

## SB0268S03 compared with SB0268S02

~~{deleted text}~~ shows text that was in SB0268S02 but was deleted in SB0268S03.

inserted text shows text that was not in SB0268S02 but was inserted into SB0268S03.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

~~{Senator Wayne A}~~Representative Calvin R. ~~{Harper}~~Musselman proposes the following substitute bill:

### FIRST HOME INVESTMENT ZONE ACT

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Calvin R. Musselman

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#### LONG TITLE

##### General Description:

This bill enacts the First Home Investment Zone Act.

##### Highlighted Provisions:

This bill:

- ▶ enacts the First Home Investment Zone Act;
- ▶ defines terms;
- ▶ allows a municipality to create a first home investment zone to:
  - provide affordable, owner-occupied housing;
  - encourage mixed use development;
  - encourage strategic and efficient land use planning;
  - improve access to opportunities; and

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- increase opportunities for home ownership;
- ▶ allows a first home investment zone to capture tax increment to finance the objectives of a first home investment zone;
- ▶ provides certain requirements regarding housing density, affordability, development size, and other characteristics of a first home investment zone;
- ▶ requires the housing and transit reinvestment zone committee to review and approve first home investment zone proposals;
- ▶ allows a first home investment zone to count toward requirements for moderate income housing plans; and
- ▶ makes technical changes.

### **Money Appropriated in this Bill:**

None

### **Other Special Clauses:**

None

### **Utah Code Sections Affected:**

#### AMENDS:

10-9a-403, as last amended by Laws of Utah 2023, Chapters 88, 219 and 238

59-2-924, as last amended by Laws of Utah 2023, Chapter 502

63N-3-602, as last amended by Laws of Utah 2023, Chapter 357

63N-3-603, as last amended by Laws of Utah 2023, Chapter 357

63N-3-605, as last amended by Laws of Utah 2023, Chapter 357

#### ENACTS:

63N-3-1301, Utah Code Annotated 1953

63N-3-1302, Utah Code Annotated 1953

63N-3-1303, Utah Code Annotated 1953

63N-3-1304, Utah Code Annotated 1953

63N-3-1305, Utah Code Annotated 1953

63N-3-1306, Utah Code Annotated 1953

63N-3-1307, Utah Code Annotated 1953

63N-3-1308, Utah Code Annotated 1953

63N-3-1309, Utah Code Annotated 1953

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

Section 1. Section 10-9a-403 is amended to read:

**10-9a-403. General plan preparation.**

(1) (a) The planning commission shall provide notice, as provided in Section 10-9a-203, of the planning commission's intent to make a recommendation to the municipal legislative body for a general plan or a comprehensive general plan amendment when the planning commission initiates the process of preparing the planning commission's recommendation.

(b) The planning commission shall make and recommend to the legislative body a proposed general plan for the area within the municipality.

(c) The plan may include areas outside the boundaries of the municipality if, in the planning commission's judgment, those areas are related to the planning of the municipality's territory.

(d) Except as otherwise provided by law or with respect to a municipality's power of eminent domain, when the plan of a municipality involves territory outside the boundaries of the municipality, the municipality may not take action affecting that territory without the concurrence of the county or other municipalities affected.

(2) (a) At a minimum, the proposed general plan, with the accompanying maps, charts, and descriptive and explanatory matter, shall include the planning commission's recommendations for the following plan elements:

(i) a land use element that:

(A) designates the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels, business, industry, agriculture, recreation, education, public buildings and grounds, open space, and other categories of public and private uses of land as appropriate;

(B) includes a statement of the projections for and standards of population density and building intensity recommended for the various land use categories covered by the plan;

(C) except for a city of the fifth class or a town, is coordinated to integrate the land use element with the water use and preservation element; and

(D) except for a city of the fifth class or a town, accounts for the effect of land use

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categories and land uses on water demand;

(ii) a transportation and traffic circulation element that:

(A) provides the general location and extent of existing and proposed freeways, arterial and collector streets, public transit, active transportation facilities, and other modes of transportation that the planning commission considers appropriate;

(B) for a municipality that has access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development around major transit investment corridors to maintain and improve the connections between housing, employment, education, recreation, and commerce;

(C) for a municipality that does not have access to a major transit investment corridor, addresses the municipality's plan for residential and commercial development in areas that will maintain and improve the connections between housing, transportation, employment, education, recreation, and commerce; and

(D) correlates with the population projections, the employment projections, and the proposed land use element of the general plan;

(iii) a moderate income housing element that:

(A) provides a realistic opportunity to meet the need for additional moderate income housing within the municipality during the next five years;

(B) for a town, may include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (2)(b)(iii);

(C) for a specified municipality, as defined in Section 10-9a-408, that does not have a fixed guideway public transit station, shall include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (2)(b)(iii);

(D) for a specified municipality, as defined in Section 10-9a-408, that has a fixed guideway public transit station, shall include a recommendation to implement five or more of the moderate income housing strategies described in Subsection (2)(b)(iii), of which one shall be the moderate income housing strategy described in Subsection (2)(b)(iii)(V), and one shall be a moderate income housing strategy described in Subsection (2)(b)(iii)(G), (H), or (Q); and

(E) for a specified municipality, as defined in Section 10-9a-408, shall include an implementation plan as provided in Subsection (2)(c); and

(iv) except for a city of the fifth class or a town, a water use and preservation element

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that addresses:

(A) the effect of permitted development or patterns of development on water demand and water infrastructure;

(B) methods of reducing water demand and per capita consumption for future development;

(C) methods of reducing water demand and per capita consumption for existing development; and

(D) opportunities for the municipality to modify the municipality's operations to eliminate practices or conditions that waste water.

