

COMMUNITY REINVESTMENT AGENCY AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Stephen G. Handy

LONG TITLE

General Description:

This bill amends Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides an option for an agency and certain taxing entities to enter into an interlocal agreement for the purpose of dissolving the agency's project area and transferring project area incremental revenue;
- ▶ for an agency that chooses to enter into an interlocal agreement:
 - authorizes the agency to levy a property tax on property within the agency's boundaries;
 - prohibits the agency from extending the scope of certain project area plans or project area budgets;
 - allows the agency to use property tax revenue for agency-wide project development;
 - requires the agency to adopt an implementation plan to guide agency-wide project development;
 - requires the agency to allocate a certain amount of property tax revenue for affordable housing;
 - prohibits the agency from creating a new community reinvestment project area unless the purpose is for a cooperative development project or an economic

development project;

- describes the method by which an agency's certified tax rate is calculated;
- prohibits the agency from using eminent domain for agency-wide project

development; and

- describes how the agency accounts for property tax revenue; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

17C-1-102, as last amended by Laws of Utah 2020, Chapter 241

17C-1-202, as last amended by Laws of Utah 2018, Chapters 364 and 366

17C-1-402, as last amended by Laws of Utah 2019, Chapter 376

17C-1-409, as last amended by Laws of Utah 2019, Chapter 376

17C-1-502, as last amended by Laws of Utah 2016, Chapter 350

17C-1-605, as last amended by Laws of Utah 2016, Chapter 350

17C-2-110, as last amended by Laws of Utah 2019, Chapter 376

17C-2-206, as last amended by Laws of Utah 2016, Chapter 350

17C-2-207, as last amended by Laws of Utah 2020, Chapter 385

17C-3-109, as last amended by Laws of Utah 2018, Chapter 364

17C-3-205, as last amended by Laws of Utah 2016, Chapter 350

17C-3-206, as last amended by Laws of Utah 2016, Chapter 350

17C-4-108, as last amended by Laws of Utah 2018, Chapter 364

17C-5-102, as enacted by Laws of Utah 2016, Chapter 350

17C-5-112, as last amended by Laws of Utah 2019, Chapter 376

17C-5-306, as last amended by Laws of Utah 2017, Chapter 456

58 **53G-7-306**, as last amended by Laws of Utah 2020, Chapters 354 and 408
59 **59-2-924**, as last amended by Laws of Utah 2020, Chapters 305 and 354

60 ENACTS:

61 **17C-1-1001**, Utah Code Annotated 1953
62 **17C-1-1002**, Utah Code Annotated 1953
63 **17C-1-1003**, Utah Code Annotated 1953
64 **17C-1-1004**, Utah Code Annotated 1953
65 **17C-1-1005**, Utah Code Annotated 1953

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

68 Section 1. Section **17C-1-102** is amended to read:

69 **17C-1-102. Definitions.**

70 As used in this title:

71 (1) "Active project area" means a project area that has not been dissolved in accordance
72 with Section **17C-1-702**.

73 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,
74 that an agency is authorized to receive:

75 (a) for a pre-July 1, 1993, project area plan, under Section **17C-1-403**, excluding tax
76 increment under Subsection **17C-1-403**(3);

77 (b) for a post-June 30, 1993, project area plan, under Section **17C-1-404**, excluding tax
78 increment under Section **17C-1-406**;

79 (c) under a project area budget approved by a taxing entity committee; or

80 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
81 tax increment.

82 (3) "Affordable housing" means housing owned or occupied by a low or moderate
83 income family, as determined by resolution of the agency.

84 (4) "Agency" or "community reinvestment agency" means a separate body corporate
85 and politic, created under Section **17C-1-201.5** or as a redevelopment agency or community

development and renewal agency under previous law:

(a) that is a political subdivision of the state;

(b) that is created to undertake or promote project area development as provided in this title; and

(c) whose geographic boundaries are coterminous with:

(i) for an agency created by a county, the unincorporated area of the county; and

(ii) for an agency created by a municipality, the boundaries of the municipality.

(5) "Agency funds" means money that an agency collects or receives for agency operations, implementing a project area plan or an implementation plan as defined in Section 17C-1-1001, or other agency purposes, including:

(a) project area funds;

(b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development or agency-wide project development as defined in Section 17C-1-1001; [or]

(c) a contribution, loan, grant, or other financial assistance from any public or private source[-];

(d) project area incremental revenue as defined in Section 17C-1-1001; or

(e) property tax revenue as defined in Section 17C-1-1001.

(6) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as superseded by replacement regulations.

(7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

(8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a property's taxable value as shown upon the assessment roll last equalized during the base year.

(9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized:

(a) for a pre-July 1, 1993, urban renewal or economic development project area plan,

before the project area plan's effective date;

(b) for a post-June 30, 1993, urban renewal or economic development project area plan, or a community reinvestment project area plan that is subject to a taxing entity committee:

(i) before the date on which the taxing entity committee approves the project area budget; or

(ii) if taxing entity committee approval is not required for the project area budget, before the date on which the community legislative body adopts the project area plan;

(c) for a project on an inactive airport site, after the later of:

(i) the date on which the inactive airport site is sold for remediation and development; or

(ii) the date on which the airport that operated on the inactive airport site ceased operations; or

(d) for a community development project area plan or a community reinvestment project area plan that is subject to an interlocal agreement, as described in the interlocal agreement.

(10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy under Section [59-2-902](#).

(11) "Board" means the governing body of an agency, as described in Section [17C-1-203](#).

(12) "Budget hearing" means the public hearing on a proposed project area budget required under Subsection [17C-2-201\(2\)\(d\)](#) for an urban renewal project area budget, Subsection [17C-3-201\(2\)\(d\)](#) for an economic development project area budget, or Subsection [17C-5-302\(2\)\(e\)](#) for a community reinvestment project area budget.

(13) "Closed military base" means land within a former military base that the Defense Base Closure and Realignment Commission has voted to close or realign when that action has been sustained by the president of the United States and Congress.

(14) "Combined incremental value" means the combined total of all incremental values

from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.

(15) "Community" means a county or municipality.

(16) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.

(17) "Community legislative body" means the legislative body of the community that created the agency.

(18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.

(19) "Contest" means to file a written complaint in the district court of the county in which the agency is located.

(20) "Development impediment" means a condition of an area that meets the requirements described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.

(21) "Development impediment hearing" means a public hearing regarding whether a development impediment exists within a proposed:

(a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or

(b) community reinvestment project area under Section 17C-5-404.

(22) "Development impediment study" means a study to determine whether a development impediment exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403 for a community reinvestment project area.

(23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.

(24) "Fair share ratio" means the ratio derived by:

(a) for a municipality, comparing the percentage of all housing units within the municipality that are publicly subsidized income targeted housing units to the percentage of all

housing units within the county in which the municipality is located that are publicly subsidized income targeted housing units; or

(b) for the unincorporated part of a county, comparing the percentage of all housing units within the unincorporated county that are publicly subsidized income targeted housing units to the percentage of all housing units within the whole county that are publicly subsidized income targeted housing units.

(25) "Family" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.

(26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

(27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment, under state or federal law or regulation.

(28) "Housing allocation" means project area funds allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

(29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or 17C-1-412 that is comprised of:

(a) project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes described in Section 17C-1-411; or

(b) an agency's housing allocation.

(30) (a) "Inactive airport site" means land that:

(i) consists of at least 100 acres;

(ii) is occupied by an airport:

(A) (I) that is no longer in operation as an airport; or

(II) (Aa) that is scheduled to be decommissioned; and

(Bb) for which a replacement commercial service airport is under construction; and

(B) that is owned or was formerly owned and operated by a public entity; and

(iii) requires remediation because:

(A) of the presence of hazardous waste or solid waste; or

(B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service, water system, and sewer system, needed to support development of the site.

(b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in Subsection (30)(a).

(31) (a) "Inactive industrial site" means land that:

(i) consists of at least 1,000 acres;

(ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and

(iii) requires remediation because of the presence of hazardous waste or solid waste.

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection (31)(a).

(32) "Income targeted housing" means housing that is owned or occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.

(33) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to the agency.

(34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

(35) (a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:

(i) a fire station;

(ii) a police station;

(iii) a city hall; or

(iv) a court or other judicial building.

(b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.

(36) "Major transit investment corridor" means the same as that term is defined in Section 10-9a-103.

(37) "Marginal value" means the difference between actual taxable value and base taxable value.

(38) "Military installation project area" means a project area or a portion of a project area located within a federal military installation ordered closed by the federal Defense Base Realignment and Closure Commission.

(39) "Municipality" means a city, town, or metro township as defined in Section 10-2a-403.

(40) "Participant" means one or more persons that enter into a participation agreement with an agency.

(41) "Participation agreement" means a written agreement between a person and an agency that:

(a) includes a description of:

(i) the project area development that the person will undertake;

(ii) the amount of project area funds the person may receive; and

(iii) the terms and conditions under which the person may receive project area funds;

and

(b) is approved by resolution of the board.

(42) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102(1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project area plan.

(43) "Post-June 30, 1993, project area plan" means a project area plan adopted on or

after July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the project area plan's adoption.

(44) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993, whether or not amended subsequent to the project area plan's adoption.

(45) "Private," with respect to real property, means property not owned by a public entity or any other governmental entity.

(46) "Project area" means the geographic area described in a project area plan within which the project area development described in the project area plan takes place or is proposed to take place.

