

**Representative Jon Hawkins** proposes the following substitute bill:

**CAPITAL CITY REVITALIZATION ZONE**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

House Sponsor: Jon Hawkins

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**LONG TITLE**

**General Description:**

This bill enacts provisions to enable a local government to create a revitalization zone.

**Highlighted Provisions:**

This bill:

- ▶ establishes procedures to create a revitalization zone for the use of tax revenue for the benefit of creating or improving infrastructure within a designated project area that is located within the local government's boundaries;
- ▶ provides requirements for the project area;
- ▶ authorizes a qualifying local government to levy a sales and use tax within the local government's boundaries and for use within the project area, subject to certain procedures and approvals;
- ▶ provides requirements and procedures for a local government to create a revitalization zone and negotiate a project participation agreement that would allow a project participant to participate in the use of funds collected within the project area;
- ▶ provides requirements for allowable uses of revenue and funds;
- ▶ provides requirements for a participation agreement;
- ▶ requires termination of access to funds and repayment of funds in the event of



- 26 breach or ceasing to operate or regularly use a stadium in the project area;
- 27       ▶ creates procedures for the Revitalization Zone Committee to give its approval to a
- 28 project area and participation that has been endorsed by the local government;
- 29       ▶ creates the Revitalization Zone Committee to approve project areas and project
- 30 participation agreements created and endorsed by the local government, and to
- 31 review expenditures and activities in relation to a project area and project
- 32 participants;
- 33       ▶ creates procedures for the Revitalization Zone Committee to give its approval to a
- 34 project area and participation that has been endorsed by the local government;
- 35       ▶ allows a local government to give final approval to a project area and a participation
- 36 plan that has been endorsed by the local government and approved by the
- 37 Revitalization Zone Committee;
- 38       ▶ requires a local government with a revitalization zone to provide reports to the
- 39 Revitalization Zone Committee; and
- 40       ▶ requires a local government to provide reports to the Executive Appropriations
- 41 Committee.

42 **Money Appropriated in this Bill:**

43       None

44 **Other Special Clauses:**

45       This bill provides a coordination clause.

46 **Utah Code Sections Affected:**

47 ENACTS:

- 48       [59-12-402.5](#), Utah Code Annotated 1953
- 49       [63N-3-1301](#), Utah Code Annotated 1953
- 50       [63N-3-1302](#), Utah Code Annotated 1953
- 51       [63N-3-1303](#), Utah Code Annotated 1953
- 52       [63N-3-1304](#), Utah Code Annotated 1953
- 53       [63N-3-1305](#), Utah Code Annotated 1953
- 54       [63N-3-1306](#), Utah Code Annotated 1953
- 55       [63N-3-1307](#), Utah Code Annotated 1953
- 56       [63N-3-1308](#), Utah Code Annotated 1953

57 **Utah Code Sections Affected By Coordination Clause:**

58 [59-12-402.5](#), as Utah Code Annotated 1953



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

61 Section 1. Section **59-12-402.5** is enacted to read:

62 **59-12-402.5. Capital city revitalization sales and use tax -- Deadline -- Rate --**  
63 **Collection fees -- Imposition.**

64 (1) As used in this section:

65 (a) "Local government" means a first class city located within a first class county.

66 (b) "Project area" means the same as that term is defined in Section [63N-3-1301](#).

67 (2) The legislative body of the local government may impose a sales and use tax under  
68 this section if the legislative body, on or before December 31, 2024:

69 (a) complies with the requirements of Title 63N, Chapter 3, Part 13, Capital City  
70 Revitalization Zone;

71 (b) gives final approval to an application by giving final approval of a project zone and  
72 a participation agreement as provided in Section [63N-3-1306](#); and

73 (c) imposes the tax according to the procedures and requirements of Section  
74 [63N-3-1306](#).

75 (3) (a) The tax rate may not exceed .5%.

76 (b) The tax imposed under this section may not be imposed for a period greater than 30  
77 years, beginning on the date of the first imposition of the tax.

78 (4) Except as provided in Subsection (5), the local government shall impose a tax  
79 under this section on the transactions described in Subsection [59-12-103\(1\)](#).