(b) In drafting the moderate income housing element, the planning commission:

(i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:

(A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and

(B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life;

(ii) for a town, may include, and for a specified municipality as defined in Section 10-9a-408, shall include, an analysis of how the municipality will provide a realistic opportunity for the development of moderate income housing within the next five years;

(iii) for a town, may include, and for a specified municipality as defined in Section 10-9a-408, shall include a recommendation to implement the required number of any of the following moderate income housing strategies as specified in Subsection (2)(a)(iii):

(A) rezone for densities necessary to facilitate the production of moderate income housing;

(B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;

(C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;

(D) identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate income housing;

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(E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;

(F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;

(G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;

(H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;

(I) amend land use regulations to allow for single room occupancy developments;

(J) implement zoning incentives for moderate income units in new developments;

(K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or, notwithstanding Section 10-9a-535, establishing a housing loss mitigation fund;

(L) reduce, waive, or eliminate impact fees related to moderate income housing;

(M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;

(N) implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality, or any other public employer that operates within the municipality;

(O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for

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programs or services that promote the construction or preservation of moderate income housing;

(P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;

(Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

(R) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-9a-530;

(S) create a program to transfer development rights for moderate income housing;

(T) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;

(U) develop a moderate income housing project for residents who are disabled or 55 years old or older;

(V) develop and adopt a station area plan in accordance with Section 10-9a-403.1;

(W) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones; ~~and~~

~~(X); and~~

(X) create a first home investment zone in accordance with Title 63N, Chapter 3, Part 13, First Home Investment Zone Act; and

~~(X)~~ (Y) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing; and

(iv) shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (2)(b)(iii).

(c) (i) In drafting the implementation plan portion of the moderate income housing element as described in Subsection (2)(a)(iii)(C), the planning commission shall recommend to

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the legislative body the establishment of a five-year timeline for implementing each of the moderate income housing strategies selected by the municipality for implementation.

(ii) The timeline described in Subsection (2)(c)(i) shall:

(A) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the municipality, whether one-time or ongoing; and

(B) provide flexibility for the municipality to make adjustments as needed.

(d) In drafting the land use element, the planning commission shall:

(i) identify and consider each agriculture protection area within the municipality;

(ii) avoid proposing a use of land within an agriculture protection area that is inconsistent with or detrimental to the use of the land for agriculture; and

(iii) consider and coordinate with any station area plans adopted by the municipality if required under Section 10-9a-403.1.

(e) In drafting the transportation and traffic circulation element, the planning commission shall:

(i) (A) consider and coordinate with the regional transportation plan developed by the municipality's region's metropolitan planning organization, if the municipality is within the boundaries of a metropolitan planning organization; or

(B) consider and coordinate with the long-range transportation plan developed by the Department of Transportation, if the municipality is not within the boundaries of a metropolitan planning organization; and

(ii) consider and coordinate with any station area plans adopted by the municipality if required under Section 10-9a-403.1.

(f) In drafting the water use and preservation element, the planning commission:

(i) shall consider:

(A) applicable regional water conservation goals recommended by the Division of Water Resources; and

(B) if Section 73-10-32 requires the municipality to adopt a water conservation plan pursuant to Section 73-10-32, the municipality's water conservation plan;

(ii) shall include a recommendation for:

(A) water conservation policies to be determined by the municipality; and

(B) landscaping options within a public street for current and future development that



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do not require the use of lawn or turf in a parkstrip;

(iii) shall review the municipality's land use ordinances and include a recommendation for changes to an ordinance that promotes the inefficient use of water;

(iv) shall consider principles of sustainable landscaping, including the:

(A) reduction or limitation of the use of lawn or turf;

(B) promotion of site-specific landscape design that decreases stormwater runoff or runoff of water used for irrigation;

(C) preservation and use of healthy trees that have a reasonable water requirement or are resistant to dry soil conditions;

(D) elimination or regulation of ponds, pools, and other features that promote unnecessary water evaporation;

(E) reduction of yard waste; and

(F) use of an irrigation system, including drip irrigation, best adapted to provide the optimal amount of water to the plants being irrigated;

(v) shall consult with the public water system or systems serving the municipality with drinking water regarding how implementation of the land use element and water use and preservation element may affect:

(A) water supply planning, including drinking water source and storage capacity consistent with Section 19-4-114; and

(B) water distribution planning, including master plans, infrastructure asset management programs and plans, infrastructure replacement plans, and impact fee facilities plans;

(vi) shall consult with the Division of Water Resources for information and technical resources regarding regional water conservation goals, including how implementation of the land use element and the water use and preservation element may affect the Great Salt Lake;

(vii) may include recommendations for additional water demand reduction strategies, including:

(A) creating a water budget associated with a particular type of development;

(B) adopting new or modified lot size, configuration, and landscaping standards that will reduce water demand for new single family development;

(C) providing one or more water reduction incentives for existing development such as

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modification of existing landscapes and irrigation systems and installation of water fixtures or systems that minimize water demand;

(D) discouraging incentives for economic development activities that do not adequately account for water use or do not include strategies for reducing water demand; and

(E) adopting water concurrency standards requiring that adequate water supplies and facilities are or will be in place for new development; and

(viii) for a town, may include, and for another municipality, shall include, a recommendation for low water use landscaping standards for a new:

(A) commercial, industrial, or institutional development;

(B) common interest community, as defined in Section 57-25-102; or

(C) multifamily housing project.