(47) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to a project area prepared in accordance with:

- (a) for an urban renewal project area, Section [17C-2-201](#);
- (b) for an economic development project area, Section [17C-3-201](#);
- (c) for a community development project area, Section [17C-4-204](#); or
- (d) for a community reinvestment project area, Section [17C-5-302](#).

(48) "Project area development" means activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan, including:

- (a) promoting, creating, or retaining public or private jobs within the state or a community;
- (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;
- (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating

existing structures;

(f) providing open space, including streets or other public grounds or space around buildings;

(g) providing public or private buildings, infrastructure, structures, or improvements;

(h) relocating a business;

(i) improving public or private recreation areas or other public grounds;

(j) eliminating a development impediment or the causes of a development impediment;

(k) redevelopment as defined under the law in effect before May 1, 2006; or

(l) any activity described in this Subsection (48) outside of a project area that the board determines to be a benefit to the project area.

(49) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.

(50) "Project area funds collection period" means the period of time that:

(a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement; and

(b) ends the day on which the last payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement.

(51) "Project area plan" means an urban renewal project area plan, an economic development project area plan, a community development project area plan, or a community reinvestment project area plan that, after the project area plan's effective date, guides and controls the project area development.

(52) (a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.

(b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.

310 (53) "Public entity" means:

311 (a) the United States, including an agency of the United States;

312 (b) the state, including any of the state's departments or agencies; or

313 (c) a political subdivision of the state, including a county, municipality, school district,
314 local district, special service district, community reinvestment agency, or interlocal cooperation
315 entity.

316 (54) "Publicly owned infrastructure and improvements" means water, sewer, storm
317 drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets,
318 roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or
319 other facilities, infrastructure, and improvements benefitting the public and to be publicly
320 owned or publicly maintained or operated.

321 (55) "Record property owner" or "record owner of property" means the owner of real
322 property, as shown on the records of the county in which the property is located, to whom the
323 property's tax notice is sent.

324 (56) "Sales and use tax revenue" means revenue that is:

325 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act;
326 and

327 (b) distributed to a taxing entity in accordance with Sections [59-12-204](#) and [59-12-205](#).

328 (57) "Superfund site":

329 (a) means an area included in the National Priorities List under the Comprehensive
330 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and

331 (b) includes an area formerly included in the National Priorities List, as described in
332 Subsection (57)(a), but removed from the list following remediation that leaves on site the
333 waste that caused the area to be included in the National Priorities List.

334 (58) "Survey area" means a geographic area designated for study by a survey area
335 resolution to determine whether:

336 (a) one or more project areas within the survey area are feasible; or

337 (b) a development impediment exists within the survey area.

(59) "Survey area resolution" means a resolution adopted by a board that designates a survey area.

(60) "Taxable value" means:

(a) the taxable value of all real property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, for the current year;

(b) the taxable value of all real and personal property the commission assesses in accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and

(c) the year end taxable value of all personal property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing entity.

(61) (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 project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property 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 of the property and each taxing entity's current certified tax rate as defined in Section 59-2-924.

(b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602 on or after January 1, 1994, upon the taxable property in the project area unless:

(i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was subsequently amended; and

(ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.

(62) "Taxing entity" means a public entity that:

(a) levies a tax on property located within a project area; or

(b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

(63) "Taxing entity committee" means a committee representing the interests of taxing

entities, created in accordance with Section 17C-1-402.

(64) "Unincorporated" means not within a municipality.

(65) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1, Urban Renewal Project Area Plan.

Section 2. Section 17C-1-202 is amended to read:

17C-1-202. Agency powers.

(1) An agency may:

(a) sue and be sued;

(b) enter into contracts generally;

(c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real or personal property;

(d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal property;

(e) own, hold, maintain, utilize, manage, or operate real or personal property, which may include the use of agency funds or the collection of revenue;

(f) enter into a lease agreement on real or personal property, either as lessee or lessor;

(g) provide for project area development as provided in this title;

(h) receive and use agency funds as provided in this title;

(i) if disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;

(j) accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds the agency receives for any purpose described in this title;

(k) borrow money or accept financial or other assistance from a public entity or any other source for any of the purposes of this title and comply with any conditions of any loan or assistance;

(l) issue bonds to finance the undertaking of any project area development or for any of the agency's other purposes, including:

- 394 (i) reimbursing an advance made by the agency or by a public entity to the agency;
395 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and
396 (iii) refunding bonds to pay or retire bonds previously issued by the community that
397 created the agency for expenses associated with project area development;
398 (m) pay an impact fee, exaction, or other fee imposed by a community in connection
399 with land development; ~~[or]~~
400 (n) subject to Part 10, Agency Taxing Authority, levy a property tax; or
401 ~~[(n)]~~ (o) transact other business and exercise all other powers described in this title.
402 (2) The establishment of controls or restrictions and covenants under Subsection (1)(i)
403 is a public purpose.
404 (3) An agency may acquire real property under Subsection (1)(c) that is outside a
405 project area only if the board determines that the property will benefit a project area.
406 (4) An agency is not subject to Section 10-8-2 or 17-50-312.
407 Section 3. Section 17C-1-402 is amended to read:
408 **17C-1-402. Taxing entity committee.**
409 (1) The provisions of this section apply to a taxing entity committee that is created by
410 an agency for:
411 (a) a post-June 30, 1993, urban renewal project area plan or economic development
412 project area plan;
413 (b) any other project area plan adopted before May 10, 2016, for which the agency
414 created a taxing entity committee; and
415 (c) a community reinvestment project area plan adopted before May 14, 2019, that is
416 subject to a taxing entity committee.
417 (2) (a) (i) Each taxing entity committee shall be composed of:
418 (A) two school district representatives appointed in accordance with Subsection
419 (2)(a)(ii);
420 (B) (I) in a county of the second, third, fourth, fifth, or sixth class, two representatives
421 appointed by resolution of the legislative body of the county in which the agency is located; or

422 (II) in a county of the first class, one representative appointed by the county executive
423 and one representative appointed by the legislative body of the county in which the agency is
424 located;

425 (C) if the agency is created by a municipality, two representatives appointed by
426 resolution of the legislative body of the municipality;

427 (D) one representative appointed by the State Board of Education; and

428 (E) one representative selected by majority vote of the legislative bodies or governing
429 boards of all other taxing entities that levy a tax on property within the agency's boundaries, to
430 represent the interests of those taxing entities on the taxing entity committee.

431 (ii) (A) If the agency boundaries include only one school district, that school district
432 shall appoint the two school district representatives under Subsection (2)(a)(i)(A).

433 (B) If the agency boundaries include more than one school district, those school
434 districts shall jointly appoint the two school district representatives under Subsection
435 (2)(a)(i)(A).

436 (b) (i) Each taxing entity committee representative described in Subsection (2)(a) shall
437 be appointed within 30 days after the day on which the agency provides notice of the creation
438 of the taxing entity committee.

439 (ii) If a representative is not appointed within the time required under Subsection
440 (2)(b)(i), the board may appoint an individual to serve on the taxing entity committee in the
441 place of the missing representative until that representative is appointed.

442 (c) (i) A taxing entity committee representative may be appointed for a set term or
443 period of time, as determined by the appointing authority under Subsection (2)(a)(i).

444 (ii) Each taxing entity committee representative shall serve until a successor is
445 appointed and qualified.

446 (d) (i) Upon the appointment of each representative under Subsection (2)(a)(i), whether
447 an initial appointment or an appointment to replace an already serving representative, the
448 appointing authority shall:

449 (A) notify the agency in writing of the name and address of the newly appointed

representative; and

(B) provide the agency a copy of the resolution making the appointment or, if the appointment is not made by resolution, other evidence of the appointment.

(ii) Each appointing authority of a taxing entity committee representative under Subsection (2)(a)(i) shall notify the agency in writing of any change of address of a representative appointed by that appointing authority.

(3) At a taxing entity committee's first meeting, the taxing entity committee shall adopt an organizing resolution that:

(a) designates a chair and a secretary of the taxing entity committee; and

(b) if the taxing entity committee considers it appropriate, governs the use of electronic meetings under Section 52-4-207.

(4) (a) A taxing entity committee represents all taxing entities regarding:

(i) an urban renewal project area plan;

(ii) an economic development project area plan; or

(iii) a community reinvestment project area plan that is subject to a taxing entity committee.

(b) A taxing entity committee may:

(i) cast votes that are binding on all taxing entities;

(ii) negotiate with the agency concerning a proposed project area plan;

(iii) approve or disapprove:

(A) an urban renewal project area budget as described in Section 17C-2-204;

(B) an economic development project area budget as described in Section 17C-3-203;

or

(C) for a community reinvestment project area plan that is subject to a taxing entity committee, a community reinvestment project area budget as described in Section 17C-5-302;

(iv) approve or disapprove an amendment to a project area budget as described in Section 17C-2-206, 17C-3-205, or 17C-5-306;

(v) approve an exception to the limits on the value and size of a project area imposed

under this title;

(vi) approve:

(A) an exception to the percentage of tax increment to be paid to the agency;

(B) except for a project area funds collection period that is approved by an interlocal agreement, each project area funds collection period; and

(C) an exception to the requirement for an urban renewal project area budget, an economic development project area budget, or a community reinvestment project area budget to include a maximum cumulative dollar amount of tax increment that the agency may receive;

(vii) approve the use of tax increment for publicly owned infrastructure and improvements outside of a project area that the agency and community legislative body determine to be of benefit to the project area, as described in Subsection

~~17C-1-409~~(1)(a)(iii)[~~(D)~~](E);

(viii) waive the restrictions described in Subsection ~~17C-2-202~~(1);

(ix) subject to Subsection (4)(c), designate the base taxable value for a project area budget; and

(x) give other taxing entity committee approval or consent required or allowed under this title.

