

Senator Jerry W Stevenson proposes the following substitute bill:

INLAND PORT AUTHORITY AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W Stevenson

House Sponsor: Jefferson Moss

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;
- ▶ prohibits contaminated land or land within a remediation project area to be used for a distribution center;
- ▶ modifies requirements to qualify for a business recruitment incentive;
- ▶ 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.



26 **Money Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 This bill provides a special effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **11-17-2**, as last amended by Laws of Utah 2020, Chapter 354

33 **11-17-3.5**, as enacted by Laws of Utah 2009, Chapter 92

34 **11-58-102**, as last amended by Laws of Utah 2023, Chapters 16, 259

35 **11-58-205**, as last amended by Laws of Utah 2023, Chapters 16, 259

36 **11-58-206**, as last amended by Laws of Utah 2023, Chapter 259

37 **11-58-304**, as last amended by Laws of Utah 2022, Chapter 82

38 **11-58-503**, as last amended by Laws of Utah 2023, Chapter 435

39 **11-58-504**, as enacted by Laws of Utah 2018, Chapter 179

40 **11-58-602 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapter 259

41 **11-58-603**, as last amended by Laws of Utah 2023, Chapter 259

42 **11-58-605**, as enacted by Laws of Utah 2023, Chapter 259

43 **59-12-205 (Effective 07/01/24)**, as last amended by Laws of Utah 2023, Chapters 302,

44 471 and 492



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

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

48 **11-17-2. Definitions.**

49 As used in this chapter:

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

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

53 (a) insulation in:

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

55 (ii) a heating or cooling distribution system;

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

- 57 (i) a storm window or door;
- 58 (ii) a multiglazed window or door;
- 59 (iii) a heat-absorbing window or door;
- 60 (iv) a heat-reflective glazed and coated window or door;
- 61 (v) additional window or door glazing;
- 62 (vi) a window or door with reduced glass area; or
- 63 (vii) other window or door modifications that reduce energy loss;
- 64 (c) an automatic energy control system;
- 65 (d) in a building or a central plant, a heating, ventilation, or air conditioning and
- 66 distribution system;
- 67 (e) caulking or weatherstripping;
- 68 (f) a light fixture that does not increase the overall illumination of a building unless an
- 69 increase is necessary to conform with the applicable building code;
- 70 (g) an energy recovery system;
- 71 (h) a daylighting system;
- 72 (i) measures to reduce the consumption of water, through conservation or more
- 73 efficient use of water, including:
- 74 (i) installation of a low-flow toilet or showerhead;
- 75 (ii) installation of a timer or timing system for a hot water heater; or
- 76 (iii) installation of a rain catchment system; or
- 77 (j) any other modified, installed, or remodeled fixture that is approved as a utility
- 78 cost-savings measure by the governing body.
- 79 (3) "Finance" or "financing" includes the issuing of bonds by a municipality, county, or
- 80 state university for the purpose of using a portion, or all or substantially all of the proceeds to
- 81 pay for or to reimburse the user, lender, or the user or lender's designee for the costs of the
- 82 acquisition of facilities of a project, or to create funds for the project itself where appropriate,
- 83 whether these costs are incurred by the municipality, the county, the state university, the user,
- 84 or a designee of the user. If title to or in these facilities at all times remains in the user, the
- 85 bonds of the municipality or county shall be secured by a pledge of one or more notes,
- 86 debentures, bonds, other secured or unsecured debt obligations of the user or lender, or the
- 87 sinking fund or other arrangement as in the judgment of the governing body is appropriate for

88 the purpose of assuring repayment of the bond obligations to investors in accordance with their
89 terms.

90 (4) "Governing body" means:

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

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

95 ~~[(b)]~~ (c) for the military installation development authority created in Section
96 [63H-1-201](#), the board, as defined in Section [63H-1-102](#);

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

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

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

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

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

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

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

117 (9) "Pollution" means any form of environmental pollution including water pollution,
118 air pollution, pollution caused by solid waste disposal, thermal pollution, radiation

119 contamination, or noise pollution.