(3) The proposed general plan may include:

(a) an environmental element that addresses:

(i) the protection, conservation, development, and use of natural resources, including

the quality of:

(A) air;

(B) forests;

(C) soils;

(D) rivers;

(E) groundwater and other waters;

(F) harbors;

(G) fisheries;

(H) wildlife;

(I) minerals; and

(J) other natural resources; and

(ii) (A) the reclamation of land, flood control, prevention and control of the pollution of streams and other waters;

(B) the regulation of the use of land on hillsides, stream channels and other environmentally sensitive areas;

(C) the prevention, control, and correction of the erosion of soils;

(D) the preservation and enhancement of watersheds and wetlands; and

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(E) the mapping of known geologic hazards;

(b) a public services and facilities element showing general plans for sewage, water, waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them, police and fire protection, and other public services;

(c) a rehabilitation, redevelopment, and conservation element consisting of plans and programs for:

(i) historic preservation;

(ii) the diminution or elimination of a development impediment as defined in Section 17C-1-102; and

(iii) redevelopment of land, including housing sites, business and industrial sites, and public building sites;

(d) an economic element composed of appropriate studies and forecasts, as well as an economic development plan, which may include review of existing and projected municipal revenue and expenditures, revenue sources, identification of basic and secondary industry, primary and secondary market areas, employment, and retail sales activity;

(e) recommendations for implementing all or any portion of the general plan, including the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;

(f) provisions addressing any of the matters listed in Subsection 10-9a-401(2) or (3); and

(g) any other element the municipality considers appropriate.

Section ~~59-2-922~~2. Section **59-2-924** is amended to read:

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

(1) As used in this section:

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

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

(A) interest;

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(B) penalties;

(C) collections from redemptions; or

(D) revenue received by a taxing entity from personal property that is semiconductor manufacturing equipment assessed by a county assessor in accordance with Part 3, County Assessment.

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

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

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

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

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

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

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

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

(d) "Base taxable value" means:

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

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, the same as that term is defined in Section 11-59-207;

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

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

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

[or]

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(vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-602[?]; or

(vii) for a first home investment zone created under Title 63N, Chapter 3, Part 13, First Home Investment Zone Act, a property's taxable value as shown upon the assessment roll last equalized during the base year, as that term is defined in Section 63N-3-1301.

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

(i) an annexation to a taxing entity;

(ii) an incorrect allocation of taxable value of real or personal property the commission assesses in accordance with Part 2, Assessment of Property; or

(iii) a change in value as a result of a change in the method of apportioning the value prescribed by the Legislature, a court, or the commission in an administrative rule or administrative order.

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

(A) zero; or

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

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

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

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

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

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- (i) zero; or
- (ii) the sum of:
  - (A) locally assessed new growth;
  - (B) centrally assessed new growth; and
  - (C) project area new growth or hotel property new growth.
- (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- (l) "Hotel property new growth" means an amount equal to the incremental value that is no longer provided to a host local government as incremental property tax revenue.
- (m) "Incremental property tax revenue" means the same as that term is defined in Section 63N-2-502.
- (n) "Incremental value" means:
  - (i) for an authority created under Section 11-58-201, the amount calculated by multiplying:
    - (A) the difference between the taxable value and the base taxable value of the property that is located within a project area and on which property tax differential is collected; and
    - (B) the number that represents the percentage of the property tax differential that is paid to the authority;
  - (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount calculated by multiplying:
    - (A) the difference between the current assessed value of the property and the base taxable value; and
    - (B) the number that represents the percentage of the property tax augmentation, as defined in Section 11-59-207, that is paid to the Point of the Mountain State Land Authority;
  - (iii) for an agency created under Section 17C-1-201.5, the amount calculated by multiplying:
    - (A) the difference between the taxable value and the base taxable value of the property located within a project area and on which tax increment is collected; and
    - (B) the number that represents the adjusted tax increment from that project area that is paid to the agency;

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

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

(B) the number that represents the percentage of the property tax allocation from that project area that is paid to the authority;

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

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

(B) the number that represents the percentage of the tax increment that is paid to the housing and transit reinvestment zone;

(vi) for a host local government, an amount calculated by multiplying:

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

(B) the number that represents the percentage of the incremental property tax revenue from that hotel property that is paid to the host local government; ~~[or]~~

(vii) for the State Fair Park Authority created in Section 11-68-201, the taxable value of:

(A) fair park land, as defined in Section 11-68-101, that is subject to a privilege tax under Section 11-68-402; or

(B) personal property located on property that is subject to the privilege tax described in Subsection (1)(n)(vii)(A)~~[-]; or~~

(viii) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part 13, First Home Investment Zone Act, an amount calculated by multiplying:

(A) the difference between the taxable value and the base taxable value of the property that is located within a first home investment zone and on which tax increment is collected;

and

(B) the number that represents the percentage of the tax increment that is paid to the first home investment zone.

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

(A) zero; or

(B) the amount calculated by subtracting the year end taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the previous year, adjusted for prior year end incremental value from the taxable value of real property the county assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted for current year incremental value.

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

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

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

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

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

(p) "Project area" means:

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

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

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

(q) "Project area new growth" means:

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

(ii) for the Point of the Mountain State Land Authority created in Section 11-59-201, an amount equal to the incremental value that is no longer provided to the Point of the Mountain State Land Authority as property tax augmentation, as defined in Section 11-59-207;

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



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(iv) for an authority created under Section 63H-1-201, an amount equal to the incremental value that is no longer provided to an authority as property tax allocation; [or]

(v) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the incremental value that is no longer provided to a housing and transit reinvestment zone as tax increment[~~];~~ or

(vi) for a first home investment zone created under Title 63N, Chapter 3, Part 13, First Home Investment Zone Act, an amount equal to the incremental value that is no longer provided to a first home investment zone as tax increment.

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

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

(t) "Property tax differential" means the same as that term is defined in Section 11-58-102.

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

(i) for the previous calendar year;

(ii) by a taxing entity;

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

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

(v) "Tax increment" means:

(i) for a project created under Section 17C-1-201.5, the same as that term is defined in Section 17C-1-102; [or]

(ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is defined in Section 63N-3-602[~~];~~ or

(iii) for a first home investment zone created under Title 63N, Chapter 3, Part 13, First Home Investment Zone Act, the same as that term is defined in Section 63N-3-1301.

(2) Before June 1 of each year, the county assessor of each county shall deliver to the

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county auditor and the commission the following statements:

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

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

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

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

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

(c) the certified tax rate; and

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

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

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

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

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

(B) any adjustments for current year incremental value;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and

(ii) a levy to pay for the costs of state legislative mandates or judicial or administrative orders under Section 59-2-1602.