(c) (i) Except as provided in Subsection (4)(c)(ii), the base year may not be a year that is earlier than five years before the beginning of a project area funds collection period.

(ii) The taxing entity committee may approve a base year that is earlier than the year described in Subsection (4)(c)(i).

(5) A quorum of a taxing entity committee consists of:

(a) if the project area is located within a municipality, five members; or

(b) if the project area is not located within a municipality, four members.

(6) Taxing entity committee approval, consent, or other action requires:

(a) the affirmative vote of a majority of all members present at a taxing entity committee meeting;

(i) at which a quorum is present; and

(ii) considering an action relating to a project area budget for, or approval of a development impediment determination within, a project area or proposed project area that contains:

(A) an inactive industrial site;

(B) an inactive airport site; or

(C) a closed military base; or

(b) for any other action not described in Subsection (6)(a)(ii), the affirmative vote of two-thirds of all members present at a taxing entity committee meeting at which a quorum is present.

(7) (a) An agency may call a meeting of the taxing entity committee by sending written notice to the members of the taxing entity committee at least 10 days before the date of the meeting.

(b) Each notice under Subsection (7)(a) shall be accompanied by:

(i) the proposed agenda for the taxing entity committee meeting; and

(ii) if not previously provided and if the documents exist and are to be considered at the meeting:

(A) the project area plan or proposed project area plan;

(B) the project area budget or proposed project area budget;

(C) the analysis required under Subsection 17C-2-103(2), 17C-3-103(2), or 17C-5-105(12);

(D) the development impediment study;

(E) the agency's resolution making a development impediment determination under Subsection 17C-2-102(1)(a)(ii)(B) or 17C-5-402(2)(c)(ii); and

(F) other documents to be considered by the taxing entity committee at the meeting.

(c) (i) An agency may not schedule a taxing entity committee meeting on a day on which the Legislature is in session.

(ii) Notwithstanding Subsection (7)(c)(i), a taxing entity committee may, by unanimous consent, waive the scheduling restriction described in Subsection (7)(c)(i).

534 (8) (a) A taxing entity committee may not vote on a proposed project area budget or
535 proposed amendment to a project area budget at the first meeting at which the proposed project
536 area budget or amendment is considered unless all members of the taxing entity committee
537 present at the meeting consent.

538 (b) A second taxing entity committee meeting to consider a proposed project area
539 budget or a proposed amendment to a project area budget may not be held within 14 days after
540 the first meeting unless all members of the taxing entity committee present at the first meeting
541 consent.

542 (9) Each taxing entity committee shall be governed by Title 52, Chapter 4, Open and
543 Public Meetings Act.

544 (10) A taxing entity committee's records shall be:

545 (a) considered the records of the agency that created the taxing entity committee; and

546 (b) maintained by the agency in accordance with Section [17C-1-209](#).

547 (11) Each time a school district representative or a representative of the State Board of
548 Education votes as a member of a taxing entity committee to allow an agency to receive tax
549 increment, to increase the amount of tax increment the agency receives, or to extend a project
550 area funds collection period, that representative shall, within 45 days after the vote, provide to
551 the representative's respective school board an explanation in writing of the representative's
552 vote and the reasons for the vote.

553 (12) (a) The auditor of each county in which an agency is located shall provide a
554 written report to the taxing entity committee stating, with respect to property within each
555 project area:

556 (i) the base taxable value, as adjusted by any adjustments under Section [17C-1-408](#);
557 and

558 (ii) the assessed value.

559 (b) With respect to the information required under Subsection (12)(a), the auditor shall
560 provide:

561 (i) actual amounts for each year from the adoption of the project area plan to the time

of the report; and

(ii) estimated amounts for each year beginning the year after the time of the report and ending the time that each project area funds collection period ends.

(c) The auditor of the county in which the agency is located shall provide a report under this Subsection (12):

(i) at least annually; and

(ii) upon request of the taxing entity committee, before a taxing entity committee meeting at which the committee considers whether to allow the agency to receive tax increment, to increase the amount of tax increment that the agency receives, or to extend a project area funds collection period.

(13) This section does not apply to:

(a) a community development project area plan; or

(b) a community reinvestment project area plan that is subject to an interlocal agreement.

(14) (a) A taxing entity committee resolution approving a development impediment determination, approving a project area budget, or approving an amendment to a project area budget:

(i) is final; and

(ii) is not subject to repeal, amendment, or reconsideration unless the agency first consents by resolution to the proposed repeal, amendment, or reconsideration.

(b) The provisions of Subsection (14)(a) apply regardless of when the resolution is adopted.

Section 4. Section **17C-1-409** is amended to read:

17C-1-409. Allowable uses of agency funds.

(1) (a) An agency may use agency funds:

(i) for any purpose authorized under this title;

(ii) for administrative, overhead, legal, or other operating expenses of the agency, including consultant fees and expenses under Subsection **17C-2-102(1)(b)(ii)(B)** or funding for

a business resource center;

(iii) to pay for, including financing or refinancing, all or part of:

(A) project area development in a project area, including environmental remediation activities occurring before or after adoption of the project area plan;

(B) housing-related expenditures, projects, or programs as described in Section 17C-1-411 or 17C-1-412;

(C) an incentive or other consideration paid to a participant under a participation agreement;

(D) subject to Subsections (1)(c) and (4), the value of the land for and the cost of the installation and construction of any publicly owned building, facility, structure, landscaping, or other improvement within the project area from which the project area funds are collected; or

(E) the cost of the installation of publicly owned infrastructure and improvements outside the project area from which the project area funds are collected if the board and the community legislative body determine by resolution that the publicly owned infrastructure and improvements benefit the project area;

(iv) in an urban renewal project area that includes some or all of an inactive industrial site and subject to Subsection (1)(e), to reimburse the Department of Transportation created under Section 72-1-201, or a public transit district created under Title 17B, Chapter 2a, Part 8, Public Transit District Act, for the cost of:

(A) construction of a public road, bridge, or overpass;

(B) relocation of a railroad track within the urban renewal project area; or

(C) relocation of a railroad facility within the urban renewal project area; [or]

(v) subject to Subsection (5), to transfer funds to a community that created the agency;

or

(vi) subject to Subsection (1)(f), for agency-wide project development under Part 10, Agency Taxing Authority.

(b) The determination of the board and the community legislative body under Subsection (1)(a)(iii)(E) regarding benefit to the project area shall be final and conclusive.

(c) An agency may not use project area funds received from a taxing entity for the purposes stated in Subsection (1)(a)(iii)(D) under an urban renewal project area plan, an economic development project area plan, or a community reinvestment project area plan without the community legislative body's consent.

(d) (i) Subject to Subsection (1)(d)(ii), an agency may loan project area funds from a project area fund to another project area fund if:

(A) the board approves; and

(B) the community legislative body approves.

(ii) An agency may not loan project area funds under Subsection (1)(d)(i) unless the projections for agency funds are sufficient to repay the loan amount.

(iii) A loan described in Subsection (1)(d) is not subject to Title 10, Chapter 5, Uniform Fiscal Procedures Act for Utah Towns, Title 10, Chapter 6, Uniform Fiscal Procedures Act for Utah Cities, Title 17, Chapter 36, Uniform Fiscal Procedures Act for Counties, or Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts.

(e) Before an agency may pay any tax increment or sales tax revenue under Subsection (1)(a)(iv), the agency shall enter into an interlocal agreement defining the terms of the reimbursement with:

(i) the Department of Transportation; or

(ii) a public transit district.

(f) Before an agency may use project area funds for agency-wide project development, as defined in Section 17C-1-1001, the agency shall obtain the consent of the taxing entity committee or each taxing entity party to an interlocal agreement with the agency.

(2) (a) Sales and use tax revenue that an agency receives from a taxing entity is not subject to the prohibition or limitations of Title 11, Chapter 41, Prohibition on Sales and Use Tax Incentive Payments Act.

(b) An agency may use sales and use tax revenue that the agency receives under an interlocal agreement under Section 17C-4-201 or 17C-5-204 for the uses authorized in the interlocal agreement.

(3) (a) An agency may contract with the community that created the agency or another public entity to use agency funds to reimburse the cost of items authorized by this title to be paid by the agency that are paid by the community or other public entity.

(b) If land is acquired or the cost of an improvement is paid by another public entity and the land or improvement is leased to the community, an agency may contract with and make reimbursement from agency funds to the community.

(4) Notwithstanding any other provision of this title, an agency may not use project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001, to construct a local government building unless the taxing entity committee or each taxing entity party to an interlocal agreement with the agency consents.

(5) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(v), 17C-1-411(1)(d), and 17C-1-412~~[(3)]~~(1)(a)(x) may not exceed the community's annual local contribution as defined in Section 35A-8-606.

Section 5. Section 17C-1-502 is amended to read:

17C-1-502. Sources from which bonds may be made payable -- Agency powers regarding bonds.

