

Community Development Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor:

LONG TITLE**General Description:**

This bill deals with the use of certain funding to promote home ownership and provisions related to community reinvestment agencies.

Highlighted Provisions:

This bill:

- defines terms and modifies definitions;
- authorizes the Utah Inland Port Authority to provide general differential revenue from a project area to a non-profit housing fund to assist low-income individuals and families to achieve home ownership within a fifteen mile radius of the project area that generated the general differential revenue;
- authorizes a community reinvestment agency to pay all or any portion of the agency's housing allocation to a nonprofit housing fund for use in assisting individuals or families within the community to achieve or retain homeownership;
- requires, before a community reinvestment agency may provide housing allocation funding to a private entity, to confirm that the private entity is not delinquent on property taxes or subject to a political subdivision lien for past due fees or charges;
- authorizes a community reinvestment agency and an eligible taxing entity to potentially amend an interlocal agreement for the purpose of transferring all or a portion of the eligible taxing entity's project area incremental revenue to the community reinvestment agency in order to utilize an approved rate instead of a certified rate;
- provides a process for a community reinvestment agency board to determine an approved rate for the purposes of calculating property tax value; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

11-58-602, as last amended by Laws of Utah 2024, Chapter 535

17C-1-102, as last amended by Laws of Utah 2024, Chapter 158

17C-1-202, as last amended by Laws of Utah 2024, Chapter 316

17C-1-412, as last amended by Laws of Utah 2024, Chapter 413

17C-1-1001, as enacted by Laws of Utah 2021, Chapter 214

17C-1-1002, as enacted by Laws of Utah 2021, Chapter 214

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

Section 1. Section **11-58-602** is amended to read:

11-58-602 . Allowable uses of property tax differential and other funds.

(1)(a) The authority may use money from property tax differential, money the authority receives from the state, money the authority receives under Subsection 59-12-205

(2)(a)(ii)(C), and other money available to the authority:

(i) for any purpose authorized under this chapter;

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

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

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

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

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

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

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

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

(B) to provide a buffer area between authority jurisdictional land intended for

- 65 development and land outside the boundary of the authority jurisdictional land;
66 and
- 67 (ix) subject to Subsection (1)(b), to encourage, incentivize, or require development
68 that:
- 69 (A) mitigates noise, air pollution, light pollution, surface and groundwater
70 pollution, and other negative environmental impacts;
71 (B) mitigates traffic congestion; or
72 (C) uses high efficiency building construction and operation.
- 73 (b)(i)(A) The authority shall establish minimum mitigation and environmental
74 standards that a landowner is required to meet to qualify for the use of property
75 tax differential under Subsection (1)(a)(ix) in the landowner's development.
- 76 (B) Minimum mitigation and environmental standards established under
77 Subsection (1)(b)(i)(A) shall include a standard prohibiting the use of property
78 tax differential as a business recruitment incentive, as defined in Section
79 11-58-603, for new commercial or industrial development or an expansion of
80 existing commercial or industrial development within the authority
81 jurisdictional land if the new or expanded development will consume on an
82 annual basis more than 200,000 gallons of potable water per day.
- 83 (ii) In establishing minimum mitigation and environmental standards, the authority
84 shall consult with:
- 85 (A) the municipality in which the development is expected to occur, for
86 development expected to occur within a municipality; or
87 (B) the county in whose unincorporated area the development is expected to
88 occur, for development expected to occur within the unincorporated area of a
89 county.
- 90 (iii) The authority may not use property tax differential under Subsection (1)(a)(viii)
91 for a landowner's development in a project area unless the minimum mitigation
92 and environmental standards are followed with respect to that landowner's
93 development.
- 94 (2) The authority may use revenue generated from the operation of public infrastructure
95 operated by the authority or improvements, including an intermodal facility, operated by
96 the authority to:
- 97 (a) operate and maintain the infrastructure or improvements; and
98 (b) pay for authority operating expenses, including administrative, overhead, and legal