80 (5) A local government may not impose a tax under this section on:

81 (a) the sale of:

82 (i) a motor vehicle;

83 (ii) an aircraft;

84 (iii) a watercraft;

85 (iv) a modular home;

86 (v) a manufactured home; or

87 (vi) a mobile home;

88 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
89 are exempt from taxation under Section 59-12-104; and

90 (c) except as provided in Subsection (7), amounts paid or charged for food and food  
91 ingredients.

92 (6) For purposes of this section, the location of a transaction is determined in  
93 accordance with Sections 59-12-211 through 59-12-215.

94 (7) A local government that imposes a tax under this section shall impose the tax on  
95 the purchase price or the sales price for amounts paid or charged for food and food ingredients  
96 if the food and food ingredients are sold as part of a bundled transaction attributable to food  
97 and food ingredients and tangible personal property other than food and food ingredients.

98 (8) A local government may impose a tax under this section by majority vote of the  
99 members of the local government's legislative body in compliance with the procedures and  
100 requirements of Title 63N, Chapter 3, Part 13, Capital City Revitalization Zone.

101 (9) A military installation development authority may not impose a tax under this  
102 section.

103 (10) (a) The commission shall distribute the revenue collected from the tax under this  
104 section on transactions occurring within the district sales tax area as defined in Section  
105 11-70-101 to the Utah Fairpark Area Investment and Restoration District created in Section  
106 11-70-201.

107 (b) The commission shall distribute the revenue collected outside of the district sales  
108 tax area referenced in Subsection (10)(a) to the local government.

109 (11) A local government shall use revenue referenced in Subsection (10)(b) only:

110 (a) within the project area defined in Section 63N-3-1301; and

111 (b) for the allowable uses under Section 63N-3-1303.

112 Section 2. Section 63N-3-1301 is enacted to read:

113 **Part 13. Capital City Revitalization Zone**

114 **63N-3-1301. Definitions.**

115 As used in this part:

116 (1) "Committee" means the Revitalization Zone Committee created in Section  
117 63N-3-1307.

118 (2) "Franchise agreement" means a legally binding and valid agreement under which:

119 (a) a major professional sports league has awarded a franchise to a franchise recipient;  
120 and

121 (b) the major professional sports league team that is the subject of the agreement is  
122 playing, or will play, home games in a qualified stadium that exists or will be constructed  
123 within the project area.

124 (3) "Local government" means the municipality in which the project area is located.

125 (4) "Major professional sports league" means the National Basketball Association or  
126 the National Hockey League.

127 (5) "Project area" means the area created and designated to receive funds and revenue  
128 according to the terms and requirements of this part.

129 (6) "Project participant" means a person that is approved to participate in the use of  
130 public funds in a project area according to the procedures and requirements of this part.

131 (7) "Qualified stadium" means a sports facility that:

132 (a) provides seating for spectators in a number that is reasonably consistent with the  
133 capacity of other stadiums used by other teams in the major professional sports league;

134 (b) is located within the project area; and

135 (c) (i) is in active use as the home venue of a major professional sports league team; or

136 (ii) in the case of a stadium that is proposed to be constructed or remodeled, will be the  
137 home venue of a major professional sports league.

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

139 Section 3. Section **63N-3-1302** is enacted to read:

140 **63N-3-1302. Project area.**

141 (1) A local government may, according to the requirements and procedures of this part,  
142 create a project area for the use of revenue authorized under Section [59-12-402.5](#), which  
143 revenue shall be used only for the allowed purposes under Section [63N-3-1303](#).

144 (2) A project area created under this part shall:

145 (a) be located entirely within the boundaries of the local government;

146 (b) be no greater than 100 acres in area;

147 (c) be roughly centered around, and include the entire property footprint of a currently  
148 existing qualified stadium;

149 (d) include the entire property footprint of any qualified stadium that is planned to be

150 built;

151 (e) be contiguous; and

152 (f) have boundaries that are reasonably compact in relation to their distance from the  
153 currently existing qualified stadium.

154 Section 4. Section **63N-3-1303** is enacted to read:

155 **63N-3-1303. Allowable uses of funds.**

156 (1) A local government shall use any funds or revenue provided under Section

157 59-12-402.5 within and for the direct benefit of the project area, and subject to the

158 requirements of this section.

