

**Senator Jerry W Stevenson** proposes the following substitute bill:

**MILITARY INSTALLATION DEVELOPMENT AUTHORITY**

**MODIFICATIONS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W Stevenson**

House Sponsor: Val L. Peterson

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**LONG TITLE**

**General Description:**

This bill amends provisions concerning the Military Installation Development Authority.

**Highlighted Provisions:**

This bill:

- ▶ modifies definitions;
- ▶ allows the Military Installation Development Authority (authority) to impose an additional resort communities sales tax, with certain conditions;
- ▶ provides that the authority and its subsidiaries are not required to physically post meeting notices;
- ▶ adds a new circumstance under which the authority board may impose a MIDA accommodations tax;
- ▶ amends provisions relating to the sale of highway land from the Department of Transportation to the authority;
- ▶ requires that a county auditor include information about annual payment to the authority with a property valuation notice;
- ▶ amends the authority's allowable uses for property tax allocation and other funds;



► provides that, in certain circumstances, the authority may enter into an agreement to pay a school district a certain portion of the authority's property tax allocation from a project area; and

► makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

**AMENDS:**

**59-2-919.1**, as last amended by Laws of Utah 2023, Chapters 7, 471

**59-2-1317**,

**59-12-402**, as last amended by Laws of Utah 2023, Chapter 435

**63H-1-102**, as last amended by Laws of Utah 2023, Chapter 16

**63H-1-202**, as last amended by Laws of Utah 2023, Chapters 16, 100 and 435

**63H-1-203**, as last amended by Laws of Utah 2013, Chapter 362

**63H-1-205**, as last amended by Laws of Utah 2021, Chapter 414

**63H-1-207**, as enacted by Laws of Utah 2020, Chapter 282

**63H-1-501**, as last amended by Laws of Utah 2022, Chapter 463

**63H-1-502**, as last amended by Laws of Utah 2022, Chapters 82, 463

**63H-1-701**, as last amended by Laws of Utah 2023, Chapter 435

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

Section 1. Section **59-2-919.1** is amended to read:

**59-2-919.1. Notice of property valuation and tax changes.**

(1) In addition to the notice requirements of Section **59-2-919**, the county auditor, on or before July 22 of each year, shall notify each owner of real estate who is listed on the assessment roll.

(2) The notice described in Subsection (1) shall:

(a) except as provided in Subsection (4), be sent to all owners of real property by mail 10 or more days before the day on which:

57 (i) the county board of equalization meets; and  
58 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax  
59 rate;  
60 (b) be on a form that is:  
61 (i) approved by the commission; and  
62 (ii) uniform in content in all counties in the state; and  
63 (c) contain for each property:  
64 (i) the assessor's determination of the value of the property;  
65 (ii) the taxable value of the property;  
66 (iii) (A) the deadline for the taxpayer to make an application to appeal the valuation or  
67 equalization of the property under Section 59-2-1004; or  
68 (B) for property assessed by the commission, the deadline for the taxpayer to apply to  
69 the commission for a hearing on an objection to the valuation or equalization of the property  
70 under Section 59-2-1007;  
71 (iv) for a property assessed by the commission, a statement that the taxpayer may not  
72 appeal the valuation or equalization of the property to the county board of equalization;  
73 (v) itemized tax information for all applicable taxing entities, including:  
74 (A) the dollar amount of the taxpayer's tax liability for the property in the prior year;  
75 and  
76 (B) the dollar amount of the taxpayer's tax liability under the current rate;  
77 (vi) the following, stated separately:  
78 (A) the charter school levy described in Section 53F-2-703;  
79 (B) the multicounty assessing and collecting levy described in Subsection  
80 59-2-1602(2);  
81 (C) the county assessing and collecting levy described in Subsection 59-2-1602(4);  
82 [and]  
83 (D) for a fiscal year that begins on or after July 1, 2023, the combined basic rate as  
84 defined in Section 53F-2-301; and  
85 (E) if applicable, the annual payment described in Subsection 63H-1-501(4)(a);  
86 (vii) the tax impact on the property;  
87 (viii) the time and place of the required public hearing for each entity;

(ix) property tax information pertaining to:

(A) taxpayer relief;

(B) options for payment of taxes;

(C) collection procedures; and

(D) the residential exemption described in Section 59-2-103;

(x) information specifically authorized to be included on the notice under this chapter;

(xi) the last property review date of the property as described in Subsection

59-2-303.1(1)(c); and

(xii) other property tax information approved by the commission.

(3) If a taxing entity that is subject to the notice and hearing requirements of Subsection 59-2-919(4) proposes a tax increase, the notice described in Subsection (1) shall state, in addition to the information required by Subsection (2):

(a) the dollar amount of the taxpayer's tax liability if the proposed increase is approved;

(b) the difference between the dollar amount of the taxpayer's tax liability if the proposed increase is approved and the dollar amount of the taxpayer's tax liability under the current rate, placed in close proximity to the information described in Subsection (2)(c)(viii); and

(c) the percentage increase that the dollar amount of the taxpayer's tax liability under the proposed tax rate represents as compared to the dollar amount of the taxpayer's tax liability under the current tax rate.

(4) (a) Subject to the other provisions of this Subsection (4), a county auditor may, at the county auditor's discretion, provide the notice required by this section to a taxpayer by electronic means if a taxpayer makes an election, according to procedures determined by the county auditor, to receive the notice by electronic means.

(b) (i) If a notice required by this section is sent by electronic means, a county auditor shall attempt to verify whether a taxpayer receives the notice.