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

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

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rate.

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

(i) the taxable value of real property:

(A) the county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the assessment roll;

(ii) the year end taxable value of personal property:

(A) a county assessor assesses in accordance with Part 3, County Assessment; and

(B) contained on the prior year's assessment roll; and

(iii) the taxable value of real and personal property the commission assesses in accordance with Part 2, Assessment of Property.

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

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

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

(i) the taxing entity's intent to exceed the certified tax rate; and

(ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

(c) The county auditor shall notify property owners of any intent to levy a tax rate that exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

(9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim Committee if:

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

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

(b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by subtracting the taxable value of real and personal property the commission assesses in

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accordance with Part 2, Assessment of Property, for the current year, adjusted for current year incremental value, from the year end taxable value of the real and personal property the commission assesses in accordance with Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental value.

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

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

Section ~~2~~3. Section **63N-3-602** is amended to read:

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

As used in this part:

(1) "Affordable housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the applicable municipal or county statistical area for households of the same size.

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

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

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

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

(6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal that is specifically identified in a metropolitan planning organization's adopted long-range transportation plan and the relevant public transit district's five-year plan:

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

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

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

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

(8) "Commuter rail station" means an existing station, stop, or terminal, or a proposed station, stop, or terminal, which has been specifically identified in a metropolitan planning organization's adopted long-range transportation plan and the relevant public transit district's five-year plan:

(a) along an existing commuter rail line;

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

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

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

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

(i) parks;

(ii) recreation facilities;

(iii) open space;

(iv) trails;

(v) publicly-owned roadway facilities; or

(vi) other public facilities.

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

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

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

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~~(13)~~ (13) "First home investment zone" means the same as that term is defined in Section 63N-3-1301.

~~(13)~~ (14) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

~~(14)~~ (15) "Horizontal construction costs" means the additional costs associated with earthwork, over excavation, utility work, transportation infrastructure, and landscaping to achieve enhanced development in the housing and transit reinvestment zone.

~~(15)~~ (16) "Housing and transit reinvestment zone" means a housing and transit reinvestment zone created pursuant to this part.

~~(16)~~ (17) "Housing and transit reinvestment zone committee" means a housing and transit reinvestment zone committee created pursuant to Section 63N-3-605.

~~(17)~~ (18) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

~~(18)~~ (19) "Light rail" means a passenger rail public transit system with right-of-way and fixed rails:

- (a) dedicated to exclusive use by light-rail public transit vehicles;
- (b) that may cross streets at grade; and
- (c) that may share parts of surface streets.

~~(19)~~ (20) "Light rail station" means an existing station, stop, or terminal or a proposed station, stop, or terminal, which has been specifically identified in a metropolitan planning organization's adopted long-range transportation plan and the relevant public transit district's five-year plan:

- (a) along an existing light rail line; or
- (b) along an extension to an existing light rail line or new light rail line.

~~(20)~~ (21) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

~~(21)~~ (22) "Mixed use development" means development with a mix of multi-family residential use and at least one additional land use.

~~(22)~~ (23) "Municipality" means the same as that term is defined in Section 10-1-104.

~~(23)~~ (24) "Participant" means the same as that term is defined in Section 17C-1-102.

~~(24)~~ (25) "Participation agreement" means the same as that term is defined in Section

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17C-1-102, except that the agency may not provide and the person may not receive a direct subsidy.

~~[(25)]~~ (26) "Public transit county" means a county that has created a small public transit district.

~~[(26)]~~ (27) "Public transit hub" means a public transit depot or station where four or more routes serving separate parts of the county-created transit district stop to transfer riders between routes.

~~[(27)]~~ (28) "Sales and use tax base year" means a sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a housing and transit reinvestment zone is established.

~~[(28)]~~ (29) "Sales and use tax boundary" means a boundary created as described in Section 63N-3-604, based on state sales and use tax collection that corresponds as closely as reasonably practicable to the housing and transit reinvestment zone boundary.

~~[(29)]~~ (30) "Sales and use tax increment" means the difference between:

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

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

~~[(30)]~~ (31) "Sales and use tax revenue" means revenue that is generated from the tax imposed under Section 59-12-103.

~~[(31)]~~ (32) "Small public transit district" means the same as that term is defined in Section 17B-2a-802.

~~[(32)]~~ (33) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

~~[(33)]~~ (34) "Tax increment" means the difference between:

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



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59-2-924; and

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

~~[(34)]~~ (35) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

~~[(35)]~~ (36) "Vertical construction costs" means the additional costs associated with construction above four stories and structured parking to achieve enhanced development in the housing and transit reinvestment zone.

Section ~~33~~4. Section **63N-3-603** is amended to read:

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

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

- (a) higher utilization of public transit;
- (b) increasing availability of housing, including affordable housing, and fulfillment of moderate income housing plans;
- (c) improving efficiencies in parking and transportation, including walkability of communities near public transit facilities;
- (d) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;
- (e) conservation of water resources through efficient land use;
- (f) improving air quality by reducing fuel consumption and motor vehicle trips;
- (g) encouraging transformative mixed-use development and investment in transportation and public transit infrastructure in strategic areas;
- (h) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2);
- (i) increasing access to employment and educational opportunities; and
- (j) increasing access to child care.

(2) In order to accomplish the objectives described in Subsection (1), a municipality or public transit county that initiates the process to create a housing and transit reinvestment zone

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as described in this part shall ensure that the proposal for a housing and transit reinvestment zone includes:

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

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

(c) mixed-use development; and

(d) a mix of dwelling units to ensure that a reasonable percentage of the dwelling units has more than one bedroom.

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

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

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

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

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

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

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

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

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in the housing and transit reinvestment zone proposal; and

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

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

(i) subject to Subsection (5):

(A) does not exceed:

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

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

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

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

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

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

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

(d) A municipality that is a city of the first class with a population greater than 150,000 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may

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only propose one housing and transit reinvestment zone within an opportunity zone.