~~[(1) The principal and interest on a bond issued by an agency may be paid from:]~~

(1) An agency may pay the principal and interest on a bond issued by the agency from:

(a) the income and revenues of the project area development financed with the proceeds of the bond;

(b) the income and revenue of certain designated project area development regardless of whether the project area development is financed in whole or in part with the proceeds of the bond;

(c) the income, proceeds, revenue, property, or agency funds derived from or held in connection with the agency's undertaking and implementation of project area development;

(d) project area funds;
(e) agency revenues generally;
(f) a contribution, loan, grant, or other financial assistance from a public entity in aid of project area development, including the assignment of revenue or taxes in support of an agency bond; ~~or~~

(g) project area incremental revenue or property tax revenue as those terms are defined in Section 17C-1-1001; or

(h) funds derived from any combination of the methods listed in Subsections (1)(a) through ~~(f)~~ (g).

(2) In connection with the issuance of an agency bond, an agency may:

(a) pledge all or any part of the agency's gross or net rents, fees, or revenues to which the agency's right then exists or may thereafter come into existence;

(b) encumber by mortgage, deed of trust, or otherwise all or any part of the agency's real or personal property, then owned or thereafter acquired; and

(c) make the covenants and take the action that:

(i) may be necessary, convenient, or desirable to secure the bond; or

(ii) except as otherwise provided in this chapter, will tend to make the bond more marketable, even though such covenants or actions are not specifically enumerated in this chapter.

Section 6. Section 17C-1-605 is amended to read:

17C-1-605. Audit report.

(1) Each agency required to be audited under Section 17C-1-604 shall, within 180 days after the end of the agency's fiscal year, file a copy of the audit report with the county auditor, the State Tax Commission, the State Board of Education, and each taxing entity from which the agency receives tax increment.

(2) Each audit report under Subsection (1) shall include:

(a) the tax increment collected by the agency for each project area;

(b) the amount of tax increment paid to each taxing entity under Section 17C-1-410;

(c) the outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the agency's project areas; ~~[and]~~

(d) the amount of property tax revenue generated under Part 10, Agency Taxing Authority; and

(e) the actual amount expended for:

(i) acquisition of property;

(ii) site improvements or site preparation costs;

(iii) installation of public utilities or other public improvements; and

(iv) administrative costs of the agency.

Section 7. Section **17C-1-1001** is enacted to read:

Part 10. Agency Taxing Authority

17C-1-1001. Definitions.

As used in this part:

(1) (a) "Agency-wide project development" means activity within the agency's boundaries that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of achieving the results described in an implementation plan, including affordable housing.

(b) "Agency-wide project development" does not include project area development under a project area plan.

(2) "Certified tax rate" means the same as that term is defined in Section [59-2-924](#).

(3) "Cooperative development project" means project area development with impacts that extend beyond an agency's geographic boundaries to the benefit of two or more communities.

(4) "Economic development project" means project area development for the purpose of:

(a) creating, developing, attracting, and retaining business;

(b) creating or preserving jobs;

(c) stimulating business and economic activity; or

(d) providing a local incentive as required by the Governor's Office of Economic Development under Title 63N, Governor's Office of Economic Development.

(5) "Eligible taxing entity" means a taxing entity that:
(a) is a municipality, a county, or a school district; and
(b) contains an agency partially or completely within the taxing entity's geographic boundaries.

(6) "Implementation plan" means a plan adopted in accordance with Section 17C-1-1004 that:

(a) describes how the agency uses property tax revenue; and
(b) guides and controls agency-wide project development.

(7) "Project area incremental revenue" means the amount of revenue generated by the incremental value that a taxing entity receives after a project area funds collection period ends.

(8) "Property tax revenue" means the amount of revenue generated by an agency from the property within the agency using the current taxable value of the property and the agency's certified tax rate.

Section 8. Section **17C-1-1002** is enacted to read:

17C-1-1002. Transferring project area incremental revenue -- Agency may levy a property tax.

(1) An agency and an eligible taxing entity may enter into an interlocal agreement for the purpose of transferring all or a portion of the eligible taxing entity's project area incremental revenue.

(2) An agency shall ensure that an interlocal agreement described in Subsection (1):

(a) identifies each project area that is subject to the interlocal agreement;
(b) is adopted by the board and the taxing entity in accordance with Section 17C-1-1003;

(c) for each project area:
(i) states the amount of project area incremental revenue that the eligible taxing entity agrees to transfer to the agency;

758 (ii) states the year in which the eligible taxing entity will transfer the amount described
759 in Subsection (2)(c)(i); and

760 (iii) for the year described in Subsection (2)(c)(ii), requires the agency to add the
761 project area incremental revenue transferred in the agency's budget;

762 (d) includes a copy of the implementation plan described in Section [17C-1-1004](#);

763 (e) requires the agency to dissolve, in accordance with Section [17C-1-702](#), any project
764 area:

765 (i) that is subject to the interlocal agreement; and

766 (ii) for which the project area funds collection period will expire; and

767 (f) is filed with the county auditor, the State Tax Commission, and the eligible taxing
768 entity.

769 (3) If an agency and an eligible taxing entity enter into an interlocal agreement under
770 this section:

771 (a) subject to Subsection (4) and Section [17C-1-1004](#), the agency may levy a property
772 tax on taxable property within the agency's geographic boundaries; and

773 (b) except as provided in Subsection (5), the agency may not:

774 (i) create a new community reinvestment project area within the taxing entity's
775 geographic boundaries; or

776 (ii) amend a project area plan or budget if the amendment:

777 (A) enlarges the project area from which tax increment is collected;

778 (B) permits the agency to receive a greater amount of tax increment; or

779 (C) extends the project area funds collection period.

780 (4) (a) An agency may levy a property tax for a fiscal year that:

781 (i) is after the year in which the agency receives project area incremental revenue; and

782 (ii) begins on or after the January 1 on which the agency has authority to impose a
783 property tax under this section.

784 (b) An agency board shall calculate the agency's certified tax rate in accordance with
785 Section [59-2-924](#).

(c) An agency may levy a property tax rate that exceeds the agency's certified rate only if the agency complies with Sections [59-2-919](#) through [59-2-923](#).

(5) For a cooperative development project or an economic development project, an agency may, in accordance with Chapter 5, Community Reinvestment:

(a) create a new community reinvestment project area; or

(b) amend a community reinvestment project area plan or budget.

Section 9. Section **17C-1-1003** is enacted to read:

17C-1-1003. Interlocal agreement -- Notice requirements -- Effective date.

(1) An agency that enters into an interlocal agreement under Section [17C-1-1002](#) shall:

(a) adopt the interlocal agreement at an open and public meeting; and

(b) provide a notice, in accordance with Subsections (2) and (3), titled "Authorization to Levy a Property Tax."

(2) Upon the execution of an interlocal agreement, the agency shall provide, subject to Subsection (3), notice of the execution by:

(a) (i) publishing the notice in a newspaper of general circulation within the agency's geographic boundaries; or

(ii) if there is no newspaper of general circulation within the agency's geographic boundaries, posting the notice in at least three public places within the agency's geographic boundaries; and

(b) posting the notice on the Utah Public Notice Website created in Section [63F-1-701](#).

(3) A notice described in Subsection (2) shall include:

(a) a summary of the interlocal agreement; and

(b) a statement that the interlocal agreement:

(i) is available for public inspection and the place and the hours for inspection; and

(ii) authorizes the agency to:

(A) receive all or a portion of a taxing entity's project area incremental revenue; and

(B) levy a property tax on taxable property within the agency's boundaries.

(4) An interlocal agreement described in Section [17C-1-1002](#) is effective the day on

which the notice is published or posted in accordance with Subsections (2) and (3).

(5) An eligible taxing entity that enters into an interlocal agreement under Section 17C-1-1002 shall make a copy of the interlocal agreement available to the public for inspecting and copying at the eligible taxing entity's office during normal business hours.

Section 10. Section 17C-1-1004 is enacted to read:

17C-1-1004. Plan hearing -- Implementation plan -- Use of an agency's property tax revenue -- Eminent domain.

(1) Before an agency may levy a property tax, an agency board shall hold a plan hearing in accordance with Chapter 1, Part 8, Hearing and Notice Requirements, to:

(a) adopt an implementation plan that:

(i) contains a boundary description and a map of the geographic area within which the agency will use the agency's property tax revenue;

(ii) contains a general description of the existing land uses, zoning, infrastructure conditions, population densities, and demographics of the area described in Subsection (1)(b)(i);

(iii) describes the physical, social, and economic conditions that exist in the area described in Subsection (1)(b)(i);

(iv) describes the goals and strategies that will guide the agency's use of property tax revenue;

(v) shows how agency-wide project development will further the purposes of this title;

(vi) is consistent with the general plan of the community that created the agency and shows that agency-wide project development will conform to the community's general plan;

(vii) generally describes the type of financial assistance and tools that the agency anticipates providing to participants;

(viii) includes an analysis or description of the anticipated public benefits resulting from agency-wide project development, including benefits to economic activity and taxing entities' tax bases;

(ix) includes any identified geographic target areas within which the agency will focus

investment; and

(x) includes other information that the agency determines to be necessary or advisable;

(b) inform the public about:

(i) the amount of revenue that the agency will receive as property tax revenue that a participating taxing entity would have otherwise received;

(ii) the property tax rate that the agency will levy;

(iii) any changes to the use of revenue; and

(iv) how the agency will be using property tax revenue under the implementation plan;

and

(c) allow individuals present at the plan hearing to comment on the proposed property tax.

(2) An agency that levies a property tax under this part shall allocate an amount of property tax revenue for housing:

(a) in an amount that is the same as the agency's housing allocation under Section 17C-5-307 before entering into an interlocal agreement under Section 17C-1-1002; and

(b) for a period of time that is the same as the agency's project area funds collection period before entering into an interlocal agreement under Section 17C-1-1002.