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

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

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

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

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

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

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

141 (iii) an energy efficiency upgrade;

142 (iv) a renewable energy system;

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

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

147 (A) municipal or county general fund money;

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

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

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

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

- 156 (a) a photovoltaic system;
- 157 (b) a solar thermal system;
- 158 (c) a wind system;
- 159 (d) a geothermal system, including:
 - 160 (i) a direct-use system; or
 - 161 (ii) a ground source heat pump system;
- 162 (e) a micro-hydro system; or
- 163 (f) another renewable energy system approved by the governing body.

164 (12) "State university" means an institution of higher education as described in Section
165 53B-2-101 and includes any nonprofit corporation or foundation created by and operating
166 under their authority.

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

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

171 **11-17-3.5. Utah Inland Port Authority and Military Installation Development**
172 **Authority governed by chapter.**

173 The Utah Inland Port Authority, created in Section 11-58-201, and the military
174 installation development authority, created in Section 63H-1-201, [is] are subject to and
175 governed by the provisions of this chapter to the same extent as if the Utah Inland Port
176 Authority and military installation development authority, respectively, were a municipality.

177 Section 3. Section 11-58-102 is amended to read:

178 **11-58-102. Definitions.**

179 As used in this chapter:

- 180 (1) "Authority" means the Utah Inland Port Authority, created in Section 11-58-201.

- 181 (2) "Authority jurisdictional land" means land within the authority boundary
182 delineated:
- 183 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah
184 Inland Port Authority Amendments, 2018 Second Special Session; and
- 185 (b) beginning April 1, 2020, as provided in Subsection 11-58-202(3).
- 186 (3) "Base taxable value" means:
- 187 (a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the
188 authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year
189 2018; and
- 190 (ii) for an area described in Section 11-58-600.7, the taxable value of that area in
191 calendar year 2017; or
- 192 (b) for a project area that consists of land outside the authority jurisdictional land, the
193 taxable value of property within any portion of a project area, as designated by board
194 resolution, from which the property tax differential will be collected, as shown upon the
195 assessment roll last equalized before the year in which the authority adopts a project area plan
196 for that area.
- 197 (4) "Board" means the authority's governing body, created in Section 11-58-301.
- 198 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about
199 development of the authority jurisdictional land to achieve the goals and objectives described
200 in Subsection 11-58-203(1), including the development and establishment of an inland port.
- 201 (6) "Contaminated land" means land:
- 202 (a) within a project area; and
- 203 (b) that contains hazardous materials, as defined in Section 19-6-302, hazardous
204 substances, as defined in Section 19-6-302, or landfill material on, in, or under the land.
- 205 (7) "Development" means:
- 206 (a) the demolition, construction, reconstruction, modification, expansion, or
207 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,
208 recreational amenity, or other facility, including public infrastructure and improvements; and
- 209 (b) the planning of, arranging for, or participation in any of the activities listed in
210 Subsection (7)(a).
- 211 (8) "Development project" means a project for the development of land within a

212 project area.

213 (9) "Distribution center" means a building that is:

214 (a) used for the storage, sorting, and distribution of goods intended for sale; and

215 (b) not associated with or operated in conjunction with an adjacent manufacturing

216 facility..

217 [~~9~~] (10) "Inland port" means one or more sites that:

218 (a) contain multimodal facilities, intermodal facilities, or other facilities that:

219 (i) are related but may be separately owned and managed; and

220 (ii) together are intended to:

221 (A) allow global trade to be processed and altered by value-added services as goods

222 move through the supply chain;

223 (B) provide a regional merging point for transportation modes for the distribution of

224 goods to and from ports and other locations in other regions;

225 (C) provide cargo-handling services to allow freight consolidation and distribution,

226 temporary storage, customs clearance, and connection between transport modes; and

227 (D) provide international logistics and distribution services, including freight

228 forwarding, customs brokerage, integrated logistics, and information systems; and

229 (b) may include a satellite customs clearance terminal, an intermodal facility, a

230 customs pre-clearance for international trade, or other facilities that facilitate, encourage, and

231 enhance regional, national, and international trade.

232 [~~10~~] (11) "Inland port use" means a use of land:

233 (a) for an inland port;

234 (b) that directly implements or furthers the purposes of an inland port, as stated in

235 Subsection (9);

236 (c) that complements or supports the purposes of an inland port, as stated in Subsection

237 (9); or

238 (d) that depends upon the presence of the inland port for the viability of the use.