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

(5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the housing and transit reinvestment zone area and will not count against the limitations described in Subsection (4)(a)(i).

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

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

- (a) the tax commission;
- (b) the State Board of Education;
- (c) the state auditor;
- (d) the auditor of the county in which the housing and transit reinvestment zone is located;
- (e) each taxing entity affected by the collection of tax increment from the housing and transit reinvestment zone; and
- (f) the Governor's Office of Economic Opportunity.

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

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

(c) Within a county of the first class, the maximum total combined number of housing and transit reinvestment zones described in Subsections (7)(a) and (b) and first home investment zones created under Part 13, First Home Investment Zone Act, is 11.

(8) (a) This Subsection (8) applies to a specified county, as defined in Section

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17-27a-408, that has created a small public transit district on or before January 1, 2022.

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

(ii) A county described in Subsection (8)(a) that, on December 31, 2022, was noncompliant under Section 17-27a-408 for failure to demonstrate in the county's moderate income housing report that the county complied with Subsection (8)(b)(i), may cure the deficiency in the county's moderate income housing report by submitting satisfactory proof to the Housing and Community Development Division that, notwithstanding the deadline in Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic Opportunity a proposal to create a housing and transit reinvestment zone.

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

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

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

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

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

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

Section ~~4~~5. Section **63N-3-605** is amended to read:

### **63N-3-605. Housing and transit reinvestment zone committee -- Creation.**

(1) For any housing and transit reinvestment zone proposed under this part, or for a first home investment zone proposed in accordance with Part 13, First Home Investment Zone Act, there is created a housing and transit reinvestment zone committee with membership described in Subsection (2).

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

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

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

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

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

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

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

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

(h) one member designated by the chief executive officer of each county affected by the housing and transit reinvestment zone or first home investment zone;

(i) one representative designated by the school superintendent from the school district affected by the housing and transit reinvestment zone or first home investment zone; and

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

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

(4) (a) A majority of the members of the housing and transit reinvestment zone

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committee constitutes a quorum of the housing and transit reinvestment zone committee.

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

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

(b) For a first home investment zone, the housing and transit reinvestment zone committee shall follow the procedures described in Section 63N-3-1304.

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

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

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

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

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

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

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

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

(ii) vote to approve or deny the proposal.

(b) Before the housing and transit reinvestment zone committee may approve the housing and transit reinvestment zone proposal, the municipality or public transit county

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proposing the housing and transit reinvestment zone shall ensure that the area of the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate the requirements of a housing and transit reinvestment zone described in this section and the proposed development.

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

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

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

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

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

Section ~~5~~6. Section **63N-3-1301** is enacted to read:

### **Part 13. First Home Investment Zone Act**

#### **63N-3-1301. Definitions.**

(1) "Affordable housing" means:

(a) for homes that are not owner occupied, housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the applicable municipal statistical area for households of the same size; or

(b) for homes that are owner occupied, housing that is priced at 80% of the county median home price.

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

(3) "Base taxable value" means the same as that term is defined in Section 63N-3-602.

(4) "Base year" means the same as that term is defined in Section 63N-3-602.

(5) "Developable area" means the same as that term is defined in Section 63N-3-602.

(6) " Dwelling unit" means the same as that term is defined in Section 63N-3-602.

(7) "Extraterritorial home" means a dwelling unit that is included as part of the first home investment zone proposal that:

(a) is located within the municipality proposing the first home investment zone but outside the boundary of the first home investment zone;



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(b) is part of a development with a density of at least six units per acre;

(c) is not located within an existing housing and transit reinvestment zone or an area that could be included in a housing and transit reinvestment zone;

(d) has not been issued a building permit by the municipality as of the date of the approval of the first home investment zone; and

(e) is required to be owner occupied for no less than 25 years.

(8) "First home investment zone" means a first home investment zone created in accordance with this part.

(9) "Home" means a dwelling unit.

(10) "Housing and transit reinvestment zone" means the same as that term is defined in Section 63N-3-602.

(11) "Housing and transit reinvestment zone committee" means the housing and transit reinvestment zone committee described in Section 63N-3-605.

(12) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

(13) "Mixed use development" means the same as that term is defined in Section 63N-3-603.

(14) "Moderate income housing plan" means the same as that term is defined in Section 11-41-102.

(15) "Municipality" means the same as that term is defined in Section 10-1-104.

(16) "Owner occupied" means private real property that is:

(a) used for a single-family residential purpose; and

(b) required to be occupied by the owner of the real property for no less than 25 years.

(17) "Project area" means the same as that term is defined in Section 17C-1-102.

~~{ (18) "Project area budget" means the same as that term is defined in Section 17C-1-102.~~

~~— (19) "Project area plan" means the same as that term is defined in Section 17C-1-102.~~

~~‡~~ ~~(20)~~ 18 (a) "Project improvements" means site improvements and facilities that are:

(i) planned and designed to provide service for development resulting from a development activity;

(ii) necessary for the use and convenience of the occupants or users of development

## SB0268S03 compared with SB0268S02

resulting from a development activity; and

(iii) not identified or reimbursed as a system improvement.

(b) "Project improvements" does not mean system improvements.

~~(21)~~<sup>19</sup> "State Tax Commission" means the State Tax Commission created in Section 59-1-201.

~~(22)~~<sup>20</sup> (a) "System improvements" means existing and future public facilities that are designed to provide services to service areas within the community at large.

(b) "System improvements" does not mean project improvements.

~~(23)~~<sup>21</sup> (a) "Tax increment" means the difference between:

(i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a first home investment zone designated in the first home investment zone proposal as the area from which tax increment is to be collected, using the current assessed value and each taxing entity's current certified tax rate as defined in Section 59-2-924; and

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

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

(i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);

or

(ii) a county additional property tax described in Subsection 59-2-1602(4).

~~(24)~~<sup>22</sup> "Taxing entity" means the same as that term is defined in Section 17C-1-102.