(3) (a) Except as provided in Subsection (3)(b), an agency that levies a property tax under this part may not use eminent domain to acquire property for agency-wide project development.

(b) An agency that levies a property tax under this part may use eminent domain for an urban renewal project area or a community reinvestment project area in accordance with Part 9, Eminent Domain.

Section 11. Section 17C-1-1005 is enacted to read:

17C-1-1005. Agency property tax levy -- Budget -- Accounting for property tax revenue.

(1) (a) Each agency that levies and collects property tax under this part shall levy and collect the property tax in accordance with Title 59, Chapter 2, Property Tax Act.

(b) Except as provided in Subsection (1)(c), an agency, at a regular meeting or special meeting called for that purpose, shall, by resolution, set the property tax rate by the date described in Section 59-2-912.

(c) An agency may set the rate described in Subsection (1)(b) at an appropriate later date in accordance with Sections 59-2-919 through 59-2-923.

(2) (a) An agency shall include in the agency's budget any project area incremental revenue transferred by an eligible taxing entity under this part.

(b) The amount of project area incremental revenue described in Subsection (2)(a) plus the ad valorem property tax revenue that the agency budgeted for the prior year shall constitute the basis for determining the property tax levy that the agency sets for the corresponding tax year.

(3) (a) An agency shall create a property tax revenue fund and separately account for property tax revenue generated under this part.

(b) An agency shall include revenue and expenditures of the property tax revenue fund described in Subsection (3)(a) in the annual budget adopted in accordance with Section 17C-1-601.5.

Section 12. Section 17C-2-110 is amended to read:

17C-2-110. Amending an urban renewal project area plan.

~~[(1) An]~~ (1) Except as provided in Section 17C-1-1002, an agency may amend an urban renewal project area plan as provided in this section.

(2) If an agency proposes to amend an urban renewal project area plan to enlarge the project area:

(a) subject to Subsection (2)(e), the requirements under this part that apply to adopting a project area plan apply equally to the proposed amendment as if it were a proposed project area plan;

(b) for a pre-July 1, 1993, project area plan, the base year for the new area added to the project area shall be determined under Subsection 17C-1-102(9) using the effective date of the amended project area plan;

(c) for a post-June 30, 1993, project area plan:

(i) the base year for the new area added to the project area shall be determined under Subsection 17C-1-102(9) using the date of the taxing entity committee's consent referred to in Subsection (2)(c)(ii); and

(ii) the agency shall obtain the consent of the taxing entity committee before the agency may collect tax increment from the area added to the project area by the amendment;

(d) the agency shall make a determination regarding the existence of a development impediment in the area proposed to be added to the project area by following the procedure set forth in Chapter 2, Part 3, Development Impediment Determination in Urban Renewal Project Areas; and

(e) the agency need not make a development impediment determination in the project area as described in the original project area plan, if the agency made a development impediment determination regarding that project area in connection with adoption of the original project area plan.

(3) If a proposed amendment does not propose to enlarge an urban renewal project area, a board may adopt a resolution approving an amendment to a project area plan after:

(a) the agency gives notice, as provided in Section 17C-1-806, of the proposed amendment and of the public hearing required by Subsection (3)(b);

(b) the board holds a public hearing on the proposed amendment that meets the requirements of a plan hearing;

(c) the agency obtains the taxing entity committee's consent to the amendment, if the amendment proposes:

(i) to enlarge the area within the project area from which tax increment is collected;

(ii) to permit the agency to receive a greater percentage of tax increment or to extend the project area funds collection period, or both, than allowed under the adopted project area plan; or

(iii) for an amendment to a project area plan that was adopted before April 1, 1983, to expand the area from which tax increment is collected to exceed 100 acres of private property;

926 and

927 (d) the agency obtains the consent of the legislative body or governing board of each
928 taxing entity affected, if the amendment proposes to permit the agency to receive, from less
929 than all taxing entities, a greater percentage of tax increment or to extend the project area funds
930 collection period, or both, than allowed under the adopted project area plan.

931 (4) (a) An agency may amend an urban renewal project area plan without complying
932 with the notice and public hearing requirements of Subsections ~~[(2)(a) and]~~ (3)(a) and (b) and
933 without obtaining taxing entity committee approval under Subsection (3)(c) if the amendment:

934 (i) makes a minor adjustment in the boundary description of a project area boundary
935 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
936 or

937 (ii) subject to Subsection (4)(b), removes one or more parcels from a project area
938 because the agency determines that each parcel removed is:

939 (A) tax exempt;

940 (B) without a development impediment; or

941 (C) no longer necessary or desirable to the project area.

942 (b) An agency may make an amendment removing one or more parcels from a project
943 area under Subsection (4)(a)(ii) without the consent of the record property owner of each parcel
944 being removed.

945 (5) (a) An amendment approved by board resolution under this section may not take
946 effect until adopted by ordinance of the legislative body of the community in which the project
947 area that is the subject of the project area plan being amended is located.

948 (b) Upon a community legislative body passing an ordinance adopting an amendment
949 to a project area plan, the agency whose project area plan was amended shall comply with the
950 requirements of Sections 17C-2-108 and 17C-2-109 to the same extent as if the amendment
951 were a project area plan.

952 (6) (a) Within 30 days after the day on which an amendment to a project area plan
953 becomes effective, a person may contest the amendment to the project area plan or the

procedure used to adopt the amendment to the project area plan if the amendment or procedure fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (6)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 13. Section **17C-2-206** is amended to read:

17C-2-206. Amending an urban renewal project area budget.

~~[(1) An]~~ (1) Except as provided in Section [17C-1-1002](#), an agency may by resolution amend an urban renewal project area budget as provided in this section.

(2) To amend an adopted urban renewal project area budget, the agency shall:

(a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee to the same extent that the agency was required to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

(c) if approval of the taxing entity committee is required under Subsection (2)(b), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

(d) adopt a resolution amending the project area budget.

(3) The public hearing required under Subsection (2)(a) shall be conducted according to the procedures and requirements of Subsections [17C-2-201](#)(2)(c) and (d), except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the notice shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If the removal of a parcel under Subsection [17C-2-110](#)(4)(a)(ii) reduces the base

taxable value of the project area, an agency may amend the project area budget to conform with the new base taxable value without:

(a) complying with Subsections (2)(a) and (3); and

(b) if applicable, obtaining taxing entity committee approval described in Subsection (2)(b).

(5) If a proposed amendment is not adopted, the agency shall continue to operate under the previously adopted project area budget without the proposed amendment.

(6) (a) A person may contest the agency's adoption of a budget amendment within 30 days after the day on which the agency adopts the amendment.

(b) A person who fails to contest a budget amendment under Subsection (6)(a):

(i) forfeits any claim against an agency's adoption of the amendment; and

(ii) may not contest:

(A) a distribution of tax increment to the agency under the budget amendment; or

(B) an agency's use of a tax increment under the budget amendment.

Section 14. Section **17C-2-207** is amended to read:

17C-2-207. Extending collection of tax increment in an urban renewal project area budget.

(1) An extension approved by a taxing entity or taxing entity committee before May 10, 2011, is not subject to this section.

(2) (a) ~~An~~ Except as provided in Section [17C-1-1002](#), an agency's collection of tax increment under an urban renewal project area budget may be extended by:

(i) following the project area budget amendment procedures outlined in Section [17C-2-206](#); or

(ii) following the procedures outlined in this section.

(b) The base taxable value for an urban renewal project area budget may not be altered as a result of an extension under this section unless otherwise expressly provided for in an interlocal agreement adopted in accordance with Subsection (3)(a).

(3) Except as provided in Subsection (4), to extend under this section the project area

1010 funds collection period under a previously approved project area budget, the agency shall:

1011 (a) obtain the approval of the taxing entity through an interlocal agreement;

1012 (b) (i) hold a public hearing on the proposed extension in accordance with Subsection

1013 17C-2-201(2)(d) in the same manner as required for a proposed project area budget; and

1014 (ii) provide notice of the hearing:

1015 (A) as required by Chapter 1, Part 8, Hearing and Notice Requirements; and

1016 (B) including the proposed project area budget's extension period; and

1017 (c) after obtaining the taxing entity's approval in accordance with Subsection (3)(a), at
1018 or after the public hearing, adopt a resolution approving the extension.

1019 (4) (a) Subject to Subsection (4)(b), to extend under this section the project area funds
1020 collection period under a previously approved project area budget for a project area that
1021 includes an inactive industrial site, the agency shall:

1022 (i) hold a public hearing on the proposed extension in accordance with Subsection

1023 17C-2-201(2)(d) in the same manner as required for a proposed project area budget;

1024 (ii) provide notice of the hearing as required by Chapter 1, Part 8, Hearing and Notice
1025 Requirements, including notice of the proposed project area budget's extension period; and

1026 (iii) at or after the public hearing, adopt a resolution approving the extension.

1027 (b) An extension under Subsection (4)(a) may not extend the length of time that tax
1028 increment is collected from any single tax parcel.

1029 (5) After the project area funds collection period expires, an agency may continue to
1030 receive project area funds from those taxing entities that agree to an extension through an
1031 interlocal agreement in accordance with Subsection (3)(a) or through the process described in
1032 Subsection (4).

1033 (6) (a) A person may contest the agency's adoption of an extension within 30 days after
1034 the day on which the agency adopts the resolution providing for the extension.

1035 (b) A person that fails to contest an extension under Subsection (6)(a):

1036 (i) shall forfeit any claim against the agency's adoption of the extension; and

1037 (ii) may not contest:

1038 (A) a distribution of tax increment to the agency under the budget, as extended; or

1039 (B) an agency's use of tax increment under the budget, as extended.