239 [~~11~~] (12) "Intermodal facility" means a facility for transferring containerized cargo

240 between rail, truck, air, or other transportation modes.

241 [~~12~~] (13) "Landfill material" means garbage, waste, debris, or other materials

242 disposed of or placed in a landfill.

243 ~~[(13)]~~ (14) "Multimodal facility" means a hub or other facility for trade combining any
244 combination of rail, trucking, air cargo, and other transportation services.

245 ~~[(14)]~~ (15) "Nonvoting member" means an individual appointed as a member of the
246 board under Subsection [11-58-302\(3\)](#) who does not have the power to vote on matters of
247 authority business.

248 ~~[(15)]~~ (16) "Project area" means:

249 (a) the authority jurisdictional land, subject to Section [11-58-605](#); or

250 (b) land outside the authority jurisdictional land, whether consisting of a single
251 contiguous area or multiple noncontiguous areas, described in a project area plan or draft
252 project area plan, where the development project set forth in the project area plan or draft
253 project area plan takes place or is proposed to take place.

254 ~~[(16)]~~ (17) "Project area budget" means a multiyear projection of annual or cumulative
255 revenues and expenses and other fiscal matters pertaining to the project area.

256 ~~[(17)]~~ (18) "Project area plan" means a written plan that, after its effective date, guides
257 and controls the development within a project area.

258 ~~[(18)]~~ (19) "Property tax" includes a privilege tax and each levy on an ad valorem basis
259 on tangible or intangible personal or real property.

260 ~~[(19)]~~ (20) "Property tax differential":

261 (a) means the difference between:

262 (i) the amount of property tax revenues generated each tax year by all taxing entities
263 from a project area, using the current assessed value of the property; and

264 (ii) the amount of property tax revenues that would be generated from that same area
265 using the base taxable value of the property; and

266 (b) does not include property tax revenue from:

267 (i) a county additional property tax or multicounty assessing and collecting levy
268 imposed in accordance with Section [59-2-1602](#);

269 (ii) a judgment levy imposed by a taxing entity under Section [59-2-1328](#) or [59-2-1330](#);
270 or

271 (iii) a levy imposed by a taxing entity under Section [11-14-310](#) to pay for a general
272 obligation bond.

273 ~~[(20)]~~ (21) "Public entity" means:

274 (a) the state, including each department, division, or other agency of the state; or

275 (b) a county, city, town, metro township, school district, special district, special service
276 district, interlocal cooperation entity, community reinvestment agency, or other political
277 subdivision of the state, including the authority.

278 ~~[(21)]~~ (22) (a) "Public infrastructure and improvements" means infrastructure,
279 improvements, facilities, or buildings that:

280 (i) (A) benefit the public and are owned by a public entity or a utility; or

281 (B) benefit the public and are publicly maintained or operated by a public entity; or

282 (ii) (A) are privately owned;

283 (B) benefit the public;

284 (C) as determined by the board, provide a substantial benefit to the development and
285 operation of a project area; and

286 (D) are built according to applicable county or municipal design and safety standards.

287 (b) "Public infrastructure and improvements" includes:

288 (i) facilities, lines, or systems that provide:

289 (A) water, chilled water, or steam; or

290 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
291 microgrids, or telecommunications service;

292 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
293 facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation
294 facilities;

295 (iii) an inland port; and

296 (iv) infrastructure, improvements, facilities, or buildings that are developed as part of a
297 remediation project.

298 ~~[(22)]~~ (23) "Remediation" includes:

299 (a) activities for the cleanup, rehabilitation, and development of contaminated land;
300 and

301 (b) acquiring an interest in land within a remediation project area.

302 ~~[(23)]~~ (24) "Remediation differential" means property tax differential generated from a
303 remediation project area.

304 ~~[(24)]~~ (25) "Remediation project" means a project for the remediation of contaminated

305 land that:

306 (a) is owned by:

307 (i) the state or a department, division, or other instrumentality of the state;

308 (ii) an independent entity, as defined in Section 63E-1-102; or

309 (iii) a political subdivision of the state; and

310 (b) became contaminated land before the owner described in Subsection (24)(a)

311 obtained ownership of the land.