(ii) If receipt of the notice sent by electronic means cannot be verified 14 days or more before the county board of equalization meets and the taxing entity holds a public hearing on a proposed increase in the certified tax rate, the notice required by this section shall also be sent by mail as provided in Subsection (2).

(c) A taxpayer may revoke an election to receive the notice required by this section by

electronic means if the taxpayer provides written notice to the county auditor on or before April 30.

(d) An election or a revocation of an election under this Subsection (4):

(i) does not relieve a taxpayer of the duty to pay a tax due under this chapter on or before the due date for paying the tax; or

(ii) does not alter the requirement that a taxpayer appealing the valuation or the equalization of the taxpayer's real property submit the application for appeal within the time period provided in Subsection 59-2-1004(3).

(e) A county auditor shall provide the notice required by this section as provided in Subsection (2), until a taxpayer makes a new election in accordance with this Subsection (4), if:

(i) the taxpayer revokes an election in accordance with Subsection (4)(c) to receive the notice required by this section by electronic means; or

(ii) the county auditor finds that the taxpayer's electronic contact information is invalid.

(f) A person is considered to be a taxpayer for purposes of this Subsection (4) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.

Section 2. Section 59-2-1317 is amended to read:

**59-2-1317. Tax notice -- Contents of notice -- Procedures and requirements for providing notice.**

(1) As used in this section, "political subdivision lien" means the same as that term is defined in Section 11-60-102.

(2) Subject to the other provisions of this section, the county treasurer shall:

(a) collect the taxes and tax notice charges; and

(b) provide a notice to each taxpayer that contains the following:

(i) the kind and value of property assessed to the taxpayer;

(ii) the street address of the property, if available to the county;

(iii) that the property may be subject to a detailed review in the next year under Section 59-2-303.1;

(iv) the amount of taxes levied;

(v) a separate statement of the taxes levied only on a certain kind or class of property for a special purpose;

(vi) property tax information pertaining to taxpayer relief, options for payment of taxes, and collection procedures;

(vii) any tax notice charges applicable to the property, including:

(A) if applicable, a political subdivision lien for road damage that a railroad company causes, as described in Section 10-7-30;

(B) if applicable, a political subdivision lien for municipal water distribution, as described in Section 10-8-17, or a political subdivision lien for an increase in supply from a municipal water distribution, as described in Section 10-8-19;

(C) if applicable, a political subdivision lien for unpaid abatement fees as described in Section 10-11-4;

(D) if applicable, a political subdivision lien for the unpaid portion of an assessment assessed in accordance with Title 11, Chapter 42, Assessment Area Act, or Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act, including unpaid costs, charges, and interest as of the date the local entity certifies the unpaid amount to the county treasurer;

(E) if applicable, for a special district in accordance with Section 17B-1-902, a political subdivision lien for an unpaid fee, administrative cost, or interest;

(F) if applicable, a political subdivision lien for an unpaid irrigation district use charge as described in Section 17B-2a-506;

(G) if applicable, a political subdivision lien for a contract assessment under a water contract, as described in Section 17B-2a-1007;

(H) if applicable, a property tax penalty that a public infrastructure district imposes, as described in Section 17D-4-304; and

(I) if applicable, an annual payment to the Military Installation Development Authority or an entity designated by the authority in accordance with Section 63H-1-501;

(viii) if a county's tax notice includes an assessment area charge, a statement that, due to potentially ongoing assessment area charges, costs, penalties, and interest, payment of a tax notice charge may not:

(A) pay off the full amount the property owner owes to the tax notice entity; or

(B) cause a release of the lien underlying the tax notice charge;

(ix) if applicable, the annual payment described in Subsection 63H-1-501(4)(a);

(x) the date the taxes and tax notice charges are due;

181           ~~[(x)]~~ (xi) the street address at which the taxes and tax notice charges may be paid;  
182           ~~[(xi)]~~ (xii) the date on which the taxes and tax notice charges are delinquent;  
183           ~~[(xii)]~~ (xiii) the penalty imposed on delinquent taxes and tax notice charges;  
184           ~~[(xiii)]~~ (xiv) a statement that explains the taxpayer's right to direct allocation of a  
185 partial payment in accordance with Subsection (9);  
186           ~~[(xiv)]~~ (xv) other information specifically authorized to be included on the notice under  
187 this chapter; and  
188           ~~[(xv)]~~ (xvi) other property tax information approved by the commission.  
189           (3) (a) Unless expressly allowed under this section or another statutory provision, the  
190 treasurer may not add an amount to be collected to the property tax notice.  
191           (b) If the county treasurer adds an amount to be collected to the property tax notice  
192 under this section or another statutory provision that expressly authorizes the item's inclusion  
193 on the property tax notice:  
194           (i) the amount constitutes a tax notice charge; and  
195           (ii) (A) the tax notice charge has the same priority as property tax; and  
196           (B) a delinquency of the tax notice charge triggers a tax sale, in accordance with  
197 Section [59-2-1343](#).  
198           (4) For any property for which property taxes or tax notice charges are delinquent, the  
199 notice described in Subsection (2) shall state, "Prior taxes or tax notice charges are delinquent  
200 on this parcel."  
201           (5) Except as provided in Subsection (6), the county treasurer shall:  
202           (a) mail the notice required by this section, postage prepaid; or  
203           (b) leave the notice required by this section at the taxpayer's residence or usual place of  
204 business, if known.  
205           (6) (a) Subject to the other provisions of this Subsection (6), a county treasurer may, at  
206 the county treasurer's discretion, provide the notice required by this section by electronic mail if  
207 a taxpayer makes an election, according to procedures determined by the county treasurer, to  
208 receive the notice by electronic mail.  
209           (b) A taxpayer may revoke an election to receive the notice required by this section by  
210 electronic mail if the taxpayer provides written notice to the treasurer on or before October 1.  
211           (c) A revocation of an election under this section does not relieve a taxpayer of the

duty to pay a tax or tax notice charge due under this chapter on or before the due date for paying the tax or tax notice charge.

