

UTAH INLAND PORT AUTHORITY AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to the Utah Inland Port Authority.

Highlighted Provisions:

This bill:

- ▶ modifies definitions applicable to code provisions governing the Utah Inland Port Authority;
- ▶ modifies provisions relating to the Authority policies and objectives;
- ▶ eliminates language making an intermodal facility owned by the Authority subject to a privilege tax;
- ▶ modifies provisions relating to the Authority board;
- ▶ removes a primary municipality's property tax revenue from property tax differential, upon certain conditions;
- ▶ requires the community development and renewal agency of a primary municipality to create a project area on authority jurisdictional land;
- ▶ requires a primary municipality, the primary agency's municipality, and the Authority to enter into an agreement relating to the sharing of property tax revenue and uses of the revenue;
- ▶ modifies a provision relating to the Authority executive director;
- ▶ modifies allowable uses of property tax differential;
- ▶ authorizes the Authority to use property tax differential for business recruitment



28 incentives and establishes provisions governing business recruitment incentives;

29 ▶ modifies provisions relating to the Authority budget; and

30 ▶ makes technical and conforming changes.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill provides a special effective date.

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **11-58-102**, as last amended by Laws of Utah 2021, Chapter 415

38 **11-58-106**, as enacted by Laws of Utah 2021, Chapter 415

39 **11-58-202**, as last amended by Laws of Utah 2020, Chapters 126 and 263

40 **11-58-203**, as last amended by Laws of Utah 2020, Chapter 126

41 **11-58-205**, as last amended by Laws of Utah 2020, Chapter 126

42 **11-58-302**, as last amended by Laws of Utah 2020, Chapter 126

43 **11-58-303**, as last amended by Laws of Utah 2020, Chapter 126

44 **11-58-304**, as last amended by Laws of Utah 2021, Chapter 415

45 **11-58-305**, as last amended by Laws of Utah 2020, Chapter 126

46 **11-58-601**, as last amended by Laws of Utah 2020, Chapter 126

47 **11-58-602**, as last amended by Laws of Utah 2020, Chapter 126

48 **11-58-801**, as last amended by Laws of Utah 2021, Chapters 84 and 345

49 ENACTS:

50 **11-58-603**, Utah Code Annotated 1953

51 **11-58-604**, Utah Code Annotated 1953

52 **17C-5-114**, Utah Code Annotated 1953

53 REPEALS:

54 **11-58-101**, as enacted by Laws of Utah 2018, Chapter 179



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

57 Section 1. Section **11-58-102** is amended to read:

58 **11-58-102. Definitions.**

59 As used in this chapter:

60 (1) "Authority" means the Utah Inland Port Authority, created in Section [11-58-201](#).

61 (2) "Authority jurisdictional land" means land within the authority boundary

62 delineated:

63 (a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah

64 Inland Port Authority Amendments, 2018 Second Special Session; and

65 (b) beginning April 1, 2020, as provided in Subsection [11-58-202](#)(3).

66 (3) "Base taxable value" means:

67 (a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the

68 authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year

69 2018; and

70 (ii) for an area described in Subsection [11-58-601](#)(5), the taxable value of that area in

71 calendar year 2017; or

72 (b) for a project area that consists of land outside the authority jurisdictional land, the

73 taxable value of property within any portion of a project area, as designated by board

74 resolution, from which the property tax differential will be collected, as shown upon the

75 assessment roll last equalized before the year in which the authority adopts a project area plan

76 for that area.

77 (4) "Board" means the authority's governing body, created in Section [11-58-301](#).

78 (5) "Business plan" means a plan designed to facilitate, encourage, and bring about

79 development of the authority jurisdictional land to achieve the goals and objectives described

80 in Subsection [11-58-203](#)(1), including the development and establishment of an inland port.

81 (6) "Development" means:

82 (a) the demolition, construction, reconstruction, modification, expansion, or

83 improvement of a building, utility, infrastructure, landscape, parking lot, park, trail,

84 recreational amenity, or other facility, including publicly owned infrastructure and

85 improvements; and

86 (b) the planning of, arranging for, or participation in any of the activities listed in

87 Subsection (6)(a).

88 (7) "Development project" means a project for the development of land within a

89 project area.

90 (8) "Inland port" means one or more sites that:

91 (a) contain multimodal transportation assets and other facilities that:

92 (i) are related but may be separately owned and managed; and

93 (ii) together are intended to:

94 (A) allow global trade to be processed and altered by value-added services as goods
95 move through the supply chain;

96 (B) provide a regional merging point for transportation modes for the distribution of
97 goods to and from ports and other locations in other regions;

98 (C) provide cargo-handling services to allow freight consolidation and distribution,
99 temporary storage, customs clearance, and connection between transport modes; and

100 (D) provide international logistics and distribution services, including freight
101 forwarding, customs brokerage, integrated logistics, and information systems; and

102 (b) may include a satellite customs clearance terminal, an intermodal facility, a
103 customs pre-clearance for international trade, or other facilities that facilitate, encourage, and
104 enhance regional, national, and international trade.

105 (9) "Inland port use" means a use of land:

106 (a) for an inland port;

107 (b) that directly implements or furthers the purposes of an inland port, as stated in
108 Subsection (8);

109 (c) that complements or supports the purposes of an inland port, as stated in Subsection
110 (8); or

111 (d) that depends upon the presence of the inland port for the viability of the use.

112 (10) "Intermodal facility" means a hub or other facility for trade combining any
113 combination of rail, trucking, air cargo, and other transportation services.

114 (11) "Nonvoting member" means an individual appointed as a member of the board
115 under Subsection [11-58-302](#)~~(6)~~(3) who does not have the power to vote on matters of
116 authority business.

117 (12) "Project area" means:

118 (a) the authority jurisdictional land; or

119 (b) land outside the authority jurisdictional land, whether consisting of a single
120 contiguous area or multiple noncontiguous areas, described in a project area plan or draft

121 project area plan, where the development project set forth in the project area plan or draft
122 project area plan takes place or is proposed to take place.

123 (13) "Project area budget" means a multiyear projection of annual or cumulative
124 revenues and expenses and other fiscal matters pertaining to the project area.

125 (14) "Project area plan" means a written plan that, after its effective date, guides and
126 controls the development within a project area.

127 (15) "Property tax" includes a privilege tax and each levy on an ad valorem basis on
128 tangible or intangible personal or real property.

