interest in land, building, structure, facility, system, fixture, improvement,
128 appurtenance, machinery, equipment, or any combination of them, used by any individual,
129 partnership, firm, company, corporation, public utility, association, trust, estate, political
130 subdivision, state agency, or any other legal entity, or its legal representative, agent, or assigns,
131 for the reduction, abatement, or prevention of pollution, including the removal or treatment of
132 any substance in process material, if that material would cause pollution if used without the
133 removal or treatment;

134 (iii) an energy efficiency upgrade;

135 (iv) a renewable energy system;

136 (v) facilities, machinery, or equipment, the manufacturing and financing of which will
137 maintain or enlarge domestic or foreign markets for Utah industrial products; or

138 (vi) any economic development or new venture investment fund to be raised other than
139 from:

140 (A) municipal or county general fund money;

141 (B) money raised under the taxing power of any county or municipality; or

142 (C) money raised against the general credit of any county or municipality.

143 (b) "Project" does not include any property, real, personal, or mixed, for the purpose of
144 the construction, reconstruction, improvement, or maintenance of a public utility as defined in
145 Section 54-2-1.

146 (11) "Renewable energy system" means a product, system, device, or interacting group
147 of devices that is permanently affixed to real property and that produces energy from renewable
148 resources, including:

149 (a) a photovoltaic system;

150 (b) a solar thermal system;

151 (c) a wind system;

152 (d) a geothermal system, including:
 153 (i) a direct-use system; or
 154 (ii) a ground source heat pump system;
 155 (e) a micro-hydro system; or
 156 (f) another renewable energy system approved by the governing body.
 157 (12) "State university" means an institution of higher education as described in Section
 158 [53B-2-101](#) and includes any nonprofit corporation or foundation created by and operating
 159 under their authority.

160 (13) "User" means the person, whether natural or corporate, who will occupy, operate,
 161 maintain, and employ the facilities of, or manage and administer a project after the financing,
 162 acquisition, or construction of it, whether as owner, manager, purchaser, lessee, or otherwise.

163 Section 2. Section **11-17-3.5** is amended to read:

164 **11-17-3.5. Powers of Military Installation Development Authority.**

165 The Utah Inland Port Authority, created in Section [11-58-201](#), and the military
 166 installation development authority, created in Section [63H-1-201](#), [is] are subject to and
 167 governed by the provisions of this chapter to the same extent as if the Utah Inland Port
 168 Authority and military installation development authority, respectively, were a municipality.

169 Section 3. Section **11-58-206** is amended to read:

170 **11-58-206. Port authority funds.**

171 (1) ~~[The]~~ Subject to Subsection (2), the authority may use authority funds for any
 172 purpose authorized under this chapter, including:

- 173 ~~[(1)]~~ (a) promoting, facilitating, and advancing inland port uses;
- 174 ~~[(2)]~~ (b) owning and operating an intermodal facility;
- 175 ~~[(3)]~~ (c) the remediation of contaminated land within a project area; and
- 176 ~~[(4)]~~ (d) paying any consulting fees and staff salaries and other administrative,
 177 overhead, legal, and operating expenses of the authority.

178 (2) (a) As used in this Subsection (2):

179 (i) "Affected project area" means the project area where public infrastructure and
 180 improvements are constructed or are to be constructed.

181 (ii) "Local legislative body" means:

182 (A) the legislative body of the county in which the affected project area is located; or

183 (B) the legislative body of the municipality in which the affected project area is
 184 located.

185 (b) The authority may not use authority funds to pay developer costs, as defined by the
 186 local legislative body, associated with the development and construction of public
 187 infrastructure and improvements in an affected project area.

188 Section 4. Section **11-58-304** is amended to read:

189 **11-58-304. Limitations on board members and executive director.**

190 (1) As used in this section:

191 (a) "Direct financial benefit":

192 (i) means any form of financial benefit that accrues to an individual directly, including:

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

194 and

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

196 (ii) does not include a financial benefit that accrues to the public generally.

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

198 (2) (a) An individual [may not serve as a voting member of the board or as executive
 199 director] is subject to Subsection (2)(b) if:

200 [(a)] (i) the individual owns real property, other than a personal residence in which the
 201 individual resides, within a project area, whether or not the ownership interest is a recorded
 202 interest;

203 [(b)] (ii) a family member of the individual owns an interest in real property, other than
 204 a personal residence in which the family member resides, located within a project area; or

205 [(c)] (iii) the individual or a family member of the individual owns an interest in, is
 206 directly affiliated with, or is an employee or officer of a private firm, private company, or other
 207 private entity that the individual reasonably believes is likely to:

208 [(i)] (A) participate in or receive a direct financial benefit from the development of the
 209 authority jurisdictional land; or

210 [(ii)] (B) acquire an interest in or locate a facility within a project area.