(d) A county treasurer shall provide the notice required by this section using a method described in Subsection (5), until a taxpayer makes a new election in accordance with this Subsection (6), if:

(i) the taxpayer revokes an election in accordance with Subsection (6)(b) to receive the notice required by this section by electronic mail; or

(ii) the county treasurer finds that the taxpayer's electronic mail address is invalid.

(e) A person is considered to be a taxpayer for purposes of this Subsection (6) regardless of whether the property that is the subject of the notice required by this section is exempt from taxation.

(7) (a) The county treasurer shall provide the notice required by this section to a taxpayer on or before November 1.

(b) The county treasurer shall keep on file in the county treasurer's office the information set forth in the notice.

(c) The county treasurer is not required to mail a tax receipt acknowledging payment.

(8) This section does not apply to property taxed under Section 59-2-1302 or 59-2-1307.

(9) (a) A taxpayer who pays less than the full amount due on the taxpayer's property tax notice may, on a form provided by the county treasurer, direct how the county treasurer allocates the partial payment between:

(i) the total amount due for property tax;

(ii) the amount due for assessments, past due special district fees, and other tax notice charges; and

(iii) any other amounts due on the property tax notice.

(b) The county treasurer shall comply with a direction submitted to the county treasurer in accordance with Subsection (9)(a).

(c) The provisions of this Subsection (9) do not:

(i) affect the right or ability of a local entity to pursue any available remedy for non-payment of any item listed on a taxpayer's property tax notice; or

(ii) toll or otherwise change any time period related to a remedy described in

Subsection (9)(c)(i).

Section 3. Section **59-12-402** is amended to read:

**59-12-402. Additional resort communities sales and use tax -- Base -- Rate --  
Collection fees -- Resolution and voter approval requirements -- Election requirements --  
Notice requirements -- Ordinance requirements -- Military installation development  
authority imposition of tax.**

(1) (a) Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section **59-12-405** is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section **59-12-401**, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection **59-12-103**(1) located within the municipality.

(b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:

(i) the sale of:

(A) a motor vehicle;

(B) an aircraft;

(C) a watercraft;

(D) a modular home;

(E) a manufactured home; or

(F) a mobile home;

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

(iii) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients.

(c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections **59-12-211** through **59-12-215**.

(d) A municipality imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.

(2) (a) An amount equal to the total of any costs incurred by the state in connection with the implementation of Subsection (1) which exceed, in any year, the revenues received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

(b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those cities and towns according to the amount of revenue the respective cities and towns generate in that year through imposition of that tax.

(3) To impose an additional resort communities sales tax under this section, the governing body of the municipality shall:

(a) pass a resolution approving the tax; and

(b) except as provided in Subsection (6), obtain voter approval for the tax as provided in Subsection (4).

(4) To obtain voter approval for an additional resort communities sales tax under Subsection (3)(b), a municipality shall:

(a) hold the additional resort communities sales tax election during:

(i) a regular general election; or

(ii) a municipal general election; and

(b) post notice of the election for the municipality, as a class A notice under Section 63G-30-102, for at least 15 days before the day on which the election is held.

(5) An ordinance approving an additional resort communities sales tax under this section shall provide an effective date for the tax as provided in Section 59-12-403.

(6) (a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the municipality imposed a license fee or tax on businesses based on gross receipts pursuant to Section 10-1-203.

(b) The exception from the voter approval requirements in Subsection (6)(a) does not apply to a municipality that, on or before January 1, 1996, imposed a license fee or tax on only one class of businesses based on gross receipts pursuant to Section 10-1-203.

(7) [A] Subject to Subsection 63H-1-203(1), a military installation development authority authorized to impose a resort communities tax under Section 59-12-401 may [not]

impose an additional resort communities sales tax under this section.

Section 4. Section **63H-1-102** is amended to read:

**63H-1-102. Definitions.**

As used in this chapter:

(1) "Authority" means the Military Installation Development Authority, created under Section **63H-1-201**.

(2) "Base taxable value" means:

(a) for military land or other land that was exempt from a property tax at the time that a project area was created that included the military land or other land, a taxable value of zero; or

(b) for private property that is included in a project area, the taxable value of the property within any portion of the project area, as designated by board resolution, from which the property tax allocation will be collected, as shown upon the assessment roll last equalized:

(i) before the year in which the authority creates the project area; or

(ii) before the year in which the project area plan is amended, for property added to a project area by an amendment to a project area plan.

(3) "Board" means the governing body of the authority created under Section **63H-1-301**.

(4) (a) "Dedicated tax collections" means the property tax that remains after the authority is paid the property tax allocation the authority is entitled to receive under Subsection **63H-1-501**(1), for a property tax levied by:

(i) a county, including a district the county has established under Subsection **17-34-3**(2) to levy a property tax under Title 17, Chapter 34, Municipal-Type Services to Unincorporated Areas; or

(ii) an included municipality.