- 99 expenses.
- 100 (3) The determination of the board under Subsection (1)(a)(v) regarding benefit to the
101 project area is final.
- 102 (4) The authority may not use property tax differential revenue collected from one project
103 area for a development project within another project area.
- 104 (5)(a) The authority may use up to 10% of the general differential revenue generated
105 from a project area to pay for affordable housing within or near the project area.
- 106 (b) In using general differential revenue described in Subsection (5)(a), the authority
107 may provide general differential revenue generated from a project area to a non-profit
108 housing fund, as defined in Section 17C-1-102:
- 109 (i) for that non-profit housing fund to assist low-income individuals and families who
110 would qualify for income targeted housing to achieve homeownership, or retain
111 homeownership, within a 15 mile radius of the project area that generated the
112 general differential revenue, in accordance with the mission of the non-profit
113 housing fund; and
- 114 (ii) pursuant to an agreement between the non-profit housing fund and the authority
115 governing appropriate uses of general differential revenue.
- 116 (6) The authority may share general differential funds with a taxing entity that levies a
117 property tax on land within the project area from which the general differential is
118 generated.

119 Section 2. Section **17C-1-102** is amended to read:

120 **17C-1-102 . Definitions.**

121 As used in this title:

- 122 (1) "Active project area" means a project area that has not been dissolved in accordance
123 with Section 17C-1-702.
- 124 (2) "Adjusted tax increment" means [-]the percentage of tax increment, if less than 100%,
125 that an agency is authorized to receive:
- 126 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
127 increment under Subsection 17C-1-403(3);
- 128 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
129 increment under Section 17C-1-406;
- 130 (c) under a project area budget approved by a taxing entity committee; or
- 131 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
132 tax increment.

- (3) "Affordable housing" means housing owned or occupied by a low or moderate income family, as determined by resolution of the agency.
- (4) "Agency" or "community reinvestment agency" means a separate body corporate 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;
 - (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,

- 167 or a community reinvestment project area plan that is subject to a taxing entity
168 committee:
- 169 (i) before the date on which the taxing entity committee approves the project area
170 budget; or
- 171 (ii) if taxing entity committee approval is not required for the project area budget,
172 before the date on which the community legislative body adopts the project area
173 plan;
- 174 (c) for a project on an inactive airport site, after the later of:
- 175 (i) the date on which the inactive airport site is sold for remediation and
176 development; or
- 177 (ii) the date on which the airport that operated on the inactive airport site ceased
178 operations; or
- 179 (d) for a community development project area plan or a community reinvestment project
180 area plan that is subject to an interlocal agreement, as described in the interlocal
181 agreement.
- 182 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum
183 basic levy under Section 59-2-902.
- 184 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 185 (12) "Budget hearing" means the public hearing on a proposed project area budget required
186 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection
187 17C-3-201(2)(d) for an economic development project area budget, or Subsection
188 17C-5-302(2)(e) for a community reinvestment project area budget.
- 189 (13) "Closed military base" means land within a former military base that the Defense Base
190 Closure and Realignment Commission has voted to close or realign when that action has
191 been sustained by the president of the United States and Congress.
- 192 (14) "Combined incremental value" means the combined total of all incremental values
193 from all project areas, except project areas that contain some or all of a military
194 installation or inactive industrial site, within the agency's boundaries under project area
195 plans and project area budgets at the time that a project area budget for a new project
196 area is being considered.
- 197 (15) "Community" means a county or municipality.
- 198 (16) "Community development project area plan" means a project area plan adopted under
199 Chapter 4, Part 1, Community Development Project Area Plan.
- 200 (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 a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is located if the action is filed in the district court.

(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:

(a) owned and occupied by a family whose annual income is at or below 120% of the

269 median annual income for a family within the county in which the housing is located;
270 or

271 (b) occupied by a family whose annual income is at or below 80% of the median annual
272 income for a family within the county in which the housing is located.

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

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

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

- 282 (i) a fire station;
- 283 (ii) a police station;
- 284 (iii) a city hall; or
- 285 (iv) a court or other judicial building.

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

288 (36) "Low-income individual" means the same as that term is defined in Section
289 35A-8-504.5.

290 (37) "Major transit investment corridor" means the same as that term is defined in Section
291 10-9a-103.