1040 Section 15. Section **17C-3-109** is amended to read:

1041 **17C-3-109. Amending an economic development project area plan.**

1042 (1) ~~[An]~~ Except as provided in Section 17C-1-1002, an agency may amend an
1043 economic development project area plan ~~[may be amended]~~ as provided in this section.

1044 (2) If an agency proposes to amend an economic development project area plan to
1045 enlarge the project area:

1046 (a) the requirements under this part that apply to adopting a project area plan apply
1047 equally to the proposed amendment as if it were a proposed project area plan;

1048 (b) the base year for the new area added to the project area shall be determined under
1049 Subsection 17C-1-102(9) using the date of the taxing entity committee's consent referred to in
1050 Subsection (2)(c); and

1051 (c) the agency shall obtain the consent of the taxing entity committee before the agency
1052 may collect tax increment from the area added to the project area by the amendment.

1053 (3) If a proposed amendment does not propose to enlarge an economic development
1054 project area, a board may adopt a resolution approving an amendment to an economic
1055 development project area plan after:

1056 (a) the agency gives notice, as provided in Chapter 1, Part 8, Hearing and Notice
1057 Requirements, of the proposed amendment and of the public hearing required by Subsection
1058 (3)(b);

1059 (b) the board holds a public hearing on the proposed amendment that meets the
1060 requirements of a plan hearing;

1061 (c) the agency obtains the taxing entity committee's consent to the amendment, if the
1062 amendment proposes:

1063 (i) to enlarge the area within the project area from which tax increment is received; or

1064 (ii) to permit the agency to receive a greater percentage of tax increment or to extend

1065 the project area funds collection period under the economic development project area plan; and

(d) the agency obtains the consent of the legislative body or governing board of each taxing entity affected, if the amendment proposes to permit the agency to receive, from less than all taxing entities, a greater percentage of tax increment or to extend the project area funds collection period, or both, than allowed under the economic development project area plan.

(4) (a) An economic development project area plan may be amended without complying with the notice and public hearing requirements of Subsections (2)(a) and (3)(a) and (b) and without obtaining taxing entity committee approval under Subsection (3)(c) if the amendment:

(i) makes a minor adjustment in the boundary description of a project area boundary requested by a county assessor or county auditor to avoid inconsistent property boundary lines; or

(ii) subject to Subsection (4)(b), removes one or more parcels from a project area because the agency determines that each parcel removed is:

(A) tax exempt; or

(B) no longer necessary or desirable to the project area.

(b) An amendment removing one or more parcels from a project area under Subsection (4)(a) may be made without the consent of the record property owner of each parcel being removed.

(5) (a) An amendment approved by board resolution under this section may not take effect until adopted by ordinance of the legislative body of the community in which the project area that is the subject of the project area plan being amended is located.

(b) Upon a community legislative body passing an ordinance adopting an amendment to a project area plan, the agency whose project area plan was amended shall comply with the requirements of Sections 17C-3-107 and 17C-3-108 to the same extent as if the amendment were a project area plan.

(6) (a) Within 30 days after the day on which an amendment to a project area plan becomes effective, a person may contest the amendment to the project area plan or the procedure used to adopt the amendment to the project area plan if the amendment or procedure

fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (6)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 16. Section **17C-3-205** is amended to read:

17C-3-205. Amending an economic development project area budget.

(1) ~~At~~ Except as provided in Section [17C-1-1002](#), an agency may by resolution amend an economic development project area budget as provided in this section.

(2) To amend an adopted economic development project area budget, the agency shall:

(a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);

(b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee to the same extent that the agency was required to obtain the consent of the taxing entity committee for the project area budget as originally adopted;

(c) if approval of the taxing entity committee is required under Subsection (2)(b), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and

(d) adopt a resolution amending the project area budget.

(3) The public hearing required under Subsection (2)(a) shall be conducted according to the procedures and requirements of Section [17C-3-201](#), except that if the amended project area budget proposes that the agency be paid a greater proportion of tax increment from a project area than was to be paid under the previous project area budget, the notice shall state the percentage paid under the previous project area budget and the percentage proposed under the amended project area budget.

(4) If the removal of a parcel under Subsection [17C-3-109](#)(4)(a)(ii) reduces the base taxable value of the project area, an agency may amend the project area budget to conform with

1122 the new base taxable value without:

1123 (a) complying with Subsections (2)(a) and (3); and

1124 (b) if applicable, obtaining taxing entity committee approval described in Subsection
1125 (2)(b).

1126 (5) If a proposed amendment is not adopted, the agency shall continue to operate under
1127 the previously adopted economic development project area budget without the proposed
1128 amendment.

1129 (6) (a) A person may contest the agency's adoption of a budget amendment within 30
1130 days after the day on which the agency adopts the amendment.

1131 (b) A person ~~[who]~~ that fails to contest a budget amendment under Subsection (6)(a):

1132 (i) forfeits any claim against an agency's adoption of the amendment; and

1133 (ii) may not contest:

1134 (A) a distribution of tax increment to the agency under the budget amendment; or

1135 (B) an agency's use of a tax increment under a budget amendment.

1136 Section 17. Section **17C-3-206** is amended to read:

1137 **17C-3-206. Extending collection of tax increment under an economic**
1138 **development project area budget.**

1139 (1) An amendment or extension approved by a taxing entity or taxing entity committee
1140 before May 10, 2011, is not subject to this section.

1141 (2) (a) ~~[An]~~ Except as provided in Section [17C-1-1002](#), an agency's collection of tax
1142 increment under an adopted economic development project area budget may be extended by:

1143 (i) following the project area budget amendment procedures outlined in Section
1144 [17C-3-205](#); or

1145 (ii) following the procedures outlined in this section.

1146 (b) The base taxable value for an urban renewal project area budget may not be altered
1147 as a result of an extension under this section unless otherwise expressly provided for in an
1148 interlocal agreement adopted in accordance with Subsection (3)(a).

1149 (3) To extend under this section the agency's collection of tax increment from a taxing

entity under a previously approved project area budget, the agency shall:

(a) obtain the approval of the taxing entity through an interlocal agreement;

(b) (i) hold a public hearing on the proposed extension in accordance with Subsection

[17C-2-201](#)(2)(d) in the same manner as required for a proposed project area budget; and

(ii) provide notice of the hearing:

(A) as required by Chapter 1, Part 8, Hearing and Notice Requirements; and

(B) including the proposed period of extension of the project area budget; and

(c) after obtaining the approval of the taxing entity in accordance with Subsection (3)(a), at or after the public hearing, adopt a resolution approving the extension.

(4) After the expiration of a project area budget, an agency may continue to receive tax increment from those taxing entities that have agreed to an extension through an interlocal agreement in accordance with Subsection (3)(a).

(5) (a) A person may contest the agency's adoption of a budget extension within 30 days after the day on which the agency adopts the resolution providing for the extension.

(b) A person ~~[who]~~ that fails to contest a budget extension under Subsection (5)(a):

(i) shall forfeit any claim against the agency's adoption of the extension; and

(ii) may not contest:

(A) a distribution of tax increment to the agency under the budget, as extended; or

(B) an agency's use of tax increment under the budget, as extended.

Section 18. Section **17C-4-108** is amended to read:

17C-4-108. Amending a community development project area plan.

(1) Except as provided in Section [17C-1-1002](#), an agency may amend a community development project area plan as provided in this section.

~~[(1)]~~ (2) Except as provided in Subsection ~~[(2)]~~ (3) and Section [17C-4-109](#), the requirements under this part that apply to adopting a community development project area plan apply equally to a proposed amendment of a community development project area plan as though the amendment were a proposed project area plan.

~~[(2)]~~ (3) (a) Notwithstanding Subsection ~~[(1)]~~ (2), a community development project

1178 area plan may be amended without complying with the requirements of Chapter 1, Part 8,
1179 Hearing and Notice Requirements, if the proposed amendment:

1180 (i) makes a minor adjustment in the boundary description of a project area boundary
1181 requested by a county assessor or county auditor to avoid inconsistent property boundary lines;
1182 or

1183 (ii) subject to Subsection ~~[(2)]~~ (3)(b), removes one or more parcels from a project area
1184 because the agency determines that each parcel removed is:

1185 (A) tax exempt; or

1186 (B) no longer necessary or desirable to the project area.

1187 (b) An amendment removing one or more parcels from a community development
1188 project area under Subsection ~~[(2)]~~ (3)(a)(ii) may be made without the consent of the record
1189 property owner of each parcel being removed.

1190 ~~[(3)]~~ (4) (a) An amendment approved by board resolution under this section may not
1191 take effect until adopted by ordinance of the legislative body of the community in which the
1192 project area that is the subject of the project area plan being amended is located.

1193 (b) Upon a community legislative body passing an ordinance adopting an amendment
1194 to a community development project area plan, the agency whose project area plan was
1195 amended shall comply with the requirements of Sections 17C-4-106 and 17C-4-107 to the
1196 same extent as if the amendment were a project area plan.

1197 ~~[(4)]~~ (5) (a) Within 30 days after the day on which an amendment to a project area plan
1198 becomes effective, a person may contest the amendment to the project area plan or the
1199 procedure used to adopt the amendment to the project area plan if the amendment or procedure
1200 fails to comply with a provision of this title.

1201 (b) After the 30-day period described in Subsection ~~[(4)]~~ (5)(a) expires, a person may
1202 not contest the amendment to the project area plan or procedure used to adopt the amendment
1203 to the project area plan for any cause.