129 (16) "Property tax differential":

130 (a) means the difference between:

131 (i) the amount of property tax revenues generated each tax year by all taxing entities
132 from a project area, using the current assessed value of the property; and

133 (ii) the amount of property tax revenues that would be generated from that same area
134 using the base taxable value of the property; and

135 (b) does not include property tax revenue from:

136 (i) a county additional property tax or multicounty assessing and collecting levy
137 imposed in accordance with Section [59-2-1602](#);

138 (ii) a judgment levy imposed by a taxing entity under Section [59-2-1328](#) or [59-2-1330](#);
139 or

140 (iii) a levy imposed by a taxing entity under Section [11-14-310](#) to pay for a general
141 obligation bond.

142 (17) "Public entity" means:

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

144 (b) a county, city, town, metro township, school district, local district, special service
145 district, interlocal cooperation entity, community reinvestment agency, or other political
146 subdivision of the state, including the authority.

147 (18) "Publicly owned infrastructure and improvements":

148 (a) means infrastructure, improvements, facilities, or buildings that:

149 (i) benefit the public; and

150 (ii) (A) are owned by a public entity or a utility; or

151 (B) are publicly maintained or operated by a public entity;

152 (b) includes:

153 (i) facilities, lines, or systems that provide:

154 (A) water, chilled water, or steam; or

155 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
156 microgrids, or telecommunications service; [~~and~~]

157 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
158 facilities, and public transportation facilities[~~;~~]; and

159 (iii) an inland port.

160 (19) "Shapefile" means the digital vector storage format for storing geometric location
161 and associated attribute information.

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

164 (21) "Taxing entity":

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

166 (b) does not include a public infrastructure district that the authority creates under Title
167 17D, Chapter 4, Public Infrastructure District Act.

168 (22) "Voting member" means an individual appointed or designated as a member of the
169 board under Subsection [11-58-302\(2\)](#).

170 Section 2. Section **11-58-106** is amended to read:

171 **11-58-106. Loan approval committee -- Approval of infrastructure loans.**

172 (1) As used in this section:

173 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).

174 (b) "Infrastructure loan" means the same as that term is defined in Section
175 [63A-3-401.5](#).

176 (c) "Infrastructure project" means the same as that term is defined in Section
177 [63A-3-401.5](#).

178 [~~(d) "Inland port fund" means the same as that term is defined in Section [63A-3-401.5](#).]~~

179 [~~(e)~~] (d) "Loan approval committee" means a committee consisting of[~~;~~] the individuals
180 who are the voting members of the board.

181 [~~(i) the two board members appointed by the governor;~~]

182 [~~(ii) the board member appointed by the president of the Senate;~~]

183 ~~[(iii) the board member appointed by the speaker of the House of Representatives; and]~~
184 ~~[(iv) the board member appointed by the chair of the Permanent Community Impact~~
185 ~~Fund Board.]~~

186 (2) The loan approval committee may approve an infrastructure loan from the inland
187 port fund, as defined in Section 63A-3-401.5, to a borrower for an infrastructure project
188 undertaken by the borrower.

189 (3) (a) The loan approval committee shall establish the terms of an infrastructure loan
190 in accordance with Section 63A-3-404.

191 (b) The loan approval committee shall require the terms of an infrastructure loan
192 secured by property tax differential to include a requirement that money from the infrastructure
193 loan be used only for an infrastructure project within the project area that generates the
194 property tax differential.

195 (c) The terms of an infrastructure loan that the loan approval committee approves may
196 include provisions allowing for the infrastructure loan to be forgiven if:

- 197 (i) the infrastructure loan is to a public university in the state;
- 198 (ii) the infrastructure loan is to fund a vehicle electrification pilot project;
- 199 (iii) the amount of the infrastructure loan does not exceed \$15,000,000; and
- 200 (iv) the public university receives matching funds for the vehicle electrification pilot
201 project from another source.

202 (4) (a) The loan approval committee shall establish policies and guidelines with respect
203 to prioritizing requests for infrastructure loans and approving infrastructure loans.

204 (b) With respect to infrastructure loan requests for an infrastructure project on authority
205 jurisdictional land, the policies and guidelines established under Subsection (4)(a) shall give
206 priority to an infrastructure loan request that furthers the policies and best practices
207 incorporated into the environmental sustainability component of the authority's business plan
208 under Subsection 11-58-202(1)(a).

209 (5) Within 60 days after the execution of an infrastructure loan, the loan approval
210 committee shall report the infrastructure loan, including the loan amount, terms, and security,
211 to the Executive Appropriations Committee.

212 (6) (a) Salaries and expenses of committee members who are legislators shall be paid
213 in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator

214 Compensation.

215 (b) A committee member who is not a legislator may not receive compensation or
216 benefits for the member's service on the committee, but may receive per diem and
217 reimbursement for travel expenses incurred as a committee member at the rates established by
218 the Division of Finance under:

219 (i) Sections 63A-3-106 and 63A-3-107; and

220 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
221 63A-3-107.

222 Section 3. Section 11-58-202 is amended to read:

223 **11-58-202. Authority powers and duties.**

224 (1) The authority has exclusive jurisdiction, responsibility, and power to coordinate the
225 efforts of all applicable state and local government entities, property owners and other private
226 parties, and other stakeholders to:

227 (a) develop and implement a business plan for the authority jurisdictional land, to
228 include an environmental sustainability component, developed in conjunction with the Utah
229 Department of Environmental Quality, incorporating policies and best practices to meet or
230 exceed applicable federal and state standards, including:

231 (i) emissions monitoring and reporting; and

232 (ii) strategies that use the best available technology to mitigate environmental impacts
233 from development and uses on the authority jurisdictional land;

234 (b) plan and facilitate the development of inland port uses on authority jurisdictional
235 land and on land in other authority project areas;

236 (c) manage any inland port located on land owned or leased by the authority; and

237 (d) establish a foreign trade zone, as provided under federal law, covering some or all
238 of the authority jurisdictional land or land in other authority project areas.