292 ~~[(37)]~~ (38) "Marginal value" means the difference between actual taxable value and base
293 taxable value.

294 ~~[(38)]~~ (39) "Military installation project area" means a project area or a portion of a project
295 area located within a federal military installation ordered closed by the federal Defense
296 Base Realignment and Closure Commission.

297 ~~[(39)]~~ (40) "Municipality" means a city or town.

298 (41) "Non-profit housing fund" means:

299 (a) an organization that meets the definition of "housing organization" in Section
300 35A-8-2401;

301 (b) a registered nonprofit that assists veterans or individuals who work in public service
302 to achieve homeownership in the state;

(c) a registered nonprofit that:

(i) assists low-income individuals or families who would qualify for income targeted housing to achieve homeownership in the state; and

(ii) provides direct support to help a low-income individual or a family eligible for income targeted housing to retain ownership of a home, including through rehabilitation services, lending for rehabilitation, or foreclosure mitigation counseling that results in retention of the home, refinancing, or a reverse mortgage;

(d) a registered nonprofit that partners with a community to promote affordable housing for the workforce in that community; or

(e) a registered nonprofit established to administer housing programs on behalf of an association representing 10 or more counties in the state.

~~[(40)]~~ (42) "Participant" means one or more persons that enter into a participation agreement with an agency.

~~[(41)]~~ (43) "Participation agreement" means a written agreement between a person and an agency under Subsection 17C-1-202(5).

~~[(42)]~~ (44) "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)]~~ (45) "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)]~~ (46) "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)]~~ (47) "Private," with respect to real property, means property not owned by a public entity or any other governmental entity.

~~[(46)]~~ (48) "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)]~~ (49) "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)]~~ (50) "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)]~~ (50) outside of a project area that the board determines to be a benefit to the project area.

~~[(49)]~~ (51) "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)]~~ (52) "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)]~~ (53) "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)]~~ (54)(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.

~~[(53)]~~ (55) "Public entity" means:

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

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

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

~~[(54)]~~ (56) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.

~~[(55)]~~ (57) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.

~~[(56)]~~ (58) "Sales and use tax revenue" means revenue that is:

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

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

~~[(57)]~~ (59) "Superfund site":

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

(b) includes an area formerly included in the National Priorities List, as described in Subsection ~~[(57)(a)]~~ (59)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities

- 405 List.
- 406 ~~[(58)]~~ (60) "Survey area" means a geographic area designated for study by a survey area
407 resolution to determine whether:
- 408 (a) one or more project areas within the survey area are feasible; or
409 (b) a development impediment exists within the survey area.
- 410 ~~[(59)]~~ (61) "Survey area resolution" means a resolution adopted by a board that designates a
411 survey area.
- 412 ~~[(60)]~~ (62) "Taxable value" means:
- 413 (a) the taxable value of all real property a county assessor assesses in accordance with
414 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
- 415 (b) the taxable value of all real and personal property the commission assesses in
416 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
417 year; and
- 418 (c) the year end taxable value of all personal property a county assessor assesses in
419 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
420 prior year's tax rolls of the taxing entity.
- 421 ~~[(61)]~~ (63)(a) "Tax increment" means the difference between:
- 422 (i) the amount of property tax revenue generated each tax year by a taxing entity from
423 the area within a project area designated in the project area plan as the area from
424 which tax increment is to be collected, using the current assessed value of the
425 property and each taxing entity's current certified tax rate as defined in Section
426 59-2-924; and
- 427 (ii) the amount of property tax revenue that would be generated from that same area
428 using the base taxable value of the property and each taxing entity's current
429 certified tax rate as defined in Section 59-2-924.
- 430 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
431 on or after January 1, 1994, upon the taxable property in the project area unless:
- 432 (i) the project area plan was adopted before May 4, 1993, whether or not the project
433 area plan was subsequently amended; and
- 434 (ii) the taxes were pledged to support bond indebtedness or other contractual
435 obligations of the agency.
- 436 ~~[(62)]~~ (64) "Taxing entity" means a public entity that:
- 437 (a) levies a tax on property located within a project area; or
438 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

439 [(63)] (65) "Taxing entity committee" means a committee representing the interests of
440 taxing entities, created in accordance with Section 17C-1-402.