~~(25)~~<sup>23</sup> "Unencumbered annual community reinvestment agency revenue" means tax increment revenue received by the agency for purposes identified in Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act, that:

(a) have not been designated ~~to be set aside~~ or restricted for future qualified uses as approved ~~under a project area plan and project area budget~~ by the agency board related to a specific project area; and

(b) do not have a date certain by which the tax increment revenues will be used.

Section ~~67~~<sup>7</sup>. Section **63N-3-1302** is enacted to read:

**63N-3-1302. Applicability, requirements, and limitations on a first home investment zone.**

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(1) A first home investment zone created pursuant to this part shall promote the following objectives:

(a) encouraging efficient development and opportunities for home ownership by providing a variety of housing options, including affordable housing and for sale, owner-occupied housing;

(b) improving availability of housing options;

(c) overcoming development impediments and market conditions that render a development cost prohibitive absent the proposal and incentives;

(d) conserving water resources through efficient land use;

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

(f) encouraging transformative mixed-use development;

(g) strategic land use and municipal planning in major transit investment corridors as described in Subsection 10-9a-403(2);

(h) increasing access to employment and educational opportunities;

(i) increasing access to child care; and

(j) improving efficiencies in parking and transportation, including walkability of communities, street and path interconnectivity within the proposed development and connections to surrounding communities, and access to roadways, public transportation, and active transportation.

(2) In order to accomplish the objectives described in Subsection (1), a municipality or county that initiates the process to create a first home investment zone as described in this part shall ensure that the proposal for a first home investment zone includes:

(a) subject to Subsection (3), a minimum of 30 housing units per acre in at least 51% of the developable area within the first home investment zone;

(b) a mixed use development;

(c) a requirement that at least 25% of homes within the first home investment zone remain owner occupied for at least 25 years from the date of original purchase;

(d) for homes inside the first home investment zone, a requirement that at least 12% of the owner occupied homes and 12% of the homes that are not owner occupied are affordable housing; and

(e) a requirement that at least 20% of the extraterritorial homes are affordable housing.

## **SB0268S03 compared with SB0268S02**

(3) (a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection (2)(a), a first home investment zone may include an extraterritorial home to count toward the required density of the first home investment zone by:

(i) (A) taking the total number of extraterritorial homes related to the first home investment zone; and

(B) adding the total number under Subsection (3)(a)(i)(A) to the number of homes within the first home investment zone; and

(ii) dividing the total described in Subsection (3)(a)(i) by the total number of developable acres with the first home investment zone.

(b) Extraterritorial homes may account for no more than half of the total homes to calculate density within a first home investment zone.

(4) (a) If a municipality proposes a first home investment zone, the proposal shall comply with the limitations described in this Subsection (4).

(b) A first home investment zone may not be less than 10 acres and no more than 100 acres in size.

(c) (i) Except as provided in Subsection (4)(c)(ii), a first home investment zone is required to be one contiguous area.

(ii) While considering a first home investment zone proposal as described in Section 63N-3-1305, the housing and transit reinvestment zone committee may consider and approve a first home investment zone that is not one contiguous area if:

(A) the municipality provides evidence in the proposal showing that the deviation from the contiguity requirement will enhance the ability of the first home investment zone to achieve the objectives described in Subsection (1); and

(B) the housing and transit reinvestment zone committee determines that the deviation is reasonable and circumstances justify deviation from the contiguity requirement.

(iii) The first home investment zone area contiguity is not affected by roads or other rights-of-way.

(d) (i) A first home investment zone proposal may propose the capture of a maximum of 60% of each taxing entity's tax increment above the base year for a term of no more than 25 consecutive years within a 45-year period not to exceed the tax increment amount approved in the first home investment zone proposal.

## **SB0268S03 compared with SB0268S02**

(ii) A first home investment zone proposal may not propose or include triggering more than three tax increment collection periods during the applicable 25-year period.

(iii) Subject to Subsection (4)(d)(iv), a municipality shall ensure that the required affordable housing units are included proportionally in each phase of the first home investment zone development.

(iv) A municipality may allow a first home investment zone to be phased and developed in a manner to provide more of the required affordable housing units in early phases of development.

(e) If a municipality proposes a first home investment zone, commencement of the collection of tax increment, for all or a portion of the first home investment zone, is triggered by providing notice as described in Subsection (5).

(f) A municipality may restrict homes within a first home investment zone and related extraterritorial homes from being used as a short-term rental.

(g) A municipality shall ensure that affordable housing within a first home investment zone and related extraterritorial homes that are reserved as affordable housing are spread throughout the overall development.

(h) A municipality shall ensure that at least 80% of extraterritorial homes included in a first home investment zone proposal are single-family detached homes.

(i) A municipality shall include in a first home investment zone proposal:

(i) an affordable housing plan, which may include deed restrictions, to ensure the affordable housing required in the proposal will continue to meet the definition of affordable housing at least throughout the entire term of the first home investment zone; and

(ii) an owner occupancy plan, which may include deed restrictions, to ensure the owner occupancy requirements in the proposal will continue to meet the definition of owner occupancy at least throughout the entire term of the first home investment zone.

(j) A municipality shall include in the first home investment zone proposal evidence to demonstrate how the first home investment proposal complies with the municipality's moderate income housing plan and general plan.

(5) Notice of commencement of collection of tax increment shall be sent by mail or electronically to the following entities no later than January 1 of the year for which the tax increment collection is proposed to commence:

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- (a) the State Tax Commission;
  - (b) the State Board of Education;
  - (c) the state auditor;
  - (d) the auditor of the county in which the first home investment zone is located;
  - (e) each taxing entity affected by the collection of tax increment from the first home investment zone;
  - (f) the assessor of the county in which the first home investment zone is located; and
  - (g) the Governor's Office of Economic Opportunity.
- (6) A first home investment zone proposal may not include a proposal to capture sales and use tax increment.
- (7) A municipality may not propose a first home investment zone in a county of the first class if the limitation described in Subsection 63N-3-603(7)(c) has been reached.
- (8) A municipality may not propose a first home investment zone in a location that is eligible for a housing and transit reinvestment zone.
- (9) A municipality may not propose a first home investment zone if the municipality's community reinvestment agency, based on the most recent annual comprehensive financial report, retains cash and cash equivalent assets of more than 20% of ongoing and unencumbered annual community reinvestment agency revenue.