239 (2) The authority may:

240 (a) facilitate and bring about the development of inland port uses on land that is part of
241 the authority jurisdictional land or that is in other authority project areas, including engaging in
242 marketing and business recruitment activities and efforts to encourage and facilitate:

243 (i) the development of an inland port on the authority jurisdictional land; and

244 (ii) other development of the authority jurisdictional land consistent with the policies

245 and objectives described in Subsection [11-58-203\(1\)](#);

246 (b) facilitate and provide funding for the development of the authority jurisdictional
247 land and land in other authority project areas, including the development of publicly owned
248 infrastructure and improvements and other infrastructure and improvements on or related to the
249 authority jurisdictional land;

250 (c) engage in marketing and business recruitment activities and efforts to encourage
251 and facilitate development of the authority jurisdictional land;

252 (d) apply for and take all other necessary actions for the establishment of a foreign
253 trade zone, as provided under federal law, covering some or all of the authority jurisdictional
254 land;

255 (e) as the authority considers necessary or advisable to carry out any of its duties or
256 responsibilities under this chapter:

257 (i) buy, obtain an option upon, or otherwise acquire any interest in real or personal
258 property;

259 (ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or
260 personal property; or

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

262 (f) sue and be sued;

263 (g) enter into contracts generally;

264 (h) provide funding for the development of publicly owned infrastructure and
265 improvements or other infrastructure and improvements on or related to the authority
266 jurisdictional land or other authority project areas;

267 (i) exercise powers and perform functions under a contract, as authorized in the
268 contract;

269 (j) receive the property tax differential, as provided in this chapter;

270 (k) accept financial or other assistance from any public or private source for the
271 authority's activities, powers, and duties, and expend any funds so received for any of the
272 purposes of this chapter;

273 (l) borrow money, contract with, or accept financial or other assistance from the federal
274 government, a public entity, or any other source for any of the purposes of this chapter and
275 comply with any conditions of the loan, contract, or assistance;

276 (m) issue bonds to finance the undertaking of any development objectives of the
277 authority, including bonds under Chapter 17, Utah Industrial Facilities and Development Act,
278 bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial
279 Property Assessed Clean Energy Act;

280 (n) hire employees, including contract employees;

281 (o) transact other business and exercise all other powers provided for in this chapter;

282 (p) engage one or more consultants to advise or assist the authority in the performance
283 of the authority's duties and responsibilities;

284 (q) work with other political subdivisions and neighboring property owners and
285 communities to mitigate potential negative impacts from the development of authority
286 jurisdictional land;

287 (r) own and operate an intermodal facility if the authority considers the authority's
288 ownership and operation of an intermodal facility to be necessary or desirable;

289 (s) own and operate publicly owned infrastructure and improvements in a project area
290 outside the authority jurisdictional land; [~~and~~]

291 (t) exercise powers and perform functions that the authority is authorized by statute to
292 exercise or perform[-];

293 (u) develop and implement world-class, state-of-the-art, zero-emissions logistics to:

294 (i) support continued growth of the state's economy;

295 (ii) promote the state as the global center of efficient and sustainable supply chain
296 logistics;

297 (iii) facilitate the efficient movement of goods on roads and rails and through the air;

298 (iv) benefit the commercial viability of developers, landowners, tenants, and users; and

299 (v) attract capital and expertise in pursuit of the next generation of logistics solutions.

300 (3) (a) Beginning April 1, 2020, the authority shall:

301 (i) be the repository of the official delineation of the boundary of the authority
302 jurisdictional land, identical to the boundary as delineated in the shapefile that is the electronic
303 component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special
304 Session, subject to Subsection (3)(b) and any later changes to the boundary enacted by the
305 Legislature; and

306 (ii) maintain an accurate digital file of the boundary that is easily accessible by the

307 public.

308 (b) (i) As used in this Subsection (3)(b), "split property" means a piece of land:

309 (A) with a single tax identification number; and

310 (B) that is partly included within and partly excluded from the authority jurisdictional
311 land by the boundary delineated in the shapefile described in Subsection [11-58-102\(2\)](#).

312 (ii) With the consent of the mayor of the municipality in which the split property is
313 located, the executive director may adjust the boundary of the authority jurisdictional land to
314 include an excluded portion of a split property or exclude an included portion of a split
315 property.

316 (iii) In adjusting the boundary under Subsection (3)(b)(ii), the executive director shall
317 consult with the county assessor, the county surveyor, the owner of the split property, and the
318 municipality in which the split property is located.

319 (iv) A boundary adjustment under this Subsection (3)(b) affecting the northwest
320 boundary of the authority jurisdictional land shall maintain the buffer area between authority
321 jurisdictional land intended for development and land outside the boundary of the authority
322 jurisdictional land to be preserved from development.

323 (v) Upon completing boundary adjustments under this Subsection (3)(b), the executive
324 director shall cause to be recorded in the county recorder's office a map or other description,
325 sufficient for purposes of the county recorder, of the adjusted boundary of the authority
326 jurisdictional land.

327 (vi) The authority shall modify the official delineation of the boundary of the authority
328 jurisdictional land under Subsection (3)(a) to reflect a boundary adjustment under this
329 Subsection (3)(b).

330 (4) (a) The authority may establish a community enhancement program designed to
331 address the impacts that development or inland port uses within project areas have on adjacent
332 communities.

333 (b) (i) The authority may use authority money to support the community enhancement
334 program and to pay for efforts to address the impacts described in Subsection (4)(a).

335 (ii) Authority money designated for use under Subsection (4)(b)(i) is exempt from
336 execution or any other process in the collection of a judgment against or debt or other
337 obligation of the authority arising out of the authority's activities with respect to the community

338 enhancement program.

339 (c) On or before October 31, 2020, the authority shall report on the authority's actions
340 under this Subsection (4) to:

341 (i) the Business, Economic Development, and Labor Appropriations Subcommittee of
342 the Legislature;

343 (ii) the Economic Development and Workforce Services Interim Committee of the
344 Legislature; and

345 (iii) the Business and Labor Interim Committee of the Legislature.