441 [(64)] (66) "Unincorporated" means not within a municipality.

442 [(65)] (67) "Urban renewal project area plan" means a project area plan adopted under
443 Chapter 2, Part 1, Urban Renewal Project Area Plan.

444 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.

445 Section 3. Section **17C-1-202** is amended to read:

446 **17C-1-202 . Agency powers.**

447 (1) An agency may:

- 448 (a) sue and be sued;
- 449 (b) enter into contracts generally;
- 450 (c) buy, obtain an option upon, acquire by gift, or otherwise acquire any interest in real
451 or personal property;
- 452 (d) hold, sell, convey, grant, gift, or otherwise dispose of any interest in real or personal
453 property;
- 454 (e) own, hold, maintain, utilize, manage, or operate real or personal property, which may
455 include the use of agency funds or the collection of revenue;
- 456 (f) enter into a lease agreement on real or personal property, either as lessee or lessor;
- 457 (g) provide for project area development as provided in this title;
- 458 (h) receive and use agency funds as provided in this title;
- 459 (i) if disposing of or leasing land, retain controls or establish restrictions and covenants
460 running with the land consistent with the project area plan;
- 461 (j) accept financial or other assistance from any public or private source for the agency's
462 activities, powers, and duties, and expend any funds the agency receives for any
463 purpose described in this title;
- 464 (k) borrow money or accept financial or other assistance from a public entity or any
465 other source for any of the purposes of this title and comply with any conditions of
466 any loan or assistance;
- 467 (l) issue bonds to finance the undertaking of any project area development or for any of
468 the agency's other purposes, including:
 - 469 (i) reimbursing an advance made by the agency or by a public entity to the agency;
 - 470 (ii) refunding bonds to pay or retire bonds previously issued by the agency; and
 - 471 (iii) refunding bonds to pay or retire bonds previously issued by the community that
472 created the agency for expenses associated with project area development;

(m) pay an impact fee, exaction, or other fee imposed by a community in connection with land development;

(n) subject to Part 10, Agency Taxing Authority, levy a property tax; or

(o) transact other business and exercise all other powers described in this title.

(2) The establishment of controls or restrictions and covenants under Subsection (1)(i) is a public purpose.

(3) An agency may acquire real property under Subsection (1)(c) that is outside a project area only if the board determines that the property will benefit a project area.

(4) An agency is not subject to Section 10-8-2 or 17-50-312.

(5)(a) An agency may, subject to Subsection (5)(c), enter into ~~[an]~~ a participation agreement with a person to govern the development the person will undertake within a project area.

(b) ~~[An]~~ A participation agreement under Subsection (5)(a) shall include a description of:

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

(ii) the amount of project area funds the agency agrees to pay to the person to facilitate the development; and

(iii) the terms and conditions under which the agency agrees to pay project area funds to the person.

(c)(i) ~~[An]~~ A participation agreement under Subsection (5)(a) is subject to board approval by resolution of the board.

(ii) A resolution under Subsection (5)(c)(i) shall include a finding by the board describing how the project area development described in the participation agreement will contribute to achieving the goals, policies, and purposes of the project area plan.

Section 4. Section **17C-1-412** is amended to read:

17C-1-412 . Use of housing allocation -- Separate accounting required -- Issuance of bonds for housing -- Action to compel agency to provide housing allocation.

(1)(a) ~~[An]~~ Subject to Subsection (5), an agency shall use the agency's housing allocation to:

(i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;

(ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;