211 (b) An individual described in Subsection (2)(a):

212 (i) may not serve as executive director; or

213 (ii) may not, if the individual is a board member, participate in the consideration or

214 vote on any matter affecting the individual or family member's interest or affiliation described
215 in Subsection (2)(a).

216 (3) Before taking office as a voting member of the board or accepting employment as
217 executive director, an individual shall submit to the authority a statement verifying that the
218 individual's service as a board member or employment as executive director does not violate
219 Subsection (2).

220 (4) (a) An individual may not, at any time during the individual's service as a voting
221 member or employment with the authority, acquire, or take any action to initiate, negotiate, or
222 otherwise arrange for the acquisition of, an interest in real property located within a project
223 area, if:

224 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
225 as an employee or officer of a private firm, private company, or other private entity; and

226 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
227 result of the development of the project area.

228 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
229 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
230 a personal residence in which the individual will reside upon acquisition of the real property.

231 (5) (a) A voting member or nonvoting member of the board or an employee of the
232 authority may not receive a direct financial benefit from the development of a project area.

233 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

234 (i) expense reimbursements;

235 (ii) per diem pay for board member service, if applicable; or

236 (iii) an employee's compensation or benefits from employment with the authority.

237 (6) Nothing in this section may be construed to affect the application or effect of any
238 other code provision applicable to a board member or employee relating to ethics or conflicts
239 of interest.

240 Section 5. Section **11-58-503** is amended to read:

241 **11-58-503. Notice of project area plan adoption -- Effective date of plan -- Time**
242 **for challenging a project area plan or project area.**

243 (1) Upon the board's adoption of a project area plan, the board shall provide notice as
244 provided in Subsection (2) by publishing or causing to be published legal notice[~~-(a)~~] for the

245 project area, as a class A notice under Section 63G-30-102, for at least 30 days[; and].

246 [~~(b) as required by Section 45-1-101.~~]

247 (2) (a) Each notice under Subsection (1) shall include:

248 (i) the board resolution adopting the project area plan or a summary of the resolution;

249 and

250 (ii) a statement that the project area plan is available for general public inspection and
251 the hours for inspection.

252 (b) The statement required under Subsection (2)(a)(ii) may be included within the
253 board resolution adopting the project area plan or within the summary of the resolution.

254 (3) The project area plan shall become effective on the date designated in the board
255 resolution.

256 (4) The authority shall make the adopted project area plan available to the general
257 public at the authority's offices during normal business hours.

258 (5) Within 10 days after the day on which a project area plan is adopted that establishes
259 a project area, or after an amendment to a project area plan is adopted under which the
260 boundary of a project area is modified, the authority shall send notice of the establishment or
261 modification of the project area and an accurate map or plat of the project area to:

262 (a) the State Tax Commission;

263 (b) the Utah Geospatial Resource Center created in Section 63A-16-505; and

264 (c) the assessor and recorder of each county where the project area is located.

265 (6) (a) A legal action or other challenge to a project area plan or a project area
266 described in a project area plan is barred unless brought within 30 days after the effective date
267 of the project area plan.

268 (b) A legal action or other challenge to a project area that consists of authority
269 jurisdictional land is barred unless brought within 30 days after the board adopts a business
270 plan under Subsection 11-58-202(1)(a) for the authority jurisdictional land.

271 Section 6. Section 11-58-504 is amended to read:

272 **11-58-504. Amendment to a project area plan.**

273 (1) The authority may amend a project area plan by following the same procedure
274 under this part as applies to the adoption of a project area plan.

275 (2) The provisions of this part apply to the authority's adoption of an amendment to a

276 project area plan to the same extent as they apply to the adoption of a project area plan.

277 (3) If an amendment to a project area plan results in land being included in the project
278 area that was not included in the project area before the amendment, the base taxable value
279 applicable to the project area before the amendment applies to the land added to the project
280 area by amendment.