346 ~~[(5) An intermodal facility owned by the authority is subject to a privilege tax under
347 Title 59, Chapter 4, Privilege Tax.]~~

348 Section 4. Section **11-58-203** is amended to read:

349 **11-58-203. Policies and objectives of the authority -- Additional duties of the**
350 **authority.**

351 (1) The policies and objectives of the authority are to:

352 (a) maximize long-term economic benefits to the area, the region, and the state;

353 (b) maximize the creation of high-quality jobs;

354 (c) respect and maintain sensitivity to the unique natural environment of areas in
355 proximity to the authority jurisdictional land and land in other authority project areas;

356 (d) improve air quality and minimize resource use;

357 (e) respect existing land use and other agreements and arrangements between property
358 owners within the authority jurisdictional land and within other authority project areas and
359 applicable governmental authorities;

360 (f) promote and encourage development and uses that are compatible with or
361 complement uses in areas in proximity to the authority jurisdictional land or land in other
362 authority project areas;

363 (g) take advantage of the authority jurisdictional land's strategic location and other
364 features, including the proximity to transportation and other infrastructure and facilities, that
365 make the authority jurisdictional land attractive to:

366 (i) businesses that engage in regional, national, or international trade; and

367 (ii) businesses that complement businesses engaged in regional, national, or
368 international trade;

- 369 (h) facilitate the transportation of goods;
- 370 (i) coordinate trade-related opportunities to export Utah products nationally and
- 371 internationally;
- 372 (j) support and promote land uses on the authority jurisdictional land and land in other
- 373 authority project areas that generate economic development, including rural economic
- 374 development;
- 375 (k) establish a project of regional significance;
- 376 (l) facilitate an intermodal facility;
- 377 (m) support uses of the authority jurisdictional land for inland port uses, including
- 378 warehousing, light manufacturing, and distribution facilities;
- 379 (n) facilitate an increase in trade in the region and in global commerce;
- 380 (o) promote the development of facilities that help connect local businesses to potential
- 381 foreign markets for exporting or that increase foreign direct investment;
- 382 (p) encourage all class 5 through 8 designated truck traffic entering the authority
- 383 jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and
- 384 urban bus exhaust emission standards for year 2007 and later; [~~and~~]
- 385 (q) encourage the development and use of cost-efficient renewable energy in project
- 386 areas[-];
- 387 (r) aggressively pursue world-class businesses that employ cutting-edge technologies to
- 388 locate within a project area; and
- 389 (s) pursue land remediation and development opportunities for publicly owned land to
- 390 add value to a project area.
- 391 (2) In fulfilling its duties and responsibilities relating to the development of the
- 392 authority jurisdictional land and land in other authority project areas and to achieve and
- 393 implement the development policies and objectives under Subsection (1), the authority shall:
- 394 (a) work to identify funding sources, including federal, state, and local government
- 395 funding and private funding, for capital improvement projects in and around the authority
- 396 jurisdictional land and land in other authority project areas and for an inland port;
- 397 (b) review and identify land use and zoning policies and practices to recommend to
- 398 municipal land use policymakers and administrators that are consistent with and will help to
- 399 achieve:

- 400 (i) the policies and objectives stated in Subsection (1); and
401 (ii) the mutual goals of the state and local governments that have authority
402 jurisdictional land with their boundaries with respect to the authority jurisdictional land;
403 (c) consult and coordinate with other applicable governmental entities to improve and
404 enhance transportation and other infrastructure and facilities in order to maximize the potential
405 of the authority jurisdictional land to attract, retain, and service users who will help maximize
406 the long-term economic benefit to the state; and
407 (d) pursue policies that the board determines are designed to avoid or minimize
408 negative environmental impacts of development.

409 ~~[(3) (a) The authority may use property tax differential and other authority money to~~
410 ~~encourage, incentivize, or require development that:]~~

411 ~~[(i) mitigates noise, air pollution, light pollution, surface and groundwater pollution,~~
412 ~~and other negative environmental impacts;]~~

413 ~~[(ii) mitigates traffic congestion; or]~~

414 ~~[(iii) uses high efficiency building construction and operation.]~~

415 ~~[(b) (i) In consultation with the municipality in which development is expected to~~
416 ~~occur, the authority shall establish minimum mitigation and environmental standards that a~~
417 ~~landowner is required to meet to qualify for the use of property tax differential in the~~
418 ~~landowner's development.]~~

419 ~~[(ii) The authority may not use property tax differential for a landowner's development~~
420 ~~in a project area unless the minimum mitigation and environmental standards are followed with~~
421 ~~respect to that landowner's development.]~~

422 ~~[(c) The authority may develop and implement world-class, state-of-the-art,~~
423 ~~zero-emissions logistics that support continued growth of the state's economy in order to:]~~

424 ~~[(i) promote the state as the global center of efficient and sustainable supply chain~~
425 ~~logistics;]~~

426 ~~[(ii) facilitate the efficient movement of goods on roads and rails and through the air;]~~

427 ~~[(iii) benefit the commercial viability of developers, landowners, and tenants and users;~~
428 ~~and]~~

429 ~~[(iv) attract capital and expertise in pursuit of the next generation of logistics~~
430 ~~solutions.]~~

431 Section 5. Section **11-58-205** is amended to read:

432 **11-58-205. Applicability of other law -- Cooperation of state and local**
433 **governments -- Municipality to consider board input -- Prohibition relating to natural**
434 **resources -- Inland port as permitted or conditional use -- Municipal services --**
435 **Disclosure by nonauthority governing body member.**

436 (1) Except as otherwise provided in this chapter, the authority does not have and may
437 not exercise any powers relating to the regulation of land uses on the authority jurisdictional
438 land.

439 (2) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),
440 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed
441 by Title 63E, Independent Entities Code.

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

446 (4) In making decisions affecting the authority jurisdictional land, the legislative body
447 of a municipality in which the authority jurisdictional land is located shall consider input from
448 the authority board.

449 (5) (a) No later than December 31, 2018, the ordinances of a municipality with
450 authority jurisdictional land within its boundary shall allow an inland port as a permitted or
451 conditional use, subject to standards that are:

452 (i) determined by the municipality; and
453 (ii) consistent with the policies and objectives stated in Subsection [11-58-203](#)(1).

454 (b) A municipality whose ordinances do not comply with Subsection (5)(a) within the
455 time prescribed in that subsection shall allow an inland port as a permitted use without regard
456 to any contrary provision in the municipality's land use ordinances.

457 (6) The transporting, unloading, loading, transfer, or temporary storage of natural
458 resources may not be prohibited on the authority jurisdictional land.

459 (7) (a) A municipality whose boundary includes authority jurisdictional land shall
460 provide the same municipal services to the area of the municipality that is within the authority
461 jurisdictional land as the municipality provides to other areas of the municipality with similar

462 zoning and a similar development level.