- 507 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
508 private entity or business, or nonprofit corporation for income targeted housing
509 within the boundary of the agency;
- 510 (iv) plan or otherwise promote income targeted housing within the boundary of the
511 agency;
- 512 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
513 any building, facility, structure, or other housing improvement, including
514 infrastructure improvements, related to housing located in a project area where a
515 board has determined that a development impediment exists;
- 516 (vi) replace housing units lost as a result of the project area development;
- 517 (vii) make payments on or establish a reserve fund for bonds:
- 518 (A) issued by the agency, the community, or the housing authority that provides
519 income targeted housing within the community; and
- 520 (B) all or part of the proceeds of which are used within the community for the
521 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 522 (viii) if the community's fair share ratio at the time of the first adoption of the project
523 area budget is at least 1.1 to 1.0, make payments on bonds:
- 524 (A) that were previously issued by the agency, the community, or the housing
525 authority that provides income targeted housing within the community; and
- 526 (B) all or part of the proceeds of which were used within the community for the
527 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 528 (ix) relocate mobile home park residents displaced by project area development;
- 529 (x) subject to Subsection [~~(7)~~] (8), transfer funds to a community that created the
530 agency; or
- 531 (xi) pay for or make a contribution toward the acquisition, construction, or
532 rehabilitation of housing that:
- 533 (A) is located in the same county as the agency;
- 534 (B) is owned in whole or in part by, or is dedicated to supporting, a public
535 nonprofit college or university; and
- 536 (C) only students of the relevant college or university, including the students'
537 immediate families, occupy.
- 538 (b) As an alternative to the requirements of Subsection (1)(a), and subject to Subsection
539 (5), an agency may pay all or any portion of the agency's housing allocation to:
- 540 (i) the community for use as described in Subsection (1)(a);

- 541 (ii) a housing authority that provides income targeted housing within the community
542 for use in providing income targeted housing within the community;
- 543 (iii) a housing authority established by the county in which the agency is located for
544 providing:
- 545 (A) income targeted housing within the county;
- 546 (B) permanent housing, permanent supportive housing, or a transitional facility, as
547 defined in Section 35A-5-302, within the county; or
- 548 (C) homeless assistance within the county;
- 549 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
550 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted
551 housing within the community;
- 552 (v) pay for or make a contribution toward the acquisition, construction, or
553 rehabilitation of income targeted housing that is outside of the community if the
554 housing is located along or near a major transit investment corridor that services
555 the community and the related project has been approved by the community in
556 which the housing is or will be located;
- 557 (vi) pay for or make a contribution toward the acquisition, construction, or
558 rehabilitation of income targeted housing that is outside of the [community]
559 boundary of the agency if there is an interlocal agreement between the agency and
560 the receiving community; [or]
- 561 (vii) pay for or make a contribution toward the expansion of child care facilities
562 within the boundary of the agency, provided that any recipient of funds from the
563 agency's housing allocation reports annually to the agency on how the funds were
564 used[-] ; or
- 565 (viii) a non-profit housing fund, for use in assisting individuals or families within the
566 community to achieve homeownership or retain homeownership, in accordance
567 with:
- 568 (A) the mission of the non-profit housing fund; and
- 569 (B) a written agreement between the non-profit housing fund and the agency,
570 governing appropriate uses of housing allocation funds.
- 571 (2)(a) An agency may combine all or any portion of the agency's housing allocation with
572 all or any portion of one or more additional agency's housing allocations if the
573 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,
574 Interlocal Cooperation Act.

(b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.

(3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.

(4) An agency may:

(a) issue bonds to finance a housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

(b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a) previously issued by the agency.

(5)(a) Before using housing allocation in a manner described in Subsection (1), if a proposed recipient of housing allocation is a private entity, an agency shall confirm:

(i) with the county in which the agency operates that:

(A) the private entity is not delinquent on property tax; or

(B) the private entity is not subject to a political subdivision lien for past due fees or charges; or

(ii) if the proposed recipient of housing allocation operates outside the agency's community, as described in Subsection (1)(b)(vi), with the county in which the private entity intends to utilize the housing allocation that:

(A) the private entity is not delinquent on property tax; or

(B) the private entity is not subject to a political subdivision lien for past due fees or charges.

(b) If a private entity is delinquent on property tax or subject to a political subdivision lien as described in Subsection (5)(a), an agency may not provide any of the agency's housing allocation to that private entity.

~~[(5)]~~ (6)(a) Except as provided in Subsection ~~[(5)(b)]~~ (6)(b), an agency shall allocate money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget.