159 (2) In addition to the requirements of Subsection (1), the allowable uses for the funds

160 and revenue collected as authorized under this part are:

161 (a) costs for, including debt service or the costs of bonds issued by the local

162 government or state:

163 (i) costs paid to or for the benefit of a project participant for the construction or

164 remodel of a qualified stadium within the project area in accordance with Title 17C, Chapter 1,

165 Part 5, Agency Bonds, including the cost to issue and repay bonds and interest; and

166 (ii) the construction, demolition, modification, or realignment of infrastructure or

167 structures within the project area for the purpose of:

168 (A) complementing a qualified stadium and its associated uses, including entertainment

169 and recreational uses on land within the project area; and

170 (B) improvement, demolition, modification, realignment, or restoration of areas within

171 the project area for pedestrian and traffic flow, and for aesthetic, entertainment, recreational,

172 and safety purposes;

173 (b) infrastructure and roads, including state roads, within the project area;

174 (c) traffic mitigation costs within the project area;

175 (d) law enforcement or public security needs within the project area; and

176 (e) costs of the local government to create a project area or participation agreement and

177 to administer the funds, which cost may not exceed 1% of the tax revenue collected under

178 Section 59-12-402.5.

179 (3) (a) The amount of funds and revenue used for, or for the benefit of, the project

180 participant shall be limited to a maximum dollar amount that shall be explicitly stated in the

181 participation agreement.

182 (b) A project participant may not receive the benefit of funds or revenue in an amount  
183 greater than the maximum dollar amount referred to in Subsection (3)(a).

184 Section 5. Section **63N-3-1304** is enacted to read:

185 **63N-3-1304. Application for approval as a project participant in a project area.**

186 A person that seeks to have a local government create a project area under this part, and  
187 to be a project participant within that project area, shall provide a local government with a  
188 written application that certifies that the applicant:

189 (1) is a party to a franchise agreement;

190 (2) is or will be operating the team that is subject to the franchise agreement:

191 (a) in an existing qualified stadium located within the project area to be created; or

192 (b) in a new qualified stadium that will be located within the project area;

193 (3) shows the existing and, as applicable, the proposed location and footprint of the  
194 qualified stadium;

195 (4) lists any public funds that are currently being received by, or are authorized to be  
196 received by:

197 (a) the applicant; or

198 (b) any major professional sports league team that is owned or operated by the  
199 applicant; and

200 (5) any proposals or information related to the application, including specific details  
201 about the franchise agreement or plans for a qualified stadium, a proposed boundary for the  
202 project area, proposals for land or stadium ownership arrangements or stadium revenue-sharing  
203 arrangements, or plans or requests for urban renewal or reconstruction.

204 Section 6. Section **63N-3-1305** is enacted to read:

205 **63N-3-1305. Local government review -- Participation agreement requirements --**  
206 **Proposed project area and proposed participation agreement -- Zoning -- Deadline.**

207 (1) Upon receipt of an application described in Section [63N-3-1304](#), a local  
208 government shall review the application and, if the application is complete, may negotiate with  
209 the applicant to develop:

210 (a) a description of a proposed project area that meets the requirements of Section  
211 [63N-3-1302](#); and

212 (b) a proposed participation agreement with the applicant, which agreement shall  
213 contain:  
214 (i) a map or description of the project area;  
215 (ii) a description of the type and extent of each type of tax or other revenue that would  
216 be available to the applicant within the project area if the applicant is approved as a project  
217 participant;  
218 (iii) the location and footprint of the qualified stadium, and if applicable, the location,  
219 footprint, and design of any proposed future or remodeled qualified stadium;  
220 (iv) if a qualified stadium is to be constructed, remodeled, or replaced, requirements  
221 and plans for the design, remodel, operation, and other terms related to the existing or new  
222 qualified stadium;  
223 (v) a master plan that:  
224 (A) provides an overview of challenges and issues to be addressed within the project  
225 area, including land use, infrastructure, economic issues, and public safety issues;  
226 (B) provides a 30 year plan for the physical development and the ongoing management  
227 of the project area, including maps, plats, charts, drawings, time lines, and descriptive,  
228 explanatory, and other related information that supports and demonstrates the plan;  
229 (C) provides a specific plan for each of the following subject areas, each of which shall  
230 include, to the extent possible, detailed and specific information on projects and time lines for  
231 the named subject area, and where specific details cannot be provided, provides a list of  
232 specific goals, planned outcomes, and time lines for achieving those goals and outcomes:  
233 (I) a financial plan, including the planned sources, uses, distribution, and time lines for  
234 the use of funds and revenue;  
235 (II) a land use plan, including designs, ownership, demolition, construction, and time  
236 lines, including plans for modification of roads and infrastructure layout, removal or  
237 construction of buildings, and creation of new spaces, facilities, and landmarks;  
238 (III) a public asset plan, including plans for modifications, renovations, and use  
239 scenarios for existing buildings and public assets within the project area, including buildings  
240 owned by a city or county, features, and other public assets that will be affected by  
241 revitalization of the project area;  
242 (IV) a public safety plan, including plans for mitigating crime and ensuring safety and