281 Section 7. Section **11-58-602** is amended to read:

282 **11-58-602. Allowable uses of property tax differential and other funds.**

283 (1) (a) The authority may use money from property tax differential, money the
284 authority receives from the state, money the authority receives under Subsection
285 **59-12-205(2)(a)(ii)(C)**, and other money available to the authority:

286 (i) for any purpose authorized under this chapter;

287 (ii) for administrative, overhead, legal, consulting, and other operating expenses of the
288 authority;

289 (iii) to pay for, including financing or refinancing, all or part of the development of
290 land within a project area, including assisting the ongoing operation of a development or
291 facility within the project area;

292 (iv) to pay the cost of the installation and construction of public infrastructure and
293 improvements within the project area from which the property tax differential funds were
294 collected;

295 (v) to pay the cost of the installation of public infrastructure and improvements outside
296 a project area if the board determines by resolution that the infrastructure and improvements
297 are of benefit to the project area;

298 (vi) to pay to a community reinvestment agency for affordable housing, as provided in
299 Subsection **11-58-606(2)**;

300 (vii) to pay the principal and interest on bonds issued by the authority;

301 (viii) to pay the cost of acquiring a conservation easement on land that is part of or
302 adjacent to authority jurisdictional land:

303 (A) for the perpetual preservation of the land from development; and

304 (B) to provide a buffer area between authority jurisdictional land intended for
305 development and land outside the boundary of the authority jurisdictional land; and

306 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development

307 that:

308 (A) mitigates noise, air pollution, light pollution, surface and groundwater pollution,
309 and other negative environmental impacts;

310 (B) mitigates traffic congestion; or

311 (C) uses high efficiency building construction and operation.

312 (b) (i) (A) The authority shall establish minimum mitigation and environmental
313 standards that a landowner is required to meet to qualify for the use of property tax differential
314 under Subsection (1)(a)(ix) in the landowner's development.

315 (B) Minimum mitigation and environmental standards established under Subsection
316 (1)(b)(i)(A) shall include a standard prohibiting the use of property tax differential as a
317 business recruitment incentive, as defined in Section 11-58-603, for new commercial or
318 industrial development or an expansion of existing commercial or industrial development
319 within the authority jurisdictional land if the new or expanded development will consume on an
320 annual basis more than 200,000 gallons of potable water per day.

321 (ii) In establishing minimum mitigation and environmental standards, the authority
322 shall consult with:

323 (A) the municipality in which the development is expected to occur, for development
324 expected to occur within a municipality; or

325 (B) the county in whose unincorporated area the development is expected to occur, for
326 development expected to occur within the unincorporated area of a county.

327 (iii) The authority may not use property tax differential under Subsection (1)(a)(viii)
328 for a landowner's development in a project area unless the minimum mitigation and
329 environmental standards are followed with respect to that landowner's development.

330 (2) The authority may use revenue generated from the operation of public infrastructure
331 operated by the authority or improvements, including an intermodal facility, operated by the
332 authority to:

333 (a) operate and maintain the infrastructure or improvements; and

334 (b) pay for authority operating expenses, including administrative, overhead, and legal
335 expenses.

336 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the
337 project area is final.

338 (4) The authority may not use property tax differential revenue collected from one
339 project area for a development project within another project area.

340 (5) The authority may use up to 10% of the general differential revenue generated from
341 a project area to pay for affordable housing within or near the project area.

342 (6) The authority may share general differential funds with a taxing entity that levies a
343 property tax on land within the project area from which the general differential is generated.

344 [~~(7) (a) As used in this Subsection (7):~~]

345 [~~(i) "Authority sales and use tax revenue" means money distributed to the authority
346 under Subsection 59-12-205(2)(a)(ii)(C).]~~

347 [~~(ii) "Eligible county" means a county that would be entitled to receive sales and use
348 tax revenue under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
349 59-12-205(2)(a)(ii)(C).]~~

350 [~~(iii) "Eligible municipality" means a municipality that would be entitled to receive
351 sales and use tax revenue under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
352 59-12-205(2)(a)(ii)(C).]~~

353 [~~(iv) "Point of sale portion" means:~~]

354 [~~(A) for an eligible county, the amount of sales and use tax revenue the eligible county
355 would have received under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
356 59-12-205(2)(a)(ii)(C), excluding the retail sales portion; and]~~

357 [~~(B) for an eligible municipality, the amount of sales and use tax revenue the eligible
358 municipality would have received under Subsection 59-12-205(2)(a)(ii)(A) in the absence of
359 Subsection 59-12-205(2)(a)(ii)(C), excluding the retail sales portion.]~~

360 [~~(v) "Retail sales portion" means the amount of sales and use tax revenue collected
361 under Subsection 59-12-205(2)(a)(ii)(A) from retail sales transactions that occur on authority
362 jurisdictional land.]~~

363 [~~(b) Within 45 days after receiving authority sales and use tax revenue, the authority
364 shall:~~]

365 [~~(i) distribute half of the point of sale portion to each eligible county and eligible
366 municipality; and]~~

367 [~~(ii) distribute all of the retail sales portion to each eligible county and eligible
368 municipality.]~~

369 Section 8. Section **11-58-605** is amended to read:

370 **11-58-605. Creation of remediation project area and payment of remediation**
371 **differential.**

372 (1) As used in this section:

373 (a) "Remedial action plan" means a plan for the cleanup of contaminated land under a
374 voluntary cleanup agreement under Title 19, Chapter 8, Voluntary Cleanup Program.