(b) "Dedicated tax collections" does not include a county additional property tax or multicounty assessing and collecting levy imposed in accordance with Section **59-2-1602**.

(5) "Develop" means to engage in development.

(6) (a) "Development" means an activity occurring:

(i) on land within a project area that is owned or operated by the military, the authority, another public entity, or a private entity; or

(ii) on military land associated with a project area.

(b) "Development" includes the demolition, construction, reconstruction, modification, expansion, maintenance, operation, or improvement of a building, facility, utility, landscape, parking lot, park, trail, or recreational amenity.

(7) "Development project" means a project to develop land within a project area.

(8) "Elected member" means a member of the authority board who:

(a) is a mayor or member of a legislative body appointed under Subsection

63H-1-302(2)(b); or

(b) (i) is appointed to the authority board under Subsection 63H-1-302(2)(a) or (3); and

(ii) concurrently serves in an elected state, county, or municipal office.

(9) "Included municipality" means a municipality, some or all of which is included within a project area.

(10) (a) "Military" means a branch of the armed forces of the United States, including the Utah National Guard.

(b) "Military" includes, in relation to property, property that is occupied by the military and is owned by the government of the United States, the authority, or the state.

(11) "Military Installation Development Authority accommodations tax" or "MIDA accommodations tax" means the tax imposed under Section 63H-1-205.

(12) "Military Installation Development Authority energy tax" or "MIDA energy tax" means the tax levied under Section 63H-1-204.

(13) (a) "Military land" means land or a facility, including leased land or a leased facility, that is part of or affiliated with a base, camp, post, station, yard, center, or installation under the jurisdiction of the United States Department of Defense, the United States Department of Veterans Affairs, or the Utah National Guard.

(b) "Military land" includes land that is:

(i) owned or leased by the authority; and

(ii) held or used for the benefit of the military.

(14) "Municipal energy tax" means a municipal energy sales and use tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act.

(15) "Municipal services revenue" means revenue that the authority:

(a) collects from the authority's:

(i) levy of a municipal energy tax;

- (ii) levy of a MIDA energy tax;
- (iii) levy of a telecommunications tax;
- (iv) imposition of a transient room tax; and
- (v) imposition of a resort communities tax;
- (b) receives under Subsection 59-12-205(2)(a)(ii)(B); and
- (c) receives as dedicated tax collections.

(16) "Municipal tax" means a municipal energy tax, MIDA energy tax, MIDA accommodations tax, telecommunications tax, transient room tax, or resort communities tax.

(17) "Project area" means the land, including military land, whether consisting of a single contiguous area or multiple noncontiguous areas, described in a project area plan or draft project area plan, where the development project set forth in the project area plan or draft project area plan takes place or is proposed to take place.

(18) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a project area that includes:

- (a) the base taxable value of property in the project area;
- (b) the projected property tax allocation expected to be generated within the project area;
- (c) the amount of the property tax allocation expected to be shared with other taxing entities;
- (d) the amount of the property tax allocation expected to be used to implement the project area plan, including the estimated amount of the property tax allocation to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;
- (e) the property tax allocation expected to be used to cover the cost of administering the project area plan;
- (f) if the property tax allocation is to be collected at different times or from different portions of the project area, or both:
  - (i) (A) the tax identification numbers of the parcels from which the property tax allocation will be collected; or
  - (B) a legal description of the portion of the project area from which the property tax allocation will be collected; and

(ii) an estimate of when other portions of the project area will become subject to collection of the property tax allocation; and

(g) for property that the authority owns or leases and expects to sell or sublease, the expected total cost of the property to the authority and the expected selling price or lease payments.

(19) "Project area plan" means a written plan that, after the plan's effective date, guides and controls the development within a project area.

(20) (a) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax, except as described in Subsection (20)(b), and each levy on an ad valorem basis on tangible or intangible personal or real property.

(b) "Property tax" does not include a privilege tax on the taxable value:

(i) attributable to a portion of a facility leased to the military for a calendar year when:

(A) a lessee of military land has constructed a facility on the military land that is part of a project area;

(B) the lessee leases space in the facility to the military for the entire calendar year; and

(C) the lease rate paid by the military for the space is \$1 or less for the entire calendar year, not including any common charges that are reimbursements for actual expenses; or

(ii) of the following property owned by the authority, regardless of whether the authority enters into a long-term operating agreement with a privately owned entity under which the privately owned entity agrees to operate the property:

(A) a hotel;

(B) a hotel condominium unit in a condominium project, as defined in Section 57-8-3; and

(C) a commercial condominium unit in a condominium project, as defined in Section 57-8-3.

(21) "Property tax allocation" means the difference between:

(a) the amount of property tax revenues generated each tax year by all taxing entities from the area within a project area designated in the project area plan as the area from which the property tax allocation is to be collected, using the current assessed value of the property; and

(b) the amount of property tax revenues that would be generated from that same area

using the base taxable value of the property.

(22) "Public entity" means:

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

(b) a political subdivision of the state, including the authority or a county, city, town, school district, special district, special service district, or interlocal cooperation entity.

(23) (a) "Public infrastructure and improvements" means infrastructure, improvements, facilities, or buildings that:

(i) benefit the public, the authority, the military, or military-related entities; and

(ii) (A) are publicly owned by the military, the authority, a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act, or another public entity;

(B) are owned by a utility; or

(C) are publicly maintained or operated by the military, the authority, or another public entity.