312 [~~(25)~~] (26) "Remediation project area" means a project area consisting of contaminated

313 land that is or is expected to become the subject of a remediation project.

314 [~~(26)~~] (27) "Shapefile" means the digital vector storage format for storing geometric

315 location and associated attribute information.

316 [~~(27)~~] (28) "Taxable value" means the value of property as shown on the last equalized

317 assessment roll.

318 [~~(28)~~] (29) "Taxing entity":

319 (a) means a public entity that levies a tax on property within a project area; and

320 (b) does not include a public infrastructure district that the authority creates under Title

321 17D, Chapter 4, Public Infrastructure District Act.

322 [~~(29)~~] (30) "Voting member" means an individual appointed or designated as a member

323 of the board under Subsection 11-58-302(2).

324 Section 4. Section 11-58-205 is amended to read:

325 **11-58-205. Applicability of other law -- Cooperation of state and local**
326 **governments -- Municipality to consider board input -- Prohibition relating to natural**
327 **resources -- Inland port as permitted or conditional use -- Municipal services --**
328 **Disclosure by nonauthority governing body member -- Services from state agencies --**
329 **Procurement policy.**

330 (1) Except as otherwise provided in this chapter, the authority does not have and may
331 not exercise any powers relating to the regulation of land uses on the authority jurisdictional
332 land.

333 (2) The authority is subject to and governed by Sections 63E-2-106, 63E-2-107,
334 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed
335 by Title 63E, Independent Entities Code.

336 (3) A department, division, or other agency of the state and a political subdivision of
337 the state shall cooperate with the authority to the fullest extent possible to provide whatever
338 support, information, or other assistance the board requests that is reasonably necessary to help
339 the authority fulfill its duties and responsibilities under this chapter.

340 (4) In making decisions affecting the authority jurisdictional land, the legislative body
341 of a municipality in which the authority jurisdictional land is located shall consider input from
342 the authority board.

343 (5) (a) No later than December 31, 2018, the ordinances of a municipality with
344 authority jurisdictional land within its boundary shall allow an inland port as a permitted or
345 conditional use, subject to standards that are:

- 346 (i) determined by the municipality; and
- 347 (ii) consistent with the policies and objectives stated in Subsection 11-58-203(1).

348 (b) A municipality whose ordinances do not comply with Subsection (5)(a) within the
349 time prescribed in that subsection shall allow an inland port as a permitted use without regard
350 to any contrary provision in the municipality's land use ordinances.

351 (6) (a) The transporting, unloading, loading, transfer, or temporary storage of natural
352 resources may not be prohibited on the authority jurisdictional land.

353 (b) Notwithstanding a permitted or conditional use allowed under applicable municipal
354 ordinances, contaminated land may not be used for a distribution center.

355 (7) (a) A municipality whose boundary includes authority jurisdictional land shall
356 provide the same municipal services to the area of the municipality that is within the authority
357 jurisdictional land as the municipality provides to other areas of the municipality with similar
358 zoning and a similar development level.

359 (b) The level and quality of municipal services that a municipality provides within
360 authority jurisdictional land shall be fairly and reasonably consistent with the level and quality
361 of municipal services that the municipality provides to other areas of the municipality with
362 similar zoning and a similar development level.

363 (8) (a) As used in this Subsection (8):

364 (i) "Direct financial benefit" means the same as that term is defined in Section
365 11-58-304.

366 (ii) "Nonauthority governing body member" means a member of the board or other

367 body that has authority to make decisions for a nonauthority government owner.

368 (iii) "Nonauthority government owner" mean a state agency or nonauthority local
369 government entity that owns land that is part of the authority jurisdictional land.

370 (iv) "Nonauthority local government entity":

371 (A) means a county, city, town, metro township, special district, special service district,
372 community reinvestment agency, or other political subdivision of the state; and

373 (B) excludes the authority.

374 (v) "State agency" means a department, division, or other agency or instrumentality of
375 the state, including an independent state agency.