243 physical security within the project area;

244 (V) a homelessness mitigation plan, including plans to provide resources for homeless  
245 individuals and to mitigate and manage camping and other related social issues within the  
246 project area;

247 (VI) a transportation plan, including plans to enable access to and from, and public  
248 transportation, vehicle, and pedestrian traffic flow within the project area; and

249 (VII) a parking plan, including estimates for parking needs and plans for  
250 accommodating those needs within the project area;

251 (vi) a provision that the local government may not provide, and that a project  
252 participant may not receive, a direct subsidy;

253 (vii) (A) the maximum dollar amount that may be used for, or for the benefit of, the  
254 project participant, as required under Subsection [63N-3-1303\(3\)](#); and

255 (B) a clear description of what fund and revenue uses will or will not be considered for  
256 the benefit of the project participant and therefore subject to the limit required under  
257 Subsection [63N-3-1303\(3\)](#);

258 (viii) terms, procedures, and remedies related to breach of a participation agreement,  
259 which shall contain:

260 (A) specific descriptions of what constitutes breach of the participation agreement;

261 (B) a requirement that access to funds ceases and that a project participant shall repay  
262 to the local government the full amount of revenue or funds received subject to Subsection  
263 [63N-3-1303\(3\)](#) if the major professional sports league team leaves or ceases to use a qualified  
264 stadium as its exclusive home stadium, subject to any additional terms agreed to in the  
265 participation agreement;

266 (C) a description of all remedies available to the local government in association with a  
267 breach; and

268 (D) designation of a guarantor, security interests, or other measures to ensure  
269 repayment of revenue and funds in the event of a breach;

270 (ix) procedures and penalties that apply in the event that the local government or  
271 project participant fails to meet requirements, goals, or objectives set under Subsection  
272 [\(1\)\(b\)\(v\)](#);

273 (x) an acknowledgment that the parties to the agreement are subject to the requirements

274 of this part:

275 (xi) any additional obligations, terms, or conditions mutually agreed upon by the local  
276 government and the project participant; and

277 (xii) may contain:

278 (A) any terms and conditions that affect a project participant's ability to receive or use  
279 project area funds;

280 (B) any terms or agreements regarding the qualified stadium and its associated  
281 property, including ownership, management, maintenance, operation, revenue sharing, or other  
282 agreements;

283 (C) terms, procedures, or remedies related to breach of a participation agreement; and

284 (D) any other relevant agreement between the applicant and the local government.

285 (2) Before finalizing a proposed project area under Subsection (3), a local government  
286 shall ensure that any zoning modifications or requirements within the project area are  
287 complete.

288 (3) If the applicant and the local government develop a proposed project area and a  
289 proposed participation agreement as described in Subsection (1), the local government shall, no  
290 later than September 1, 2024, provide notice of the proposed agreement and provide a copy of  
291 the application, the proposed project area, and the proposed participation agreement to:

292 (a) the legislative body of the local government; and

293 (b) the Revitalization Zone Committee.

294 Section 7. Section **63N-3-1306** is enacted to read:

295 **63N-3-1306. Local government endorsement -- Revitalization Zone Committee**  
296 **approval -- Final approval by local government -- Imposition of tax.**

297 (1) (a) The legislative body of the local government shall, no later than the date that is  
298 14 calendar days after the date that notice of a proposed project area and proposed participation  
299 agreement is provided under Subsection [63N-3-1305](#)(2), in a public meeting by a majority  
300 vote:

301 (i) endorse the application by:

302 (A) endorsing the proposed project area, with or without amendment; and

303 (B) endorsing the proposed participation agreement, with or without amendment; or

304 (ii) reject the application.