375 (b) "Subsidiary district" means a public infrastructure district that is a subsidiary of the
376 authority.

377 (2) This section applies to a remediation project area and to remediation differential.

378 (3) The authority may adopt a resolution creating a remediation project area [~~if the~~
379 ~~authority and the owner of contaminated land to be included in the remediation project area~~
380 ~~enter an agreement governing a remediation project within the remediation project area~~].

381 (4) If the authority adopts a resolution creating a remediation project area, the authority
382 shall reconfigure the boundary of the project area that consists of the authority jurisdictional
383 land to exclude the remediation project area.

384 (5) The authority may pay the costs of a remediation project from funds available to the
385 authority, including funds of a subsidiary district.

386 (6) (a) If the authority pays some or all the costs of a remediation project, the authority
387 shall be paid 100% of the remediation differential, subject to Subsection (6)(b), until the
388 authority is fully reimbursed for the costs the authority paid for the remediation project.

389 (b) (i) Subject to Subsection (6)(b)(iii), the authority's use of remediation differential
390 paid to the authority under Subsection (6)(a) is subject to any bonds of a subsidiary district
391 issued before May 3, 2023 pledging property tax differential funds generated from the
392 contaminated land.

393 (ii) Before using remediation differential to pay subsidiary district bonds described in
394 Subsection (6)(b)(i), the authority shall use other funds available to the authority to pay the
395 bonds.

396 (iii) A pledge of property tax differential under subsidiary district bonds issued before
397 May 3, 2023 may be satisfied if:

398 (A) the authority or the subsidiary district pledges additional property tax differential,
399 other than remediation differential, or other authority or subsidiary district funds to offset any

400 decrease in property tax differential resulting from the payment under Subsection (6)(a) of
401 remediation differential funds that would otherwise have been available to pay the subsidiary
402 district bonds; and

403 (B) the pledge described in Subsection (6)(b)(iii)(A) is senior in right to any pledge of
404 remediation differential for a commitment the authority makes in connection with a
405 remediation project.

406 (7) If a remediation project is conducted pursuant to a remedial action plan, the use of
407 the land that is the subject of the remediation project shall be consistent with the remedial
408 action plan unless the change of use:

409 (a) occurs after the government owner, as defined in Subsection 63G-7-201(3)(b), is
410 environmentally compliant, as defined in Subsection 63G-7-201(3)(b), with respect to the land
411 that is the subject of the remediation project; and

412 (b) is approved by the board following a public hearing on the proposed change of use.

413 (8) (a) Upon the authority receiving full reimbursement for the authority's payment of
414 costs for a remediation project, the remediation project area is automatically and immediately
415 dissolved and the land within the remediation project area automatically and immediately
416 becomes part of the project area consisting of the authority jurisdictional land.

417 (b) The board shall take any action necessary to effectuate and reflect in authority
418 project area records and any other applicable records the reincorporation of the remediation
419 project area under Subsection (8)(a) into the project area consisting of the authority
420 jurisdictional land.

421 Section 9. Section 59-12-205 is amended to read:

422 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
423 **tax revenue -- Determination of population.**

424 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
425 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's
426 sales and use tax ordinances:

427 (a) within 30 days of the day on which the state makes an amendment to an applicable
428 provision of Part 1, Tax Collection; and

429 (b) as required to conform to the amendments to Part 1, Tax Collection.

430 (2) (a) Except as provided in Subsections (3) and (4) and subject to Subsection (5):

431 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall
432 be distributed to each county, city, and town on the basis of the percentage that the population
433 of the county, city, or town bears to the total population of all counties, cities, and towns in the
434 state; and

435 (ii) (A) except as provided in Subsections (2)(a)(ii)(B), (C), and (D), 50% of each
436 dollar collected from the sales and use tax authorized by this part shall be distributed to each
437 county, city, and town on the basis of the location of the transaction as determined under
438 Sections 59-12-211 through 59-12-215;

439 (B) 50% of each dollar collected from the sales and use tax authorized by this part
440 within a project area described in a project area plan adopted by the military installation
441 development authority under Title 63H, Chapter 1, Military Installation Development
442 Authority Act, shall be distributed to the military installation development authority created in
443 Section 63H-1-201;

444 (C) beginning July 1, 2022, [50%] 20% of each dollar collected from the sales and use
445 tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port
446 Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section
447 11-58-201; and

448 (D) 50% of each dollar collected from the sales and use tax authorized by this part
449 within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the
450 Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter
451 following the creation of the Utah Lake Authority.