376 (b) A nonauthority governing body member who owns or has a financial interest in
377 land that is part of the authority jurisdictional land or who reasonably expects to receive a
378 direct financial benefit from development of authority jurisdictional land shall submit a written
379 disclosure to the authority board and the nonauthority government owner.

380 (c) A written disclosure under Subsection (8)(b) shall describe, as applicable:

381 (i) the nonauthority governing body member's ownership or financial interest in
382 property that is part of the authority jurisdictional land; and

383 (ii) the direct financial benefit the nonauthority governing body member expects to
384 receive from development of authority jurisdictional land.

385 (d) A nonauthority governing body member required under Subsection (8)(b) to submit
386 a written disclosure shall submit the disclosure no later than 30 days after:

387 (i) the nonauthority governing body member:

388 (A) acquires an ownership or financial interest in property that is part of the authority
389 jurisdictional land; or

390 (B) first knows that the nonauthority governing body member expects to receive a
391 direct financial benefit from the development of authority jurisdictional land; or

392 (ii) the effective date of this Subsection (8), if that date is later than the period
393 described in Subsection (8)(d)(i).

394 (e) A written disclosure submitted under this Subsection (8) is a public record.

395 (9) (a) The authority may request and, upon request, shall receive:

396 (i) fuel dispensing and motor pool services provided by the Division of Fleet
397 Operations;

398 (ii) surplus property services provided by the Division of Purchasing and General
399 Services;

400 (iii) information technology services provided by the Division of Technology Services;

401 (iv) archive services provided by the Division of Archives and Records Service;

402 (v) financial services provided by the Division of Finance;

403 (vi) human resources services provided by the Division of Human Resource
404 Management;

405 (vii) legal services provided by the Office of the Attorney General; and

406 (viii) banking services provided by the Office of the State Treasurer.

407 (b) Nothing in Subsection (9)(a) may be construed to relieve the authority of the
408 obligation to pay the applicable fee for the service provided.

409 (10) (a) To govern authority procurements, the board shall adopt a procurement policy
410 that the board determines to be substantially consistent with applicable provisions of Title 63G,
411 Chapter 6a, Utah Procurement Code.

412 (b) The board may delegate to the executive director the responsibility to adopt a
413 procurement policy.

414 (c) The board's determination under Subsection (10)(a) of substantial consistency is
415 final and conclusive.

416 Section 5. Section **11-58-206** is amended to read:

417 **11-58-206. Port authority funds.**

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

420 [~~1~~] (a) promoting, facilitating, and advancing inland port uses;

421 [~~2~~] (b) owning and operating an intermodal facility;

422 [~~3~~] (c) the remediation of contaminated land within a project area; and

423 [~~4~~] (d) paying any consulting fees and staff salaries and other administrative,
424 overhead, legal, and operating expenses of the authority.

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

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

428 (ii) "Local legislative body" means:

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

430 (B) the legislative body of the municipality in which the affected project area is

431 located.

432 (b) The authority may not use authority funds to pay developer costs, as defined by the

433 local legislative body, associated with the development and construction of public

434 infrastructure and improvements in an affected project area.

435 Section 6. Section **11-58-304** is amended to read:

436 **11-58-304. Limitations on board members and executive director.**

437 (1) As used in this section:

438 (a) "Direct financial benefit":

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

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

441 and

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

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

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

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

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

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

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

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

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

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

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

460 (ii) may not, if the individual is a board member, participate in the consideration or
461 vote on any matter affecting the individual or family member's interest or affiliation described
462 in Subsection (2)(a).

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

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

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

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

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

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

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

481 (i) expense reimbursements;

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

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

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

487 Section 7. Section **11-58-503** is amended to read:

488 **11-58-503. Notice of project area plan adoption -- Effective date of plan -- Time**
489 **for challenging a project area plan or project area.**

490 (1) Upon the board's adoption of a project area plan, the board shall provide notice as

491 provided in Subsection (2) by publishing or causing to be published legal notice[:]
492 [~~(a)~~] for the project area, as a class A notice under Section 63G-30-102, for at least 30
493 days[~~;~~and].