(b) Subsection ~~[(5)(a)]~~ (6)(a) does not apply in a year in which tax increment is insufficient.

~~[(6)]~~ (7)(a) Except as provided in Subsection ~~[(5)(b)]~~ (6)(b), if an agency fails to provide

a housing allocation in accordance with the project area budget and the housing plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to provide the housing allocation.

(b) In an action under Subsection [~~(6)~~(a)] (7)(a), the court:

(i) shall award the loan fund board reasonable attorney fees, unless the court finds that the action was frivolous; and

(ii) may not award the agency the agency's attorney fees, unless the court finds that the action was frivolous.

[~~(7)~~] (8) 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)(x), 17C-1-409 (1)(a)(v), and 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in Subsection 59-12-205(4).

[~~(8)~~] (9) An agency shall spend, encumber, or allot the money contributed to the housing fund under Subsection [~~(5)~~(a)] (6)(a) within six years from the day on which the agency first receives the money.

Section 5. Section **17C-1-1001** is amended to read:

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) "Approved rate" means a property tax rate that exceeds the certified tax rate, calculated in accordance with Sections 59-2-919 through 59-2-923.

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

[~~(3)~~] (4) "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)~~] (5) "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 Opportunity under Title 63N, Economic Opportunity Act.

[(5)] (6) "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)] (7) "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)] (8) "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)] (9) "Property tax revenue" means the amount of revenue generated by an agency from the property within the agency using:

- (a) the current taxable value of the property and the agency's certified tax rate; or
- (b) the current taxable value of the property and, if applicable, the agency's approved tax rate.

Section 6. Section **17C-1-1002** is amended 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 whether the agency and eligible taxing entity contemplate a potential future amendment to the agreement allowing the agency to modify the calculation of property tax value from the certified rate to an approved rate;
 - (ii) states the amount of project area incremental revenue that the eligible taxing

- entity agrees to transfer to the agency;
- ~~[(ii)]~~ (iii) states the year in which the eligible taxing entity will transfer the amount described in Subsection ~~[(2)(e)(i)]~~ (2)(c)(ii); and
- ~~[(iii)]~~ (iv) for the year described in Subsection ~~[(2)(e)(ii)]~~ (2)(c)(iii), requires the agency to add the project area incremental revenue transferred in the agency's budget;
- (d) includes a copy of the implementation plan described in Section 17C-1-1004;
- (e) requires the agency to dissolve, in accordance with Section 17C-1-702, any project area:
- (i) that is subject to the interlocal agreement; and
 - (ii) for which the project area funds collection period will expire; and
- (f) is filed with the county auditor, the State Tax Commission, and the eligible taxing entity.
- (3) If an agency and an eligible taxing entity enter into an interlocal agreement under this section:
- (a) subject to Subsection (4) and Section 17C-1-1004, the agency may levy a property tax on taxable property within the agency's geographic boundaries; and
 - (b) except as provided in Subsection (4)(b) or (5), the agency may not:
 - (i) create a new community reinvestment project area within the taxing entity's geographic boundaries; or
 - (ii) amend a project area plan or budget if the amendment:
 - (A) enlarges the project area from which tax increment is collected;
 - (B) permits the agency to receive a greater amount of tax increment; or
 - (C) extends the project area funds collection period.
- (4)(a) An agency may levy a property tax for a fiscal year that:
- (i) is after the year in which the agency receives project area incremental revenue; and
 - (ii) begins on or after the January 1 on which the agency has authority to impose a property tax under this section.
- (b)(i) ~~[An-]~~ If an agency is using the certified rate to calculate property tax value, the agency board shall calculate the agency's certified tax rate in accordance with Section 59-2-924.
- (ii) If an agency is using an approved rate to calculate property tax value, the agency board shall:
- (A) comply with Sections 59-2-919 through 59-2-923 to determine the appropriate

711 approved rate; and
712 (B) enter into an amendment to the agreement described in Subsection (1), if the
713 agreement contemplates an amendment described in Subsection (2)(c)(i), with
714 the eligible taxing entity.

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

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

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

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

721 Section 7. **Effective Date.**

722 This bill takes effect on May 7, 2025.