1204 Section 19. Section 17C-5-102 is amended to read:

1205 **17C-5-102. Applicability of chapter.**

This chapter applies to a community reinvestment project area that:

(1) an agency created on or after May 10, 2016; and

(2) an agency, that has entered into an interlocal agreement and levies a property tax under Chapter 1, Part 10, Agency Taxing Authority, created for a cooperative development project or an economic development project as those terms are defined in Section [17C-1-1001](#).

Section 20. Section **17C-5-112** is amended to read:

17C-5-112. Amending a community reinvestment project area plan.

~~[(1) An]~~ (1) Except as provided in Section [17C-1-1002](#), an agency may amend a community reinvestment project area plan in accordance with this section.

(2) (a) If an amendment proposes to enlarge a community reinvestment project area's geographic area, the agency shall:

(i) comply with this part as though the agency were creating a community reinvestment project area;

(ii) if the agency anticipates receiving project area funds from the area proposed to be added to the community reinvestment project area, before the agency may collect project area funds:

(A) for a community reinvestment project area plan that is subject to a taxing entity committee, obtain approval to receive tax increment from the taxing entity committee; or

(B) for a community reinvestment project area plan that is subject to an interlocal agreement, obtain the approval of the taxing entity that is a party to the interlocal agreement; and

(iii) if the agency anticipates acquiring property in the area proposed to be added to the community reinvestment project area by eminent domain, follow the procedures described in Section [17C-5-402](#).

(b) The base year for the area proposed to be added to the community reinvestment project area shall be determined using the date of:

(i) the taxing entity committee's consent as described in Subsection (2)(a)(ii)(A); or

(ii) the taxing entity's consent as described in Subsection (2)(a)(ii)(B).

1234 (3) If an amendment does not propose to enlarge a community reinvestment project
1235 area's geographic area, the board may adopt a resolution approving the amendment after the
1236 agency:

1237 (a) if the amendment does not propose to allow the agency to receive a greater amount
1238 of project area funds or to extend a project area funds collection period:

1239 (i) gives notice in accordance with Section 17C-1-806; and

1240 (ii) holds a public hearing on the proposed amendment that meets the requirements
1241 described in Subsection 17C-5-104(3); or

1242 (b) if the amendment proposes to also allow the agency to receive a greater amount of
1243 project area funds or to extend a project area funds collection period:

1244 (i) complies with ~~[Subsection]~~ Subsections (3)(a)(i) and (ii); and

1245 (ii) (A) for a community reinvestment project area plan that is subject to a taxing entity
1246 committee, obtains approval from the taxing entity committee; or

1247 (B) for a community reinvestment project area plan that is subject to an interlocal
1248 agreement, obtains approval to receive project area funds from the taxing entity that is a party
1249 to the interlocal agreement.

1250 (4) (a) If a board has not made a determination under Part 4, Development Impediment
1251 Determination in a Community Reinvestment Project Area, but intends to use eminent domain
1252 within a community reinvestment project area, the agency may amend the community
1253 reinvestment project area plan in accordance with this Subsection (4).

1254 (b) To amend a community reinvestment project area plan as described in Subsection
1255 (4)(a), an agency shall:

1256 (i) adopt a survey area resolution that identifies each parcel that the agency intends to
1257 study to determine whether a development impediment exists;

1258 (ii) in accordance with Part 4, Development Impediment Determination in a
1259 Community Reinvestment Project Area, conduct a development impediment study within the
1260 survey area and make a development impediment determination; and

1261 (iii) obtain approval to amend the community reinvestment project area plan from each

1262 taxing entity that is a party to an interlocal agreement.

1263 (c) Amending a community reinvestment project area plan as described in this

1264 Subsection (4) does not affect:

1265 (i) the base year of the parcel or parcels that are the subject of an amendment under this

1266 Subsection (4); and

1267 (ii) any interlocal agreement under which the agency is authorized to receive project

1268 area funds from the community reinvestment project area.

1269 (5) An agency may amend a community reinvestment project area plan without

1270 obtaining the consent of a taxing entity or a taxing entity committee and without providing

1271 notice or holding a public hearing if the amendment:

1272 (a) makes a minor adjustment in the community reinvestment project area boundary

1273 that is requested by a county assessor or county auditor to avoid inconsistent property boundary

1274 lines; or

1275 (b) removes one or more parcels from a community reinvestment project area because

1276 the agency determines that each parcel is:

1277 (i) tax exempt;

1278 (ii) without a development impediment; or

1279 (iii) no longer necessary or desirable to the project area.

1280 (6) (a) An amendment approved by board resolution under this section may not take

1281 effect until the community legislative body adopts an ordinance approving the amendment.

1282 (b) Upon the community legislative body adopting an ordinance approving an

1283 amendment under Subsection (6)(a), the agency shall comply with the requirements described

1284 in Sections 17C-5-110 and 17C-5-111 as if the amendment were a community reinvestment

1285 project area plan.

1286 (7) (a) Within 30 days after the day on which an amendment to a project area plan

1287 becomes effective, a person may contest the amendment to the project area plan or the

1288 procedure used to adopt the amendment to the project area plan if the amendment or procedure

1289 fails to comply with a provision of this title.

(b) After the 30-day period described in Subsection (7)(a) expires, a person may not contest the amendment to the project area plan or procedure used to adopt the amendment to the project area plan for any cause.

Section 21. Section **17C-5-306** is amended to read:

17C-5-306. Amending a community reinvestment project area budget.

(1) ~~[Before]~~ Except as provided in Section [17C-1-1002](#) and before a project area funds collection period ends, an agency may amend a community reinvestment project area budget in accordance with this section.

(2) To amend a community reinvestment project area budget, an agency shall:

(a) provide notice and hold a public hearing on the proposed amendment in accordance with Chapter 1, Part 8, Hearing and Notice Requirements;

(b) (i) if the community reinvestment project area budget required approval from a taxing entity committee, obtain the taxing entity committee's approval; or

(ii) if the community reinvestment project area budget required an interlocal agreement with a taxing entity, obtain approval from the taxing entity that is a party to the interlocal agreement; and

(c) at the public hearing described in Subsection (2)(a) or at a subsequent board meeting, by resolution, adopt the community reinvestment project area budget amendment.

(3) If an agency proposes a community reinvestment project area budget amendment under which the agency is paid a greater proportion of tax increment from the community reinvestment project area than provided under the community reinvestment project area budget, the notice described in Subsection (2)(a) shall state:

(a) the percentage of tax increment paid under the community reinvestment project area budget; and

(b) the proposed percentage of tax increment paid under the community reinvestment project area budget amendment.

(4) (a) If an agency proposes a community reinvestment project area budget amendment that extends a project area funds collection period, before a taxing entity

1318 committee or taxing entity may provide the taxing entity committee's or taxing entity's approval
1319 described in Subsection (2)(b), the agency shall provide to the taxing entity committee or
1320 taxing entity:

1321 (i) the reasons why the extension is required;
1322 (ii) a description of the project area development for which project area funds received
1323 by the agency under the extension will be used;

1324 (iii) a statement of whether the project area funds received by the agency under the
1325 extension will be used within an active project area or a proposed project area; and

1326 (iv) a revised community reinvestment project area budget that includes:

1327 (A) the annual and total amounts of project area funds that the agency receives under
1328 the extension; and

1329 (B) the number of years that are added to each project area funds collection period
1330 under the extension.

1331 (b) With respect to an amendment described in Subsection (4)(a), a taxing entity
1332 committee or taxing entity may consent to:

1333 (i) allow an agency to use project area funds received under an extension within a
1334 different project area from which the project area funds are generated; or

1335 (ii) alter the base taxable value in connection with a community reinvestment project
1336 area budget extension.

1337 (5) If an agency proposes a community reinvestment project area budget amendment
1338 that reduces the base taxable value of the project area due to the removal of a parcel under
1339 Subsection 17C-5-112(5)(b), an agency may amend a project area budget without:

1340 (a) complying with Subsection (2)(a); and

1341 (b) obtaining taxing entity committee or taxing entity approval described in Subsection
1342 (2)(b).

1343 (6) (a) A person may contest an agency's adoption of a community reinvestment project
1344 area budget amendment within 30 days after the day on which the agency adopts the
1345 community reinvestment project area budget amendment.

1346 (b) After the 30-day period described in Subsection (6)(a), a person may not contest:

1347 (i) the agency's adoption of the community reinvestment project area budget

1348 amendment;

1349 (ii) a payment to the agency under the community reinvestment project area budget

1350 amendment; or

1351 (iii) the agency's use of project area funds received under the community reinvestment

1352 project area budget amendment.

1353 Section 22. Section **53G-7-306** is amended to read:

1354 **53G-7-306. School district interfund transfers.**

1355 (1) A school district shall spend revenues only within the fund for which they were

1356 originally authorized, levied, collected, or appropriated.

1357 (2) Except as otherwise provided in this section, school district interfund transfers of

1358 residual equity are prohibited.

1359 (3) The state board may authorize school district interfund transfers of residual equity

1360 when a district states its intent to create a new fund or expand, contract, or liquidate an existing

1361 fund.

1362 (4) The state board may also authorize school district interfund transfers of residual

1363 equity for a financially distressed district if the state board determines the following:

1364 (a) the district has a significant deficit in its maintenance and operations fund caused

1365 by circumstances not subject to the administrative decisions of the district;

1366 (b) the deficit cannot be reasonably reduced under Section **53G-7-305**; and

1367 (c) without the transfer, the school district will not be capable of meeting statewide

1368 educational standards adopted by the state board.