305 (b) If the legislative body of the local government endorses the application, the  
306 legislative body shall provide notice of the endorsement to the Revitalization Zone Committee,  
307 and provide the committee with any amended project area or amended participation agreement.

308 (c) If the legislative body of the local government rejects the application:

309 (i) the legislative body shall provide notice of the rejection to the mayor of the local  
310 government; and

311 (ii) the applicant and the local government may develop another proposed project area  
312 and proposed participation agreement and present those documents according to the procedures  
313 and requirements of Section [63N-3-1305](#).

314 (2) If the legislative body of the local government endorses the application under  
315 Subsection (1):

316 (a) The Revitalization Zone Committee shall, no later than 30 calendar days after the  
317 date that notice of the local government's endorsement of an application is provided under  
318 Subsection (1)(b), in a public meeting by a majority vote:

319 (i) approve or reject the endorsed project area; and

320 (ii) approve or reject the endorsed project participation agreement.

321 (b) If the committee approves the endorsed project area and the endorsed participation  
322 agreement:

323 (i) the committee shall give notice of the approval to the mayor and the legislative body  
324 of the local government; and

325 (ii) the legislative body of the local government may meet to consider final approval as  
326 provided under Subsection (3).

327 (c) If the committee fails to approve the endorsed project area, the endorsed  
328 participation agreement, or both the project area and participation agreement:

329 (i) the committee may adopt a statement or findings as to why the committee failed to  
330 provide its approval;

331 (ii) the committee shall give notice of the failure to approve to the mayor and the  
332 legislative body of the local government; and

333 (iii) the local government may:

334 (A) develop another proposed project area and proposed participation agreement  
335 according to the procedures and requirements of Section [63N-3-1305](#);

336 (B) in a public meeting of the legislative body of the local government, review, amend,  
337 or endorse another project area or participation agreement according to the procedures and  
338 requirements of Subsection (1); or

339 (C) take no further action on the application.

340 (3) If the Revitalization Zone Committee approves the endorsed project area and the  
341 endorsed public participation agreement under Subsection (2), the legislative body of the local  
342 government may, by a majority vote in a public meeting:

343 (a) give final approval to the application by:

344 (i) approving the project area in the form approved by the committee;

345 (ii) approving the proposed participation agreement in the form approved by the  
346 committee; and

347 (iii) designating the applicant as a project participant; or

348 (b) reject the application.

349 (4) After giving final approval to the application, the local government shall:

350 (a) impose taxes or revenue sources that may be used within the project area, including  
351 taxes or funds authorized under Section [59-12-402.5](#); and

352 (b) provide reports to the committee as required under Subsection [63N-3-1308\(2\)](#).

353 Section 8. Section **63N-3-1307** is enacted to read:

354 **63N-3-1307. Revitalization Zone Committee -- Creation -- Membership -- Staff.**

355 (1) There is created the Revitalization Zone Committee to review the activities of, and  
356 advise a local government and project participants in a project area created under this part.

357 (2) The committee consists of the following members:

358 (a) two members of the Senate, appointed by the president of the Senate;

359 (b) two members of the House of Representatives, appointed by the speaker of the  
360 House; and

361 (c) one individual appointed by the governor.

362 (3) (a) The president of the Senate shall designate a member of the Senate appointed  
363 under Subsection (2) as cochair of the committee.

364 (b) The speaker of the House of Representatives shall designate a member of the House  
365 of Representatives appointed under Subsection (2) as cochair of the committee.

366 (4) (a) A majority of the members of the committee constitutes a quorum.

367 (b) The action of a majority of a quorum constitutes action of the Revitalization Zone  
368 Committee.

369 (5) The committee shall meet to review an endorsed application as provided under  
370 Section [63N-3-1306](#).

371 (6) The committee may meet, upon the agreement of both cochairs:

372 (a) to review a report provided under Subsection [63N-3-1308](#)(2);

373 (b) at the discretion of the cochairs; and

374 (c) at the request of a local government.