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

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

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

497 and

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

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

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

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

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

510 (a) the State Tax Commission;

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

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

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

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

519 Section 8. Section 11-58-504 is amended to read:

520 **11-58-504. Amendment to a project area plan.**

521 (1) The authority may amend a project area plan by following the same procedure

522 under this part as applies to the adoption of a project area plan.

523 (2) The provisions of this part apply to the authority's adoption of an amendment to a
524 project area plan to the same extent as they apply to the adoption of a project area plan.

525 (3) If an amendment to a project area plan results in land being included in the project
526 area that was not included in the project area before the amendment, the base taxable value
527 applicable to the project area before the amendment applies to the land added to the project
528 area by amendment.

529 Section 9. Section **11-58-602 (Effective 07/01/24)** is amended to read:

530 **11-58-602 (Effective 07/01/24). Allowable uses of property tax differential and**
531 **other funds.**

532 (1) (a) The authority may use money from property tax differential, money the
533 authority receives from the state, money the authority receives under Subsection
534 **59-12-205(2)(a)(ii)(C)**, and other money available to the authority:

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

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

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

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

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

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

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

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

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

553 (B) to provide a buffer area between authority jurisdictional land intended for
554 development and land outside the boundary of the authority jurisdictional land; and
555 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development
556 that:

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

559 (B) mitigates traffic congestion; or

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

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

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

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

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

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

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

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

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

583 (b) pay for authority operating expenses, including administrative, overhead, and legal

584 expenses.

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

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

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

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

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

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

596 [~~(ii) "Eligible county" means a county that would be entitled to receive sales and use
597 tax revenue under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
598 59-12-205(2)(a)(ii)(C).]~~

599 [~~(iii) "Eligible municipality" means a municipality that would be entitled to receive
600 sales and use tax revenue under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
601 59-12-205(2)(a)(ii)(C).]~~

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

603 [~~(A) for an eligible county, the amount of sales and use tax revenue the eligible county
604 would have received under Subsection 59-12-205(2)(a)(ii)(A) in the absence of Subsection
605 59-12-205(2)(a)(ii)(C), excluding the retail sales portion; and]~~

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

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

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

614 [~~(i) distribute half of the point of sale portion to each eligible county and eligible~~

615 municipality, and]

616 [~~(ii) distribute all of the retail sales portion to each eligible county and eligible~~

617 municipality.]

618 Section 10. Section **11-58-603** is amended to read:

619 **11-58-603. Use of authority money for business recruitment incentive.**

620 (1) As used in this section:

621 (a) "Business recruitment incentive" means the post-performance payment of property
622 tax differential as an incentive for development within a project area, as provided in this
623 section.

624 (b) "Incentive application" means an application for a business recruitment incentive.

625 (c) "Tax differential parcel" means a parcel of land where development activity occurs.

626 (2) The authority may use property tax differential as a business recruitment incentive
627 as provided in this section.

628 (3) The board shall establish:

629 (a) the requirements for a person to qualify for a business recruitment incentive;

630 (b) the application timeline, documentation requirements, and approval criteria
631 applicable to an incentive application; and

632 (c) the standards and criteria for approval of an incentive application.

633 (4) (a) Subject to Subsection (4)(b), a person may qualify for a business recruitment
634 incentive if:

635 (i) the person submits an incentive application according to requirements established
636 by the board;

637 (ii) the person meets the requirements established by the board for a business
638 recruitment incentive; and

639 (iii) the board approves the incentive application.

640 (b) A person may not qualify for a business recruitment incentive if the person's
641 development project:

642 (i) is on authority jurisdictional land; and

643 (ii) relates primarily to retail operations or the distribution of goods.

644 (5) The authority may pay a person, on a post-performance basis and as determined by
645 the board, a percentage of property tax differential:

- 646 (a) generated from a tax differential parcel and paid to the authority; and
- 647 (b) for a specified period of time.

648 Section 11. Section 11-58-605 is amended to read:

649 **11-58-605. Creation of remediation project area and payment of remediation**
650 **differential.**

651 (1) As used in this section:

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

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

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

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

660 (b) Land within a remediation project area may not be used for a distribution center.