Section ~~7~~8. Section **63N-3-1303** is enacted to read:

### **63N-3-1303. Process for a proposal of a first home investment zone.**

- (1) Subject to approval of the housing and transit reinvestment zone committee as described in Section 63N-3-1304, in order to create a first home investment zone, a municipality that has general land use authority over the first home investment zone area, shall:
- (a) prepare a proposal for the first home investment zone that:
    - (i) demonstrates that the proposed first home investment zone will meet the objectives described in Subsection 63N-3-1302(1);
    - (ii) explains how the municipality will achieve the requirements of Subsection 63N-3-1302(2);
    - (iii) defines the specific infrastructure needs, if any, and proposed improvements;
    - (iv) demonstrates how the first home investment zone will ensure:
      - (A) sufficient pedestrian access to schools and other areas of community; and

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### (B) inclusion of child care facilities and access;

(~~fv~~v) defines the boundaries of the first home investment zone;

(~~fv~~vi) includes maps of the proposed first home investment zone to illustrate:

(A) proposed housing density within the first home investment zone;

(B) extraterritorial homes relevant to the first home investment zone, including density of the development of extraterritorial homes; and

(C) existing zoning and proposed zoning changes related to the first home investment zone;

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

(~~fvii~~viii) describes the proposed development plan, including the requirements described in Subsections 63N-3-1302(2) and (4);

(~~fviii~~ix) establishes the collection period or periods to calculate the tax increment;

(~~fix~~x) describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the first home investment zone;

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

(~~fxi~~xii) proposes a finance schedule to align expected revenue with required financing costs and payments;

(~~fxii~~xiii) evaluates possible benefits to active transportation, public transportation availability and utilization, street connectivity, and air quality; and

(~~fxiii~~xiv) provides a pro-forma for the planned development that:

(A) satisfies the requirements described in Subsections 63N-3-1302(2) and (4); and

(B) includes data showing the cost difference between what type of development could feasibly be developed absent the first home investment zone tax increment and the type of development that is proposed to be developed with the first home investment zone tax increment;

(b) submit the proposal to the relevant school district to discuss the requirements of the proposal and whether the proposal provides the benefits and achieves the objectives described in this part; and

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(b)(c) submit the first home investment zone proposal to the Governor's Office of Economic Opportunity.

(2) As part of the proposal described in Subsection (1), a municipality shall:

(a) study and evaluate possible impacts of a proposed first home investment zone on parking and efficient use of land within the municipality and first home investment zone; and

(b) include in the first home investment zone proposal the findings of the study described in Subsection (2)(a) and proposed strategies to efficiently address parking impacts.

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

(i) within 14 days after the date on which the Governor's Office of Economic Opportunity receives the proposal described in Subsection (1)(b)(c), provide notice of the proposal to all affected taxing entities, including the State Tax Commission, cities, counties, school districts, metropolitan planning organizations, and the county assessor and county auditor of the county in which the first home investment zone is located; and

(ii) at the expense of the proposing municipality as described in Subsection (5), contract with an independent entity to:

(A) perform the gap analysis described in Subsection (3)(b); and

(B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B) and the feasibility of the proposed development absent the tax increment.

(b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:

(i) a description of the planned development;

(ii) a market analysis relative to other comparable project developments included in or adjacent to the municipality absent the proposed first home investment zone;

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

(iv) an evaluation of the proposed tax increment capture needed to cover the system improvements and project improvements associated with the first home investment zone proposal and enable the proposed development to occur, and for the benefit of affordable housing projects; and

(v) based on the market analysis and other findings, an opinion relative to the appropriate amount of potential public financing reasonably determined to be necessary to



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achieve the objectives described in Subsection 63N-3-1302(1).

(c) After receiving notice from the Governor's Office of Economic Opportunity of a proposed first home investment zone as described in Subsection (3)(a)(i), the municipality, in consultation with the county assessor and the State Tax Commission, shall:

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

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

(4) After receiving the results from the analysis described in Subsection (3)(b), the municipality proposing the first home investment zone may:

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

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

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

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

Section ~~8~~9. Section **63N-3-1304** is enacted to read:

**63N-3-1304. Consideration of proposals by housing and transit reinvestment zone committee.**

(1) A first home investment zone proposed under this part is subject to approval by the housing and transit reinvestment zone committee.

(2) After the Governor's Office of Economic Opportunity receives the results of the analysis described in Section 63N-3-1303, and after the Governor's Office of Economic Opportunity has received a request from the submitting municipality to submit the first home investment zone proposal to the housing and transit reinvestment zone committee, the

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Governor's Office of Economic Opportunity shall notify each of the relevant entities of the formation of the housing and transit reinvestment zone committee as described in Section 63N-3-605.

(3) (a) The chair of the housing and transit reinvestment zone committee shall convene a public meeting to consider the proposed first home investment zone in the same manner as described in Section 63N-3-605.

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

(4) (a) The proposing municipality shall present the first home investment zone proposal to the housing and transit reinvestment zone committee in a public meeting.

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

(i) evaluate and verify whether the objectives and elements of a first home investment zone described in Subsections 63N-3-1302(1), (2), and (4) have been met; and

(ii) evaluate the proposed first home investment zone relative to the analysis described in Subsection 63N-3-1303(2).

(5) (a) Subject to Subsection (5)(b), the housing and transit reinvestment zone committee may:

(i) request changes to the first home investment zone proposal based on the analysis, characteristics, and criteria described in Section 63N-3-1303; or

(ii) vote to approve or deny the proposal.