375 (7) A legislative member of the committee shall be paid salary and expenses in  
376 accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislative  
377 Compensation.

378 (8) A member who is not a legislator may not receive compensation or benefits for the  
379 member's service, but may receive per diem and travel expenses as allowed in:

380 (a) Section [63A-3-106](#);

381 (b) Section [63A-3-107](#); and

382 (c) rules made by the Division of Finance according to Sections [63A-3-106](#) and  
383 [63A-3-107](#).

384 (9) The Office of Legislative Research and General Counsel shall:

385 (a) provide staff support to the committee; and

386 (b) consult with the Office of the Legislative Fiscal Analyst on fiscal issues reviewed  
387 by the committee.

388 Section 9. Section **63N-3-1308** is enacted to read:

389 **63N-3-1308. Revitalization Zone Committee -- Duties -- Reporting requirements**  
390 **of local government -- Executive appropriations committee.**

391 (1) The Revitalization Zone Committee shall have the following duties:

392 (a) to approve or reject an endorsed project area and an endorsed project participation  
393 agreement according to the procedures and requirements of Section [63N-3-1306](#);

394 (b) to review reports that are issued by a local government in accordance with  
395 Subsection (2);

396 (c) to review the financial activities of a local government and project participants in  
397 relation to a project area; and

398 (d) to make recommendations to the Legislature regarding a project area and  
399 participation agreement, requirements or procedures related to a project area, taxes or public  
400 funds, or other matters relating to a project area or participation agreement.

401 (2) A local government shall, after giving final approval to an application under  
402 Section 63N-3-1306, and each six months thereafter, or upon a request of the committee,  
403 provide a report to the committee that contains:

404 (a) a summary of the projects and uses that are currently underway or planned in  
405 relation to the project area;

406 (b) if not previously provided, or if modified, a copy of the project area and  
407 participation agreement;

408 (c) a detailed accounting of:

409 (i) all public funds collected within the project area since the last report;

410 (ii) all public funds provided to each project participant since the last report; and

411 (iii) all public funds committed or spent, and a description of their use, since the last  
412 report;

413 (d) the projected budget and time line for each project or use that is currently underway  
414 or planned in relation to the project area; and

415 (e) an accounting or a detailed summary of the financial impact of the project area on  
416 the state and its residents.

417 (3) At the discretion of the Executive Appropriations Committee of the Legislature, the  
418 local government and the Revitalization Zone Committee shall provide an in-person report to  
419 the Executive Appropriations Committee:

420 (a) at least once per calendar year, that shall contain at least the following information:

421 (i) a summary of the projects and uses that are currently underway or planned in  
422 relation to the project area;

423 (ii) a detailed accounting of:

424 (A) all public funds collected within the project area since the last report;

425 (B) all public funds provided to each project participant since the last report; and

426 (C) all public funds committed or spent, and a description of their use, since the last  
427 report;

428 (iii) the projected budget and time line for each project or use that is currently

429 underway or planned in relation to the project area;

430 (iv) an accounting or a detailed summary of the financial impact of the project area on  
431 the state and its residents;

432 (v) any recommendations or requests from the local government; and

433 (vi) any recommendations or requests from the Revitalization Zone Committee;

434 (b) after the local government provides a proposed project area and proposed  
435 participation agreement under Section [63N-3-1305](#); and

436 (c) after the local government gives final approval to an application under Section  
437 [63N-3-1306](#).

438 Section 10. **Effective date.**

439 This bill takes effect on May 1, 2024.

440 Section 11. **Coordinating S.B. 272 with H.B. 562.**

441 If H.B. 562, Utah Fairpark Area Investment and Restoration District, does not pass and  
442 become law, the Legislature intends that, on May 1, 2024:

443 (1) Subsection [59-12-402.5](#)(10) enacted in S.B. 272, Capital City Reinvestment Zone,  
444 read as follows:

445 "(10) A local government shall use revenue collected from the tax under this section  
446 only:

447 (a) within the project area defined in Section [63N-3-1301](#); and

448 (b) for the allowable uses under Section [63N-3-1303](#)."; and

449 (2) Subsection [59-12-402.5](#)(11) enacted in S.B. 272, be omitted.