452 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
453 July 1, 2022.

454 (3) (a) As used in this Subsection (3):

455 (i) "Eligible county, city, or town" means a county, city, or town that:

456 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (3)(b)
457 equal to the amount described in Subsection (3)(b)(ii); and

458 (B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1,
459 2016.

460 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
461 distributions an eligible county, city, or town received from a tax imposed in accordance with

462 this part for fiscal year 2004-05.

463 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
464 imposed in accordance with this part equal to the greater of:

465 (i) the payment required by Subsection (2); or

466 (ii) the minimum tax revenue distribution.

467 (4) (a) For purposes of this Subsection (4):

468 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
469 2.55% of the participating local government's tax revenue distribution amount under
470 Subsection (2)(a)(i) for the previous fiscal year.

471 (ii) "Participating local government" means a county or municipality, as defined in
472 Section 10-1-104, that is not an eligible municipality certified in accordance with Section
473 35A-16-404.

474 (b) For revenue collected from the tax authorized by this part that is distributed on or
475 after January 1, 2019, the commission, before making a tax revenue distribution under
476 Subsection (2)(a)(i) to a participating local government, shall:

477 (i) adjust a participating local government's tax revenue distribution under Subsection
478 (2)(a)(i) by:

479 (A) subtracting an amount equal to one-twelfth of the annual local contribution for
480 each participating local government from the participating local government's tax revenue
481 distribution; and

482 (B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by \$250 for
483 each bed that is available at all homeless shelters located within the boundaries of the
484 participating local government, as reported to the commission by the Office of Homeless
485 Services in accordance with Section 35A-16-405; and

486 (ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless
487 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.

488 (c) For a participating local government that qualifies to receive a distribution
489 described in Subsection (3), the commission shall apply the provisions of this Subsection (4)
490 after the commission applies the provisions of Subsection (3).

491 (5) (a) As used in this Subsection (5):

492 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to the

493 total revenue an establishment described in NAICS Code 327320, Ready-Mix Concrete
494 Manufacturing, of the 2022 North American Industry Classification System of the federal
495 Executive Office of the President, Office of Management and Budget, collects and remits under
496 this part for a calendar year.

497 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.

498 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:

499 (A) contains sand and gravel; and

500 (B) is assessed by the commission in accordance with Section [59-2-201](#).

501 (iv) "Ton" means a short ton of 2,000 pounds.

502 (v) "Tonnage ratio" means the ratio of:

503 (A) the total amount of sand and gravel, measured in tons, sold during a calendar year
504 from all sand and gravel extraction sites located within a county, city, or town; to

505 (B) the total amount of sand and gravel, measured in tons, sold during the same
506 calendar year from sand and gravel extraction sites statewide.

507 (b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the
508 commission shall:

509 (i) use the gross sales data provided to the commission as part of the commission's
510 property tax valuation process; and

511 (ii) if a sand and gravel extraction site operates as a unit across municipal or county
512 lines, apportion the reported tonnage among the counties, cities, or towns based on the
513 percentage of the sand and gravel extraction site located in each county, city, or town, as
514 approximated by the commission.

515 (c) (i) Beginning July 2023, and each July thereafter, the commission shall distribute
516 from total collections under this part an amount equal to the annual dedicated sand and gravel
517 sales tax revenue for the preceding calendar year to each county, city, or town in the same
518 proportion as the county's, city's, or town's tonnage ratio for the preceding calendar year.

519 (ii) The commission shall ensure that the revenue distributed under this Subsection
520 (5)(c) is drawn from each jurisdiction's collections in proportion to the jurisdiction's share of
521 total collections for the preceding 12-month period.

522 (d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B
523 or class C roads.

524 (6) (a) Population figures for purposes of this section shall be based on the most recent
525 official census or census estimate of the United States Bureau of the Census.

526 (b) If a needed population estimate is not available from the United States Bureau of
527 the Census, population figures shall be derived from the estimate from the Utah Population
528 Committee.

529 (c) The population of a county for purposes of this section shall be determined only
530 from the unincorporated area of the county.

531 Section 10. **Effective date.**

532 This bill takes effect on May 1, 2024.