(b) "Public infrastructure and improvements" also means infrastructure, improvements, facilities, or buildings that:

(i) are privately owned; and

(ii) provide a substantial benefit, as determined by the board, to the development and operation of a project area.

(c) "Public infrastructure and improvements" includes:

(i) facilities, lines, or systems that harness geothermal energy or provide water, chilled water, steam, sewer, storm drainage, natural gas, electricity, or telecommunications;

(ii) streets, roads, curb, gutter, sidewalk, walkways, tunnels, solid waste facilities, parking facilities, public transportation facilities, and parks, trails, and other recreational facilities;

(iii) snowmaking equipment and related improvements that can also be used for water storage or fire suppression purposes; and

(iv) a building and related improvements for occupancy by the public, the authority, the military, or military-related entities.

(24) "Remaining municipal services revenue" means municipal services revenue that the authority has not:

(a) spent during the authority's fiscal year for municipal services as provided in

Subsection 63H-1-503(1); or

(b) redirected to use in accordance with Subsection 63H-1-502(3).

(25) "Resort communities tax" means a sales and use tax imposed under Section 59-12-401.

(26) "Taxable value" means the value of property as shown on the last equalized assessment roll.

(27) "Taxing entity":

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

(b) does not include a public infrastructure district that the authority creates under Title 17D, Chapter 4, Public Infrastructure District Act.

(28) "Telecommunications tax" means a telecommunications license tax under Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

(29) "Transient room tax" means a tax under Section 59-12-352.

Section 5. Section 63H-1-202 is amended to read:

**63H-1-202. Applicability of other law.**

(1) As used in this section:

(a) "Subsidiary" means an authority subsidiary that is a public body as defined in Section 52-4-103.

(b) "Subsidiary board" means the governing body of a subsidiary.

(2) The authority or land within a project area is not subject to:

(a) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act;

(b) Title 17, Chapter 27a, County Land Use, Development, and Management Act;

(c) ordinances or regulations of a county or municipality, including those relating to land use, health, business license, or franchise; or

(d) the jurisdiction of a special district under Title 17B, Limited Purpose Local Government Entities - Special Districts, or a special service district under Title 17D, Chapter 1, Special Service District Act.

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

(4) (a) The definitions in Section 57-8-3 apply to this Subsection (4).

(b) Notwithstanding the provisions of Title 57, Chapter 8, Condominium Ownership Act, or any other provision of law:

(i) if the military is the owner of land in a project area on which a condominium project is constructed, the military is not required to sign, execute, or record a declaration of a condominium project; and

(ii) if a condominium unit in a project area is owned by the military or owned by the authority and leased to the military for \$1 or less per calendar year, not including any common charges that are reimbursements for actual expenses:

(A) the condominium unit is not subject to any liens under Title 57, Chapter 8, Condominium Ownership Act;

(B) condominium unit owners within the same building or commercial condominium project may agree on any method of allocation and payment of common area expenses, regardless of the size or par value of each unit; and

(C) the condominium project may not be dissolved without the consent of all the condominium unit owners.

(5) Notwithstanding any other provision, when a law requires the consent of a local government, the authority is the consenting entity for a project area.

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

(b) Subsection (6)(a) does not apply to a political subdivision that does not have any of a project area located within the boundary of the political subdivision.

(7) (a) The authority and a subsidiary are subject to Title 52, Chapter 4, Open and Public Meetings Act, except that:

(i) notwithstanding Section 52-4-104, the timing and nature of training to authority board members or subsidiary board members on the requirements of Title 52, Chapter 4, Open and Public Meetings Act, may be determined by:

(A) the board chair, for the authority board; or

(B) the subsidiary board chair, for a subsidiary board;

(ii) authority staff may adopt a rule governing the use of electronic meetings under

Section 52-4-207, if, under Subsection 63H-1-301(3), the board delegates to authority staff the power to adopt the rule; and

(iii) for an electronic meeting of the authority board or subsidiary board that otherwise complies with Section 52-4-207, the authority board or subsidiary board, respectively:

(A) is not required to establish an anchor location; and

(B) may convene and conduct the meeting without the determination otherwise required under Subsection 52-4-207(5)(a)(i).

(b) ~~[Except as provided in Subsection (7)(c), the]~~ The authority [is] and subsidiaries are not required to physically post notice notwithstanding any other provision of law.

~~[(c) The authority shall physically post notice in accordance with Subsection 52-4-202(3)(a).]~~

(8) The authority and a subsidiary are subject to Title 63G, Chapter 2, Government Records Access and Management Act, except that:

(a) notwithstanding Section 63G-2-701:

(i) the authority may establish an appeals board consisting of at least three members;

(ii) an appeals board established under Subsection (8)(a)(i) shall include:

(A) one of the authority board members appointed by the governor;

(B) the authority board member appointed by the president of the Senate; and

(C) the authority board member appointed by the speaker of the House of Representatives; and

(iii) an appeal of a decision of an appeals board is to district court, as provided in Section 63G-2-404, except that the State Records Committee is not a party; and

(b) a record created or retained by the authority or a subsidiary acting in the role of a facilitator under Subsection 63H-1-201(3)(v) is a protected record under Title 63G, Chapter 2, Government Records Access and Management Act.

(9) The authority or a subsidiary acting in the role of a facilitator under Subsection 63H-1-201(3)(v) is not prohibited from receiving a benefit from a public-private partnership that results from the facilitator's work as a facilitator.