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

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

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

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

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

676 (iii) A pledge of property tax differential under subsidiary district bonds issued before

677 May 3, 2023 may be satisfied if:

678 (A) the authority or the subsidiary district pledges additional property tax differential,
679 other than remediation differential, or other authority or subsidiary district funds to offset any
680 decrease in property tax differential resulting from the payment under Subsection (6)(a) of
681 remediation differential funds that would otherwise have been available to pay the subsidiary
682 district bonds; and

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

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

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

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

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

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

701 Section 12. Section 59-12-205 (Effective 07/01/24) is amended to read:

702 **59-12-205 (Effective 07/01/24). Ordinances to conform with statutory**
703 **amendments -- Distribution of tax revenue -- Determination of population.**

704 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
705 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's
706 sales and use tax ordinances:

707 (a)

708 **(b)**
709 **(c)** within 30 days of the day on which the state makes an amendment to an applicable
710 provision of Part 1, Tax Collection; and
711 ~~**(b)**~~ **(d)** as required to conform to the amendments to Part 1, Tax Collection.
712 **(2) (a)** Except as provided in Subsections (3) and (4) and subject to Subsection (5):
713 **(i)** 50% of each dollar collected from the sales and use tax authorized by this part shall
714 be distributed to each county, city, and town on the basis of the percentage that the population
715 of the county, city, or town bears to the total population of all counties, cities, and towns in the
716 state; and
717 **(ii) (A)** except as provided in Subsections (2)(a)(ii)(B), (C), and (D), 50% of each
718 dollar collected from the sales and use tax authorized by this part shall be distributed to each
719 county, city, and town on the basis of the location of the transaction as determined under
720 Sections [59-12-211](#) through [59-12-215](#);
721 **(B)** 50% of each dollar collected from the sales and use tax authorized by this part
722 within a project area described in a project area plan adopted by the military installation
723 development authority under Title 63H, Chapter 1, Military Installation Development
724 Authority Act, shall be distributed to the military installation development authority created in
725 Section [63H-1-201](#);
726 **(C)** beginning July 1, ~~[2022]~~ [2024](#), ~~[50%]~~ [20%](#) of each dollar collected from the sales
727 and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland
728 Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section
729 [11-58-201](#); and
730 **(D)** 50% of each dollar collected from the sales and use tax authorized by this part
731 within the lake authority boundary, as defined in Section [11-65-101](#), shall be distributed to the
732 Utah Lake Authority, created in Section [11-65-201](#), beginning the next full calendar quarter
733 following the creation of the Utah Lake Authority.
734 **(b)** Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
735 July 1, 2022.
736 **(3) (a)** As used in this Subsection (3):
737 **(i)** "Eligible county, city, or town" means a county, city, or town that:
738 **(A)** for fiscal year 2012-13, received a tax revenue distribution under Subsection (3)(b)

739 equal to the amount described in Subsection (3)(b)(ii); and

740 (B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1,
741 2016.

742 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
743 distributions an eligible county, city, or town received from a tax imposed in accordance with
744 this part for fiscal year 2004-05.

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

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

748 (ii) the minimum tax revenue distribution.

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

750 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
751 2.55% of the participating local government's tax revenue distribution amount under
752 Subsection (2)(a)(i) for the previous fiscal year.

753 (ii) "Participating local government" means a county or municipality, as defined in
754 Section 10-1-104, that is not an eligible municipality certified in accordance with Section
755 35A-16-404.

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

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

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

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

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

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

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

774 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to the
775 total revenue an establishment described in NAICS Code 327320, Ready-Mix Concrete
776 Manufacturing, of the 2022 North American Industry Classification System of the federal
777 Executive Office of the President, Office of Management and Budget, collects and remits under
778 this part for a calendar year.

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

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

781 (A) contains sand and gravel; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

813 Section 13. **Effective date.**

814 (1) (a) Except as provided in Subsection (1)(b), this bill takes effect on May 1, 2024.

815 (b) If approved by two-thirds of all the members elected to each house, this bill takes
816 effect upon approval by the governor, or the day following the constitutional time limit of Utah
817 Constitution, Article VII, Section 8, without the governor's signature, or if the case of a veto,
818 the date of veto override.

819 (2) Notwithstanding Subsection (1), the actions affecting Sections [11-58-602](#) and
820 [59-12-205](#) take effect on July 1, 2024.