(b) Before the housing and transit reinvestment zone committee may approve the first home investment zone proposal, the municipality proposing the first home investment zone shall ensure that the area of the proposed first home investment zone is zoned in such a manner to accommodate the requirements of a first home investment zone described in this section and the proposed development.

(6) If a first home investment zone is approved by the committee:

(a) the proposed first home investment zone is established according to the terms of the first home investment zone proposal;

(b) affected local taxing entities are required to participate according to the terms of the first home investment zone proposal; and

(c) each affected taxing entity is required to participate at the same rate.

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(7) A first home investment zone proposal may be amended by following the same procedure as approving a first home investment zone proposal.

Section ~~{9}~~10. Section **63N-3-1305** is enacted to read:

### **63N-3-1305. Notice requirements.**

(1) In approving a first home investment zone proposal the housing and transit reinvestment zone committee shall follow the hearing and notice requirements for proposing a first home investment zone as described in this section.

(2) Within 30 days after the housing and transit reinvestment zone committee approves a proposed first home investment zone, the municipality shall:

(a) record with the recorder of the county in which the first home investment zone is located a document containing:

(i) a description of the land within the first home investment zone;

(ii) a statement that the proposed first home investment zone has been approved; and

(iii) the date of adoption;

(b) transmit a copy of the description of the land within the first home investment zone and an accurate map or plat indicating the boundaries of the first home investment zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and

(c) transmit a copy of the approved first home investment zone proposal, map, and description of the land within the first home investment zone, to:

(i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any part of the first home investment zone is located;

(ii) the officer or officers performing the function of auditor or assessor for each taxing entity that does not use the county assessment roll or collect the taxing entity's taxes through the county;

(iii) the legislative body or governing board of each taxing entity;

(iv) the State Tax Commission; and

(v) the State Board of Education.

Section ~~{10}~~11. Section **63N-3-1306** is enacted to read:

**63N-3-1306. Payment, use, and administration of tax increment from a first home investment zone.**

(1) A municipality may receive and use tax increment and first home investment zone

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funds in accordance with this part.

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

(b) (i) Except as provided in Subsection (2)(b)(ii), tax increment paid to the municipality are first home investment zone funds and shall be administered by the municipality within which the first home investment zone is located.

(ii) A municipality may contract with an agency, county, or a housing authority to administer tax increment and the first home investment zone, ensure compliance with first home investment zone requirements, and administer deed restrictions.

(iii) Before an agency may receive first home investment zone funds from the municipality, the municipality and the agency shall enter into an interlocal agreement with terms that:

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

(B) meet the requirements of Section 63N-3-1302.

(3) (a) A municipality and the agency shall use first home investment zone funds for the benefit of the first home investment zone and related extraterritorial housing.

(b) If any first home investment zone funds will be used outside of the first home investment zone there must be a finding in the approved proposal for a first home investment zone that the use of the first home investment zone funds outside of the first home investment zone will directly benefit the first home investment zone or related extraterritorial homes.

(4) In accordance with Subsection 63N-3-1302(4)(e), a municipality shall use the first home investment zone funds to achieve the purposes described in Subsections 63N-3-1302(1) and (2), by paying all or part of the costs associated with the first home investment zone and extraterritorial homes, including:

(a) project improvements;

(b) system improvements;

(c) property acquisition costs within the first home investment zone; and

(~~f~~c)d) the costs of the municipality to create and administer the first home investment

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zone, which may not exceed 2% of the total first home investment zone funds, plus the costs to complete the gap analysis described in Subsection 63N-3-1303(2).

(5) First home investment zone funds may be paid to a participant, if the agency and participant enter into a participation agreement which requires the participant to utilize the first home investment zone funds as allowed in this section.

(6) First home investment zone funds may be used to pay all of the costs of bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.

(7) A municipality may create one or more public infrastructure districts within the city under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the first home investment zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

Section ~~{11}~~12. Section **63N-3-1307** is enacted to read:

**63N-3-1307. Applicability to an existing first home investment zone or community reinvestment project.**

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† If a parcel within a first home investment zone is included as an area that is part of a project area, as that term is defined in Section 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the project area funds collection period, as that term is defined in Section 17C-1-102, has expired.

Section ~~{12}~~13. Section **63N-3-1308** is enacted to read:

**63N-3-1308. Tax increment protections.**

(1) Upon petition by a participating taxing entity or on the initiative of the housing and transit reinvestment zone committee creating a first home investment zone, a first home investment zone may suspend or terminate the collection of tax increment in a first home investment zone if the housing and transit reinvestment zone committee determines, by clear and convincing evidence, presented in a public meeting of the housing and transit reinvestment zone committee, that:

(a) a substantial portion of the tax increment collected in the first home investment zone has not or will not be used for the purposes provided in Section 63N-3-1306; and

(b) (i) the first home investment zone has no indebtedness; or

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(ii) the first home investment zone has no binding financial obligations.

(2) A first home investment zone may not collect tax increment in excess of the tax increment projections or limitations set forth in the first home investment zone proposal.

(3) The agency administering the tax increment collected in a first home investment zone under Subsection 63N-3-1306(2), shall have standing in a court with proper jurisdiction to enforce provisions of the first home investment zone proposal, participation agreements, and other agreements for the use of the tax increment collected.

(4) The agency administering tax increment from a first home investment zone under Subsection 63N-3-1306(2) shall follow the reporting requirements described in Section 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.

(5) For each first home investment zone collecting tax increment within a county, the county auditor shall follow the reporting requirement found in Section 17C-1-606.

Section ~~{13}~~14. Section **63N-3-1309** is enacted to read:

### **63N-3-1309. Boundary adjustments.**

If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a first home investment zone, the municipality administering the tax increment collected in the first home investment zone may make corresponding adjustments to the boundary of the first home investment zone.

Section ~~{14}~~15. **Effective date.**

This bill takes effect on May 1, 2024.