1369 (5) The state board shall develop by rule made in accordance with Title 63G, Chapter

1370 3, Utah Administrative Rulemaking Act, standards for defining and aiding financially

1371 distressed school districts under this section.

1372 (6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded

1373 and reported in the debt service fund.

(b) Debt service levies under Subsection 59-2-924(5)(~~e~~)(d) that are not subject to the public hearing provisions of Section 59-2-919 may not be used for any purpose other than retiring general obligation debt.

(c) Amounts from these levies remaining in the debt service fund at the end of a fiscal year shall be used in subsequent years for general obligation debt retirement.

(d) Any amounts left in the debt service fund after all general obligation debt has been retired may be transferred to the capital projects fund upon completion of the budgetary hearing process required under Section 53G-7-303.

Section 23. 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;

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

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

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

(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; or

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

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

(A) zero; or

(B) the amount calculated by subtracting the centrally assessed benchmark value

1430 adjusted for prior year end incremental value from the taxable value of real and personal
1431 property the commission assesses in accordance with Part 2, Assessment of Property, for the
1432 current year, adjusted for current year incremental value.

1433 (ii) "Centrally assessed new growth" does not include a change in value as a result of a
1434 change in the method of apportioning the value prescribed by the Legislature, a court, or the
1435 commission in an administrative rule or administrative order.

1436 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
1437 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.

1438 (h) "Community reinvestment agency" means the same as that term is defined in
1439 Section 17C-1-102.

1440 ~~[(h)]~~ (i) "Eligible new growth" means the greater of:

1441 (i) zero; or

1442 (ii) the sum of:

1443 (A) locally assessed new growth;

1444 (B) centrally assessed new growth; and

1445 (C) project area new growth or hotel property new growth.

1446 ~~[(i)]~~ (j) "Host local government" means the same as that term is defined in Section
1447 63N-2-502.

1448 ~~[(j)]~~ (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.

1449 ~~[(k)]~~ (l) "Hotel property new growth" means an amount equal to the incremental value
1450 that is no longer provided to a host local government as incremental property tax revenue.

1451 ~~[(l)]~~ (m) "Incremental property tax revenue" means the same as that term is defined in
1452 Section 63N-2-502.

1453 ~~[(m)]~~ (n) "Incremental value" means:

1454 (i) for an authority created under Section 11-58-201, the amount calculated by
1455 multiplying:

1456 (A) the difference between the taxable value and the base taxable value of the property
1457 that is located within a project area and on which property tax differential is collected; and

1458 (B) the number that represents the percentage of the property tax differential that is
1459 paid to the authority;

1460 (ii) for an agency created under Section 17C-1-201.5, the amount calculated by
1461 multiplying:

1462 (A) the difference between the taxable value and the base taxable value of the property
1463 located within a project area and on which tax increment is collected; and

1464 (B) the number that represents the adjusted tax increment from that project area that is
1465 paid to the agency;

1466 (iii) for an authority created under Section 63H-1-201, the amount calculated by
1467 multiplying:

1468 (A) the difference between the taxable value and the base taxable value of the property
1469 located within a project area and on which property tax allocation is collected; and

1470 (B) the number that represents the percentage of the property tax allocation from that
1471 project area that is paid to the authority; or

1472 (iv) for a host local government, an amount calculated by multiplying:

1473 (A) the difference between the taxable value and the base taxable value of the hotel
1474 property on which incremental property tax revenue is collected; and

1475 (B) the number that represents the percentage of the incremental property tax revenue
1476 from that hotel property that is paid to the host local government.

1477 ~~[(n)]~~ (o) (i) "Locally assessed new growth" means the greater of:

1478 (A) zero; or

1479 (B) the amount calculated by subtracting the year end taxable value of real property the
1480 county assessor assesses in accordance with Part 3, County Assessment, for the previous year,
1481 adjusted for prior year end incremental value from the taxable value of real property the county
1482 assessor assesses in accordance with Part 3, County Assessment, for the current year, adjusted
1483 for current year incremental value.

1484 (ii) "Locally assessed new growth" does not include a change in:

1485 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal, or

1486 another adjustment;

1487 (B) assessed value based on whether a property is allowed a residential exemption for a
1488 primary residence under Section 59-2-103;

1489 (C) assessed value based on whether a property is assessed under Part 5, Farmland
1490 Assessment Act; or

1491 (D) assessed value based on whether a property is assessed under Part 17, Urban
1492 Farming Assessment Act.

1493 ~~[(p)]~~ (p) "Project area" means:

1494 (i) for an authority created under Section 11-58-201, the same as that term is defined in
1495 Section 11-58-102;

1496 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
1497 in Section 17C-1-102; or

1498 (iii) for an authority created under Section 63H-1-201, the same as that term is defined
1499 in Section 63H-1-102.

1500 ~~[(p)]~~ (q) "Project area new growth" means:

1501 (i) for an authority created under Section 11-58-201, an amount equal to the
1502 incremental value that is no longer provided to an authority as property tax differential;

1503 (ii) for an agency created under Section 17C-1-201.5, an amount equal to the
1504 incremental value that is no longer provided to an agency as tax increment; or

1505 (iii) for an authority created under Section 63H-1-201, an amount equal to the
1506 incremental value that is no longer provided to an authority as property tax allocation.

1507 (r) "Project area incremental revenue" means the same as that term is defined in
1508 Section 17C-1-1001.

1509 ~~[(q)]~~ (s) "Property tax allocation" means the same as that term is defined in Section
1510 63H-1-102.

1511 ~~[(r)]~~ (t) "Property tax differential" means the same as that term is defined in Section
1512 11-58-102.

1513 ~~[(s)]~~ (u) "Tax increment" means the same as that term is defined in Section 17C-1-102.

1514 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
1515 county auditor and the commission the following statements:

1516 (a) a statement containing the aggregate valuation of all taxable real property a county
1517 assessor assesses in accordance with Part 3, County Assessment, for each taxing entity; and

1518 (b) a statement containing the taxable value of all personal property a county assessor
1519 assesses in accordance with Part 3, County Assessment, from the prior year end values.

1520 (3) The county auditor shall, on or before June 8, transmit to the governing body of
1521 each taxing entity:

1522 (a) the statements described in Subsections (2)(a) and (b);

1523 (b) an estimate of the revenue from personal property;

1524 (c) the certified tax rate; and

1525 (d) all forms necessary to submit a tax levy request.

1526 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
1527 calculated by dividing the ad valorem property tax revenue that a taxing entity budgeted for the
1528 prior year by the amount calculated under Subsection (4)(b).

1529 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
1530 calculate an amount as follows:

1531 (i) calculate for the taxing entity the difference between:

1532 (A) the aggregate taxable value of all property taxed; and

1533 (B) any adjustments for current year incremental value;

1534 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
1535 determined by increasing or decreasing the amount calculated under Subsection (4)(b)(i) by the
1536 average of the percentage net change in the value of taxable property for the equalization
1537 period for the three calendar years immediately preceding the current calendar year;

1538 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the product
1539 of:

1540 (A) the amount calculated under Subsection (4)(b)(ii); and

1541 (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:

(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); ~~and~~

(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

~~[(c)]~~ (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

1570 orders under Section 59-2-1602.

1571 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
1572 imposed at a rate that is sufficient to generate only the revenue required to satisfy one or more
1573 eligible judgments.

1574 (b) The ad valorem property tax revenue generated by a judgment levy described in
1575 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate certified tax
1576 rate.

1577 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:

1578 (i) the taxable value of real property:

1579 (A) the county assessor assesses in accordance with Part 3, County Assessment; and

1580 (B) contained on the assessment roll;

1581 (ii) the year end taxable value of personal property:

1582 (A) a county assessor assesses in accordance with Part 3, County Assessment; and

1583 (B) contained on the prior year's assessment roll; and

1584 (iii) the taxable value of real and personal property the commission assesses in
1585 accordance with Part 2, Assessment of Property.

1586 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
1587 growth.

1588 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.

1589 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall
1590 notify the county auditor of:

1591 (i) the taxing entity's intent to exceed the certified tax rate; and

1592 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.

1593 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
1594 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.

1595 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
1596 electronic means on or before July 31, to a taxing entity and the Revenue and Taxation Interim
1597 Committee if:

1598 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
1599 taxable value of the real and personal property the commission assesses in accordance with
1600 Part 2, Assessment of Property, for the previous year, adjusted for prior year end incremental
1601 value; and

1602 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year end
1603 taxable value of the real and personal property of a taxpayer the commission assesses in
1604 accordance with Part 2, Assessment of Property, for the previous year.

1605 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by
1606 subtracting the taxable value of real and personal property the commission assesses in
1607 accordance with Part 2, Assessment of Property, for the current year, adjusted for current year
1608 incremental value, from the year end taxable value of the real and personal property the
1609 commission assesses in accordance with Part 2, Assessment of Property, for the previous year,
1610 adjusted for prior year end incremental value.

1611 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
1612 subtracting the total taxable value of real and personal property of a taxpayer the commission
1613 assesses in accordance with Part 2, Assessment of Property, for the current year, from the total
1614 year end taxable value of the real and personal property of a taxpayer the commission assesses
1615 in accordance with Part 2, Assessment of Property, for the previous year.

1616 (d) The notification under Subsection (9)(a) shall include a list of taxpayers that meet
1617 the requirement under Subsection (9)(a)(ii).