(10) (a) (i) A subsidiary created as a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act, may, subject to limitations of Title 17D, Chapter 4, Public Infrastructure District Act, levy a property tax for the operations and maintenance of

the public infrastructure district's financed infrastructure and related improvements, subject to a maximum rate of .015.

(ii) A levy under Subsection (10)(a)(i) may be separate from a public infrastructure district property tax levy for a bond.

(b) If a subsidiary created as a public infrastructure district issues a bond:

(i) the subsidiary may:

(A) delay the effective date of the property tax levy for the bond until after the period of capitalized interest payments; and

(B) covenant with bondholders not to reduce or impair the property tax levy; and

(ii) notwithstanding a provision to the contrary in Title 17D, Chapter 4, Public Infrastructure District Act, the tax rate for the property tax levy for the bond may not exceed a rate that generates more revenue than required to pay the annual debt service of the bond plus administrative costs, subject to a maximum of .02.

(c) (i) A subsidiary created as a public infrastructure district under Title 17D, Chapter 4, Public Infrastructure District Act, may create tax areas, as defined in Section 59-2-102, within the public infrastructure district and apply a different property tax rate to each tax area, subject to the maximum rate limitations described in Subsections (10)(a)(i) and (10)(b)(ii).

(ii) If a subsidiary created by a public infrastructure district issues bonds, the subsidiary may issue bonds secured by property taxes from:

(A) the entire public infrastructure district; or

(B) one or more tax areas within the public infrastructure district.

(11) (a) Terms defined in Section 57-11-2 apply to this Subsection (11).

(b) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act, does not apply to an offer or disposition of an interest in land if the interest in land lies within the boundaries of the project area and the authority:

(i) (A) has a development review committee using at least one professional planner;

(B) enacts standards and guidelines that require approval of planning, land use, and plats, including the approval of plans for streets, culinary water, sanitary sewer, and flood control; and

(C) will have the improvements described in Subsection (11)(b)(i)(B) plus telecommunications and electricity; and

(ii) if at the time of the offer or disposition, the subdivider furnishes satisfactory assurance of completion of the improvements described in Subsection (11)(b)(i)(C).

(12) (a) As used in this Subsection (12), "officer" means the same as an officer within the meaning of the Utah Constitution, Article IV, Section 10.

(b) An official act of an officer may not be invalidated for the reason that the officer failed to take the oath of office.

Section 6. Section **63H-1-203** is amended to read:

**63H-1-203. Levy of a municipal tax -- Direct tax payment to MIDA.**

(1) A levy of a municipal energy tax, MIDA energy tax, telecommunications tax, transient room tax, ~~[or] resort communities tax,~~ or additional resort communities sales tax, including an increase in the applicable tax rate, requires the affirmative vote of:

(a) the authority board; and

(b) a majority of all elected members of the authority board.

(2) If the authority board levies a municipal energy tax, a consumer who acquires taxable energy shall pay the tax directly to the authority on a monthly basis if the consumer's energy supplier is not required under federal law to collect the tax in the manner described in Section 10-1-307.

Section 7. Section **63H-1-205** is amended to read:

**63H-1-205. MIDA accommodations tax.**

(1) As used in this section:

(a) "Accommodations and services" means an accommodation or service described in Subsection 59-12-103(1)(i).

(b) "Accommodations and services" does not include amounts paid or charged that are not part of a rental room rate.

(2) By ordinance, the authority board may impose a MIDA accommodations tax on a provider for amounts paid or charged for accommodations and services, if the place of accommodation is located within a project area and on:

(a) authority-owned or other government-owned property [~~within the project area~~]; [~~or~~]

(b) privately owned property on which the authority owns a condominium unit that is part of the place of accommodation~~[;]~~; or

(c) privately owned property on which the authority board finds that a provider is

615 providing a significant long-term benefit, including lodging but not including a benefit that is  
616 commonly provided, to members of the military at the property.

617 (3) The maximum rate of the MIDA accommodations tax is 15% of the amounts paid  
618 to or charged by the provider for accommodations and services.

619 (4) A provider may recover an amount equal to the MIDA accommodations tax from  
620 customers, if the provider includes the amount as a separate billing line item.

621 (5) If the authority imposes the tax described in this section, neither the authority nor a  
622 public entity may impose, on the amounts paid or charged for accommodations and services,  
623 any other tax described in:

624 (a) Title 59, Chapter 12, Sales and Use Tax Act; or

625 (b) Title 59, Chapter 28, State Transient Room Tax Act.

626 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall  
627 be administered, collected, and enforced in accordance with:

628 (a) the same procedures used to administer, collect, and enforce the tax under:

629 (i) Title 59, Chapter 12, Part 1, Tax Collection; or

630 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and

631 (b) Title 59, Chapter 1, General Taxation Policies.

632 (7) The location of a transaction shall be determined in accordance with Sections  
633 59-12-211 through 59-12-215.

634 (8) (a) A tax under this section is not subject to Section 59-12-107.1 or 59-12-123 or  
635 Subsections 59-12-205(2) through (5).

636 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do  
637 not apply to a tax imposed under this section.

638 (9) The State Tax Commission shall:

639 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the  
640 tax to the authority; and

641 (b) retain and deposit an administrative charge in accordance with Section 59-1-306  
642 from revenue the commission collects from a tax under this section.

643 (10) (a) If the authority imposes, repeals, or changes the rate of tax under this section,  
644 the implementation, repeal, or change shall take effect:

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

(ii) after a 90-day period beginning on the date the State Tax Commission receives the notice described in Subsection (10)(b) from the authority.