463 (b) The level and quality of municipal services that a municipality provides within
464 authority jurisdictional land shall be fairly and reasonably consistent with the level and quality
465 of municipal services that the municipality provides to other areas of the municipality with
466 similar zoning and a similar development level.

467 (8) (a) As used in this Subsection (8):

468 (i) "Direct financial benefit" means the same as that term is defined in Section
469 11-58-304.

470 (ii) "Nonauthority governing body member" means a member of the board or other
471 body that has authority to make decisions for a nonauthority government owner.

472 (iii) "Nonauthority government owner" mean a state agency or nonauthority local
473 government entity that owns land that is part of the authority jurisdictional land.

474 (iv) "Nonauthority local government entity":

475 (A) means a county, city, town, metro township, local district, special service district,
476 community reinvestment agency, or other political subdivision of the state; and

477 (B) excludes the authority.

478 (v) "State agency" means a department, division, or other agency or instrumentality of
479 the state, including an independent state agency.

480 (b) A nonauthority governing body member who owns or has a financial interest in
481 land that is part of the authority jurisdictional land or who reasonably expects to receive a
482 direct financial benefit from development of authority jurisdictional land shall submit a written
483 disclosure to the authority board and the nonauthority government owner.

484 (c) A written disclosure under Subsection (8)(b) shall describe, as applicable:

485 (i) the nonauthority governing body member's ownership or financial interest in
486 property that is part of the authority jurisdictional land; and

487 (ii) the direct financial benefit the nonauthority governing body member expects to
488 receive from development of authority jurisdictional land.

489 (d) A nonauthority governing body member required under Subsection (8)(b) to submit
490 a written disclosure shall submit the disclosure no later than 30 days after:

491 (i) the nonauthority governing body member:

492 (A) acquires an ownership or financial interest in property that is part of the authority

493 jurisdictional land; or

494 (B) first knows that the nonauthority governing body member expects to receive a
495 direct financial benefit from the development of authority jurisdictional land; or

496 (ii) the effective date of this Subsection (8), if that date is later than the period
497 described in Subsection (8)(d)(i).

498 (e) A written disclosure submitted under this Subsection (8) is a public record.

499 (9) No later than January 1, 2023, a primary municipality, as defined in Section
500 11-58-601, shall enter into an agreement with the authority under which the primary
501 municipality will agree to facilitate the efficient processing of land use applications, as defined
502 in Section 10-9a-103, relating to land within a project area, including providing for at least one
503 full-time employee as a single point of contact for the processing of those land use
504 applications.

505 Section 6. Section **11-58-302** is amended to read:

506 **11-58-302. Number of board members -- Appointment -- Vacancies.**

507 (1) The authority's board shall consist of [~~++~~] five voting members, as provided in
508 Subsection (2).

509 (2) (a) The governor shall appoint [~~two~~] as board members two individuals who are not
510 elected government officials:

511 (i) one of whom shall be an individual engaged in statewide economic development or
512 corporate recruitment and retention; and

513 (ii) one of whom shall be an individual engaged in statewide trade, import and export
514 activities, [~~or~~] foreign direct investment, or public-private partnerships.

515 (b) The president of the Senate shall appoint [~~one~~] as a board member one individual
516 with relevant business expertise.

517 (c) The speaker of the House of Representatives shall appoint [~~one~~] as a board member
518 one individual with relevant business expertise.

519 [~~(d) The mayor of Salt Lake County, or the mayor's designee, shall serve as a board~~
520 ~~member.]~~

521 [~~(e) The chair of the Permanent Community Impact Fund Board, created in Section~~
522 ~~35A-8-304, shall appoint one board member from among the members of the Permanent~~
523 ~~Community Impact Fund Board.]~~

524 ~~[(f) The mayor of Salt Lake City, or the mayor's designee, shall serve as a board~~
525 ~~member.]~~

526 ~~[(g) A member of the Salt Lake City council, selected by the Salt Lake City council,~~
527 ~~shall serve as a board member.]~~

528 ~~[(h) The city manager of West Valley City, with the consent of the city council of West~~
529 ~~Valley City, shall appoint one board member.]~~

530 ~~[(i) The director of the Salt Lake County office of Regional Economic Development~~
531 ~~shall serve as a board member.]~~

532 ~~[(j) The mayor of the Magna metro township, or the mayor's designee, shall serve as a~~
533 ~~board member.]~~

534 (d) The president of the Senate and speaker of the House of Representatives shall
535 jointly appoint as a board member one individual with relevant business expertise.

536 (3) (a) The board shall include three nonvoting board members.

537 (b) The board shall appoint as nonvoting board members two individuals with
538 expertise in transportation and logistics.

539 (c) One of the nonvoting board members shall be a member of the Salt Lake City
540 Council, designated by the Salt Lake City Council, who represents a council district whose
541 boundary includes authority jurisdictional land.

542 (d) The board may set the term of office for nonvoting board members appointed under
543 Subsection (3)(b).

544 ~~[(3)]~~ (4) An individual required under Subsection (2) to appoint a board member shall
545 appoint each initial board member the individual is required to appoint no later than June 1,
546 [2018] 2022.

547 ~~[(4)]~~ (5) (a) A vacancy in the board shall be filled in the same manner under this
548 section as the appointment of the member whose vacancy is being filled.

549 (b) A person appointed to fill a vacancy shall serve the remaining unexpired term of
550 the member whose vacancy the person is filling.

551 ~~[(5)]~~ (6) A member of the board appointed [by the governor, president of the Senate, or
552 speaker of the House of Representatives] under Subsection (2) serves at the pleasure of and
553 may be removed and replaced at any time, with or without cause, by the [governor, president of
554 the Senate, or speaker of the House of Representatives, respectively] individual or individuals

555 who appointed the member.

556 [~~(6) The authority may appoint nonvoting members of the board and set terms for those~~
557 ~~nonvoting members.~~]

558 (7) Upon a vote of a majority of all board members, the board may appoint a board
559 chair and any other officer of the board.

560 [~~(8) (a) An individual designated as a board member under Subsection (2)(g), (i), or (j)~~
561 ~~who would be precluded from serving as a board member because of Subsection~~
562 ~~11-58-304(2).~~]

563 [~~(i) may serve as a board member notwithstanding Subsection 11-58-304(2); and]~~

564 [~~(ii) shall disclose in writing to the board the circumstances that would otherwise have~~
565 ~~precluded the individual from serving as a board member under Subsection 11-58-304(2).~~]

566 [~~(b) A written disclosure under Subsection (8)(a)(ii) is a public record under Title 63G,~~
567 ~~Chapter 2, Government Records Access and Management Act.~~]

568 [~~(9)~~] (8) The board may appoint one or more advisory committees that may include
569 individuals from impacted public entities, community organizations, environmental
570 organizations, business organizations, or other organizations or associations.

571 Section 7. Section **11-58-303** is amended to read:

572 **11-58-303. Term of board members -- Quorum -- Compensation.**

573 (1) The term of a board member appointed under Subsection **11-58-302(2)**[~~(a), (b), (c),~~
574 ~~(e), (g), or (h)~~] is four years, except that the initial term of one of the two members appointed
575 under Subsection **11-58-302(2)(a)** and of the [~~members~~] member appointed under [~~Subsections~~
576 ~~11-58-302(2)(e) and (g)~~] Subsection 11-58-302(2)(d) is two years.

577 (2) Each board member shall serve until a successor is duly appointed and qualified.

578 (3) A board member may serve multiple terms if duly appointed to serve each term
579 under Subsection **11-58-302(2)**.

580 (4) A majority of board members constitutes a quorum, and the action of a majority of
581 a quorum constitutes action of the board.

582 (5) (a) A board member who is not a legislator may not receive compensation or
583 benefits for the member's service on the board, but may receive per diem and reimbursement
584 for travel expenses incurred as a board member as allowed in:

585 (i) Sections **63A-3-106** and **63A-3-107**; and

586 (ii) rules made by the Division of Finance according to Sections 63A-3-106 and
587 63A-3-107.

588 (b) Compensation and expenses of a board member who is a legislator are governed by
589 Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

590 Section 8. Section 11-58-304 is amended to read:

591 **11-58-304. Limitations on board members and executive director.**

592 (1) As used in this section:

593 (a) "Direct financial benefit":

594 (i) means any form of financial benefit that accrues to an individual directly, including:

595 (A) compensation, commission, or any other form of a payment or increase of money;

596 and

597 (B) an increase in the value of a business or property; and

598 (ii) does not include a financial benefit that accrues to the public generally.

599 (b) "Family member" means a parent, spouse, sibling, child, or grandchild.

600 (2) An individual may not serve as a voting member of the board or as executive
601 director if:

602 (a) the individual owns real property, other than a personal residence in which the
603 individual resides, within a project area, whether or not the ownership interest is a recorded
604 interest;

605 (b) a family member of the individual owns an interest in real property, other than a
606 personal residence in which the family member resides, located within a project area; or

607 (c) the individual or a family member of the individual owns an interest in, is directly
608 affiliated with, or is an employee or officer of a private firm, private company, or other private
609 entity that the individual reasonably believes is likely to:

610 (i) participate in or receive a direct financial benefit from the development of the
611 authority jurisdictional land; or

612 (ii) acquire an interest in or locate a facility within a project area.

613 (3) Before taking office as a voting member of the board or accepting employment as
614 executive director, an individual shall submit to the authority[:-(a)] a statement verifying that
615 the individual's service as a board member or employment as executive director does not
616 violate Subsection (2)[:-or].

617 [~~(b) for an individual to whom Subsection 11-58-302(8) applies, the disclosure~~
618 ~~required under that subsection.]~~

619 (4) (a) An individual may not, at any time during the individual's service as a voting
620 member or employment with the authority, acquire, or take any action to initiate, negotiate, or
621 otherwise arrange for the acquisition of, an interest in real property located within a project
622 area, if:

623 (i) the acquisition is in the individual's personal capacity or in the individual's capacity
624 as an employee or officer of a private firm, private company, or other private entity; and

625 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
626 result of the development of the project area.

627 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to
628 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real property that is
629 a personal residence in which the individual will reside upon acquisition of the real property.

630 (5) (a) A voting member or nonvoting member of the board or an employee of the
631 authority may not receive a direct financial benefit from the development of a project area.

632 (b) For purposes of Subsection (5)(a), a direct financial benefit does not include:

633 (i) expense reimbursements;

634 (ii) per diem pay for board member service, if applicable; or

635 (iii) an employee's compensation or benefits from employment with the authority.

636 (6) Nothing in this section may be construed to affect the application or effect of any
637 other code provision applicable to a board member or employee relating to ethics or conflicts
638 of interest.

639 Section 9. Section **11-58-305** is amended to read:

640 **11-58-305. Executive director.**

641 (1) [~~On or before July 1, 2019, the~~] The board shall hire and oversee a full-time
642 executive director.

643 (2) (a) The executive director is the chief executive officer of the authority.

644 (b) The role of the executive director is to:

645 (i) manage and oversee the day-to-day operations of the authority;

646 (ii) fulfill the executive and administrative duties and responsibilities of the authority;

647 and

648 (iii) perform other functions, as directed by the board.

649 (3) The executive director shall have the education, experience, and training necessary
 650 to perform the executive director's duties in a way that maximizes the potential for successfully
 651 achieving and implementing the strategies, policies, and objectives stated in Subsection
 652 11-58-203(1).

653 (4) An executive director is an at-will employee who serves at the pleasure of the board
 654 and may be removed by the board at any time.

655 (5) The board shall establish the duties, compensation, and benefits of an executive
 656 director.

657 Section 10. Section **11-58-601** is amended to read:

658 **11-58-601. Port authority receipt and use of property tax differential --**
 659 **Distribution of property tax differential.**

660 (1) As used in this section:

661 (a) "Designation resolution" means a resolution adopted by the board that designates a
 662 transition date for the parcel specified in the resolution.

663 (b) "Exempt area" means the authority jurisdictional land, excluding areas described in
 664 Subsection (5)(a) and parcels of land described in Subsection (5)(b).

665 ~~[(b)]~~ (c) "Post-designation differential" means 75% of property tax differential
 666 generated from a post-designation parcel.

667 ~~[(c)]~~ (d) "Post-designation parcel" means a parcel within a project area after the
 668 transition date for that parcel.

669 ~~[(d)]~~ (e) "Pre-designation differential" means 75% of property tax differential
 670 generated from all pre-designation parcels within a project area.

671 ~~[(e)]~~ (f) "Pre-designation parcel" means a parcel within a project area before the
 672 transition date for that parcel.