(b) The notice required in Subsection (10)(a)(ii) shall state:

(i) that the authority will impose, repeal, or change the rate of a tax under this section;

(ii) the effective date of the implementation, repeal, or change of the tax; and

(iii) the rate of the tax.

(11) In addition to the uses permitted under Section 63H-1-502, the authority may allocate revenue from the MIDA accommodations tax to a county in which a place of accommodation that is subject to the MIDA accommodations tax is located, if:

(a) the county had a transient room tax described in Section 59-12-301 in effect at the time the authority board imposed a MIDA accommodations tax by ordinance; and

(b) the revenue replaces revenue that the county received from a county transient room tax described in Section 59-12-301 for the county's general operations and administrative expenses.

Section 8. Section 63H-1-207 is amended to read:

**63H-1-207. Authority jurisdiction over Department of Transportation property.**

(1) As used in this section:

(a) "Highway land" means land that is:

(i) owned by the Department of Transportation, created in Section 72-1-201; and

(ii) ~~Ĥ→ [within an authority project area that:]~~ as of April 1, 2024, an area of no more than 35 total acres, adjacent to State Route 40, and within a military recreation facility project area. ~~←Ĥ~~

~~Ĥ→ [(A) was created to provide military recreation facilities and support[.]; and~~

~~———— (B) is within two miles of a state park.] ←Ĥ~~

(b) "Highway land" does not include:

(i) a class A state road that is in active use; and

(ii) a shoulder or appurtenance that is contiguous to a class A state road that is in active use.

(2) Notwithstanding any other provision of statute, the authority has jurisdiction and control over highway land, subject to Subsection (3).

(3) (a) The executive director of the Department of Transportation may, in consultation with the authority, transfer, sell, trade, or lease the highway land or any interest in the highway land as provided in Section 72-5-111 and any applicable rules and regulations.

(b) (i) Notwithstanding Section 72-5-111, if the Department of Transportation sells highway land or any interest in highway land to the authority, the Department of Transportation shall transfer the proceeds of the sale to the authority.

(ii) The authority shall use any proceeds of a sale described in Subsection (3)(b)(i) for transportation or transit purposes within the project area where the sale of the highway land or interest in the highway land occurred.

Section 9. Section **63H-1-501** is amended to read:

**63H-1-501. Authority receipt and use of property tax allocation -- Contractual annual payment -- Distribution of property tax allocation.**

(1) (a) The authority may:

(i) subject to Subsection (1)(b):

(A) receive up to 75% of the property tax allocation for up to 25 years, as provided in this part; and

(B) after the time period described in Subsection (1)(a)(i)(A) expires, receive up to 75% of the property tax allocation for up to 15 years, if the board determines the additional years will produce significant benefit; and

(ii) use the property tax allocation before, during, and after the period described in Subsection (1)(a)(i).

(b) With respect to a parcel located within a project area, the 25-year period described in Subsection (1)(a)(i)(A) begins on the day on which the authority receives the first property tax allocation from that parcel.

(2) (a) For purposes of Subsection (1)(b), the authority may designate an improved portion of a parcel in a project area as a separate parcel.

(b) An authority designation of an improved portion of a parcel as a separate parcel under Subsection (2)(a) is for purposes of Subsection (1)(b) only and does not constitute a subdivision for any other purpose.

(c) A county recorder shall assign a separate tax identification number to the improved portion of a parcel designated by the authority as a separate parcel under Subsection (2)(a).

(3) Improvements on a parcel within a project area become subject to property tax on January 1 immediately following the day on which the authority or an entity designated by the authority issues a certificate of occupancy with respect to those improvements.

(4) (a) If the authority or an entity designated by the authority has not issued a certificate of occupancy for a private parcel within a project area, the private parcel owner shall make an annual payment to the authority:

(i) that is equal to 1.2% of the taxable value of the parcel above the base taxable value of the parcel; and

(ii) until the parcel becomes subject to the property tax described in Subsection (3).

(b) The authority may use the revenue from payments described in Subsection (4)(a) for any purpose described in Subsection 63H-1-502(1).

(c) The authority may submit for recording to the office of the recorder of the county in which a private parcel described in Subsection (4)(a) is located:

(i) a copy of an agreement between the authority and the private parcel owner that memorializes the payment obligation under Subsection (4)(a); or

(ii) a notice that describes the payment obligation under Subsection (4)(a).

(d) An owner of a private parcel described in Subsection (4)(a) may not be required to make a payment that exceeds or is in addition to the payment described in Subsection (4)(a)(i) until the private parcel becomes subject to the property tax described in Subsection (3).

(e) Upon the transfer of title of a private parcel described in Subsection (4)(a), the amount of the annual payment required under Subsection (4)(a) shall be:

(i) treated the same as a property tax; and

(ii) prorated between the previous owner and the owner who acquires title from the previous owner.

(f) A person who fails to pay or is delinquent in paying an annual payment described in Subsection (4)(a) is subject to the same penalties and interest as the failure or delinquent payment of a property tax in accordance with Title 59, Chapter 2, Property Tax Act.

(g) ~~[If requested by the authority, a]~~ A county treasurer shall:

(i) include the annual payment described in Subsection (4)(a) on a county property tax notice in accordance with Section 59-2-1317; and

(ii) collect the annual payment as part of the property tax collection.

(h) A county auditor shall include the annual payment described in Subsection (4)(a) on the notice of property valuation in accordance with Subsection 59-2-919.1(1).