673 (g) "Primary municipality" means the municipality that has more authority jurisdictional
 674 land within the municipality's boundary than is included within the boundary of any other
 675 municipality.

676 ~~[(f)]~~ (h) "Transition date" means the date after which the authority is to be paid
 677 post-designation differential for the parcel that is the subject of a designation resolution.

678 (2) (a) The authority shall be paid pre-designation differential generated within the

679 authority jurisdictional land:

680 (i) for the period beginning November 2019 and ending November 2044; and

681 (ii) for a period of 15 years following the period described in Subsection (2)(a)(i) if,
682 before the end of the period described in Subsection (2)(a)(i), the board adopts a resolution
683 extending the period described in Subsection (2)(a)(i) for 15 years.

684 (b) The authority shall be paid pre-designation differential generated within a project
685 area, other than the authority jurisdictional land:

686 (i) for a period of 25 years beginning the date the board adopts a project area plan
687 under Section 11-58-502 establishing the project area; and

688 (ii) for a period of 15 years following the period described in Subsection (2)(b)(i) if,
689 before the end of the period described in Subsection (2)(b)(i), the board adopts a resolution
690 extending the period described in Subsection (2)(b)(i) for 15 years.

691 (3) The authority shall be paid post-designation differential generated from a
692 post-designation parcel:

693 (a) for a period of 25 years beginning on the transition date for that parcel; and

694 (b) for a period of an additional 15 years beyond the period stated in Subsection (3)(a)
695 if the board determines by resolution that the additional years of post-designation differential
696 from that parcel will produce a significant benefit.

697 (4) (a) For purposes of this section, the authority may designate an improved portion of
698 a parcel in a project area as a separate parcel.

699 (b) An authority designation of an improved portion of a parcel as a separate parcel
700 under Subsection (4)(a) does not constitute a subdivision, as defined in Section 10-9a-103 or
701 Section 17-27a-103.

702 (c) A county recorder shall assign a separate tax identification number to the improved
703 portion of a parcel designated by the authority as a separate parcel under Subsection (4)(a).

704 (5) The authority may not receive:

705 (a) a taxing entity's portion of property tax differential generated from an area included
706 within a community reinvestment project area under a community reinvestment project area
707 plan, as defined in Section 17C-1-102, adopted before October 1, 2018, if the taxing entity has,
708 before October 1, 2018, entered into a fully executed, legally binding agreement under which
709 the taxing entity agrees to the use of its tax increment, as defined in Section 17C-1-102, under

710 the community reinvestment project area plan; or

711 (b) property tax differential from a parcel of land:

712 (i) that was substantially developed before December 1, 2018;

713 (ii) for which a certificate of occupancy was issued before December 1, 2018; and

714 (iii) that is identified in a list that the municipality in which the land is located provides
715 to the authority and the county assessor by April 1, 2020.

716 (6) (a) Notwithstanding Subsections (2) and (3), beginning with the first tax year that
717 begins on or after January 1, 2023, the authority may not receive a primary municipality's
718 portion of property tax differential generated from the exempt area, if:

719 (i) the primary municipality, the primary municipality's agency, as defined in Section
720 17C-5-114, and the authority have entered into the agreement described in Subsection
721 17C-5-114(3); and

722 (ii) the primary municipality and the authority have entered into the agreement
723 described in Subsection 11-58-205(9).

724 (b) If the authority ceases to receive a primary municipality's portion of property tax
725 differential because of Subsection (6)(a), the primary municipality may retain and use all
726 property tax revenue generated from the exempt area for municipal operations, subject to the
727 requirements of Section 17C-5-114.

728 [~~6~~] (7) (a) As used in this Subsection [~~6~~] (7):

729 (i) "Agency land" means authority jurisdictional land that is within the boundary of an
730 eligible community reinvestment agency and from which the authority is paid property tax
731 differential.

732 (ii) "Applicable differential" means the amount of property tax differential paid to the
733 authority that is generated from agency land.

734 (iii) "Eligible community reinvestment agency" means the community reinvestment
735 agency in which agency land is located.

736 (b) The authority shall pay 10% of applicable differential to the eligible community
737 reinvestment agency, to be used for affordable housing as provided in Section 17C-1-412.

738 [~~7~~] (8) (a) Subject to Subsection [~~7~~] (8)(b), a county that collects property tax on
739 property within a project area shall pay and distribute to the authority the property tax
740 differential that the authority is entitled to collect under this chapter, in the manner and at the

741 time provided in Section [59-2-1365](#).

742 (b) For property tax differential that a county collects for tax year 2019, a county shall
743 pay and distribute to the authority, on or before June 30, 2020, the property tax differential that
744 the authority is entitled to collect:

745 (i) according to the provisions of this section; and

746 (ii) based on the boundary of the authority jurisdictional land as of May 31, 2020.

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

748 **11-58-602. Allowable uses of property tax differential and other funds.**

749 (1) (a) The authority may use ~~[the]~~ money from property tax differential, money the
750 authority receives from the state, money the authority receives under Subsection
751 [59-12-205\(2\)\(b\)\(iii\)](#), and other ~~[funds]~~ money available to the authority:

752 ~~[(a)]~~ (i) for any purpose authorized under this chapter;

753 ~~[(b)]~~ (ii) for administrative, overhead, legal, consulting, and other operating expenses of
754 the authority;

755 ~~[(c)]~~ (iii) to pay for, including financing or refinancing, all or part of the development
756 of land within a project area, including assisting the ongoing operation of a development or
757 facility within the project area;

758 ~~[(d)]~~ (iv) to pay the cost of the installation and construction of publicly owned
759 infrastructure and improvements within the project area from which the property tax
760 differential funds were collected;

761 ~~[(e)]~~ (v) to pay the cost of the installation of publicly owned infrastructure and
762 improvements outside a project area if the board determines by resolution that the
763 infrastructure and improvements are of benefit to the project area;

764 ~~[(f)]~~ (vi) to pay to a community reinvestment agency for affordable housing, as
765 provided in Subsection [11-58-601](#)~~[(6)]~~(7); ~~[and]~~

766 ~~[(g)]~~ (vii) to pay the principal and interest on bonds issued by the authority[-]; and

767 (viii) subject to Subsection (1)(b), to encourage, incentivize, or require development

768 that:

769 (A) mitigates noise, air pollution, light pollution, surface and groundwater pollution,
770 and other negative environmental impacts;

771 (B) mitigates traffic congestion; or

772 (C) uses high efficiency building construction and operation.