(5) Each county that collects property tax on property within a project area shall pay

and distribute to the authority the property tax allocation and dedicated tax collections that the authority is entitled to collect under this title, in the manner and at the time provided in Section 59-2-1365.

(6) (a) The board shall determine by resolution when the entire project area or an individual parcel within a project area is subject to property tax allocation.

(b) The board shall amend the project area budget to reflect whether a parcel within a project area is subject to property tax allocation.

(7) The following property owned by the authority is not subject to any property tax under Title 59, Chapter 2, Property Tax Act, or any privilege tax under Title 59, Chapter 4, Privilege Tax, regardless of whether the authority enters into a long-term operating agreement with a privately owned entity under which the privately owned entity agrees to operate the property:

(a) a hotel;

(b) a hotel condominium unit in a condominium project, as defined in Section 57-8-3; and

(c) a commercial condominium unit in a condominium project, as defined in Section 57-8-3.

Section 10. Section 63H-1-502 is amended to read:

**63H-1-502. Allowable uses of property tax allocation and other funds.**

(1) Other than municipal services revenue, the authority may use the property tax allocation and other funds available to the authority:

(a) for any purpose authorized under this chapter;

(b) for administrative, overhead, legal, and other operating expenses of the authority;

(c) to pay for, including financing or refinancing, all or part of the development of land within the project area from which the property tax allocation or other funds were collected, including assisting the ongoing operation of a development or facility within the project area;

(d) to pay the cost of the installation and construction of public infrastructure and improvements within the project area from which the property tax allocation funds were collected;

(e) to pay the cost of the installation and construction of public infrastructure and improvements, including a passenger ropeway, as defined in Section 72-11-102, outside the

project area if:

(i) (A) the authority board determines by resolution that the infrastructure and improvements are of benefit to the project area; and

(B) for a passenger ropeway, at least one end of the ropeway is located within the project area; or

(ii) (A) the funds expended are appropriated by the Legislature; and

(B) the authority is directed to expend the funds, and the project or purpose is directed, by the Legislature;

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

(g) to pay for a morale, welfare, and recreation program ~~[of a United States Air Force base in Utah]~~, or other program that benefits the military or veterans, affiliated with the project area from which the funds were collected; or

(h) to pay for the promotion of:

(i) a development within the project area; or

(ii) amenities outside of the project area that are associated with a development within the project area.

(2) The authority may use revenue generated from the authority's operation of public infrastructure and improvements to:

(a) operate and maintain the public infrastructure and improvements; and

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

(3) For purposes of Subsection (1), the authority may use:

(a) tax revenue received under Subsection [59-12-205\(2\)\(a\)\(ii\)\(B\)](#);

(b) resort communities tax revenue;

(c) MIDA energy tax revenue, received under Section [63H-1-204](#), which does not have to be used in the project area where the revenue was generated;

(d) MIDA accommodations tax revenue, received under Section [63H-1-205](#);

(e) transient room tax revenue generated from hotels located on authority-owned or other public-entity-owned property;

(f) municipal energy tax or telecommunications tax revenue generated from hotels ~~[located on authority-owned or other public-entity-owned property]~~ that are subject to the

MIDA accommodations tax under Section [63H-1-205](#); or

(g) payments received under Subsection [63H-1-501](#)(4).

(4) The determination of the authority board under Subsection (1)(e) regarding benefit to the project area is final.

(5) (a) Subject to Subsection (5)(b), the authority may enter into an agreement with a school district to pay the school district a certain portion of the property tax allocation the authority receives from the project area if:

(i) (A) the school district levies a property tax in a project area established prior to 2023;

(B) the school district has a building authority that issued a lease revenue bond to construct a new school in 2022;

(C) the school district approved a property tax increase of its capital levy in 2023; and

(D) the authority and a county that entered into an interlocal cooperation agreement that allocated the property tax allocation agree to amend the interlocal agreement to allow for the payment; or

(ii) a school district levies a property tax for a general obligation bond authorized by an election after January 1, 2024.

(b) If the board approves an agreement described in Subsection (5)(a), the board shall provide that any annual tax payment is subordinate to any authority bonded indebtedness that pledged any property tax allocation from the project area as security for the bonds.

Section 11. Section **63H-1-701** is amended to read:

**63H-1-701. Annual authority budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file form.**

(1) The authority shall prepare ~~[and its board adopt]~~ an annual budget of revenues and expenditures for the authority for each fiscal year.

(2) ~~[Each annual authority budget shall be adopted]~~ The board shall adopt the annual authority budget before June 30.

(3) The authority's fiscal year shall be the period from July 1 to the following June 30.

(4) (a) Before adopting an annual budget, the authority board shall hold a public hearing on the annual budget.

(b) The authority shall provide notice of the public hearing on the annual budget by

publishing notice, as a class A notice under Section 63G-30-102, for at least one week immediately before the day of the public hearing.

(c) The authority shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each authority budget, including:

(a) revenues and expenditures for the budget year; and

~~[(b) legal fees; and]~~

~~[(c)]~~ (b) administrative costs, including legal fees, rent, supplies, and other materials, and salaries of authority personnel.

(6) (a) Within 30 days after adopting an annual budget, the authority board shall file a copy of the annual budget with the auditor of each county in which a project area of the authority is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity that levies a tax on property from which the authority collects property tax allocation.

(b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the state as a taxing entity is met if the authority files a copy with the State Tax Commission and the state auditor.

#### Section 12. **Effective date.**

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