773 (b) (i) In consultation with the municipality in which development is expected to occur,
774 the authority shall establish minimum mitigation and environmental standards that a landowner
775 is required to meet to qualify for the use of property tax differential under Subsection
776 (1)(a)(viii) in the landowner's development.

777 (ii) The authority may not use property tax differential under Subsection (1)(a)(viii) for
778 a landowner's development in a project area unless the minimum mitigation and environmental
779 standards are followed with respect to that landowner's development.

780 (2) The authority may use revenue generated from the operation of publicly owned
781 infrastructure operated by the authority or improvements, including an intermodal facility,
782 operated by the authority to:

783 (a) operate and maintain the infrastructure or improvements; and

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

786 (3) The determination of the board under Subsection ~~[(1)(e)]~~ (1)(a)(v) regarding benefit
787 to the project area is final.

788 (4) The authority may not use property tax differential revenue collected from one
789 project area for a development project within another project area.

790 (5) Until the authority adopts a business plan under Subsection 11-58-202(1)(a), the
791 authority may not spend property tax differential revenue collected from authority jurisdictional
792 land.

793 (6) (a) As used in this Subsection (6):

794 (i) "Authority sales and use tax revenue" means money distributed to the authority
795 under Subsection 59-12-205(2)(b)(iii).

796 (ii) "Eligible county" means a county that would be entitled to receive sales and use tax
797 revenue under Subsection 59-12-205(2)(b)(i) in the absence of Subsection 59-12-205(2)(b)(iii).

798 (iii) "Eligible municipality" means a municipality that would be entitled to receive
799 sales and use tax revenue under Subsection 59-12-205(2)(b)(i) in the absence of Subsection
800 59-12-205(2)(b)(iii).

801 (iv) "Point of sale portion" means:

802 (A) for an eligible county, the amount of sales and use tax revenue the eligible county

803 would have received under Subsection 59-12-205(2)(b)(i) in the absence of Subsection
804 59-12-205(2)(b)(iii), excluding the retail sales portion; and

805 (B) for an eligible municipality, the amount of sales and use tax revenue the eligible
806 municipality would have received under Subsection 59-12-205(2)(b)(i) in the absence of
807 Subsection 59-12-205(2)(b)(iii), excluding the retail sales portion.

808 (v) "Retail sales portion" means the amount of sales and use tax revenue collected
809 under Subsection 59-12-205(2)(b)(i) from retail sales transactions that occur on authority
810 jurisdictional land.

811 (b) Within 45 days after receiving authority sales and use tax revenue, the authority
812 shall:

813 (i) distribute half of the point of sale portion to each eligible county and eligible
814 municipality; and

815 (ii) distribute all of the retail sales portion to each eligible county and eligible
816 municipality.

817 Section 12. Section 11-58-603 is enacted to read:

818 **11-58-603. Use of authority money for business recruitment incentive.**

819 (1) As used in this section:

820 (a) "Business recruitment incentive" means the post-performance payment of property
821 tax differential as an incentive for a capital expenditure or for the creation of high-paying jobs
822 within a project area, as provided in this section.

823 (b) "Capital expenditure" means an expenditure of money, other than property tax
824 differential:

825 (i) by an applicant under an incentive application; and

826 (ii) for the development of capital facilities that are:

827 (A) constructed within a project area; and

828 (B) focused on value-added manufacturing that optimizes the use of rail facilities.

829 (c) "High-paying job" means a job:

830 (i) created because of development activity within a project area; and

831 (ii) that pays at least 130% of the average for all wages within the county in which the
832 project area is located for the year during which an incentive application is submitted.

833 (d) "Incentive application" means an application for a business recruitment incentive.

834 (e) "Tax differential parcel" means a parcel of land:
835 (i) on which capital facilities are constructed from a capital expenditure; or
836 (ii) where development activity occurs that results in the creation of high-paying jobs.
837 (2) The authority may use property tax differential as a business recruitment incentive
838 as provided in this section.
839 (3) The authority board shall establish the application timeline, documentation
840 requirements, and approval criteria applicable to an incentive application and approval of an
841 incentive application, consistent with this section.
842 (4) (a) Subject to Subsection (4)(b), a person may qualify for a business recruitment
843 incentive if:
844 (i) the person submits an incentive application according to requirements established
845 by the authority board;
846 (ii) the person meets the requirements under Subsection (5) or (6) for a business
847 recruitment incentive; and
848 (iii) the authority board approves the incentive application.
849 (b) A person may not qualify for a business recruitment incentive if the person's
850 development project relates primarily to retail operations or the distribution of goods.
851 (5) The authority may pay a person, on a post-performance basis:
852 (a) up to 20% of the property tax differential generated from a tax differential parcel
853 for a period of 20 years, if the person demonstrates that at least \$1,000,000,000 of capital
854 expenditure will occur on the tax differential parcel due to the person's development project;
855 (b) up to 15% of the property tax differential generated from a tax differential parcel
856 for a period of 15 years, if the person demonstrates that at least \$500,000,000 of capital
857 expenditure will occur on the tax differential parcel due to the person's development project; or
858 (c) up to 10% of the property tax differential generated from a tax differential parcel
859 for a period of 10 years, if the person demonstrates that at least \$100,000,000 of capital
860 expenditure will occur on the tax differential parcel due to the person's development project.
861 (6) The authority may pay a person, on a post-performance basis:
862 (a) up to 10% of the property tax differential generated from a tax differential parcel
863 for a period of 20 years, if the person demonstrates that the person's development activity on
864 the tax differential parcel will result in the creation of at least 1,000 high-paying jobs;

865 (b) up to 8% of the property tax differential generated from a tax differential parcel for
866 a period of 15 years, if the person demonstrates that the person's development activity on the
867 tax differential parcel will result in the creation of at least 500 high-paying jobs; or

868 (c) up to 5% of the property tax differential generated from a tax differential parcel for
869 a period of 10 years, if the person demonstrates that the person's development activity on the
870 tax differential parcel will result in the creation of at least 250 high-paying jobs.

871 (7) Subject to the limits stated in Subsections (5) and (6), the amount of property tax
872 differential to be paid under this section and the timing of any payment are at the discretion of
873 the authority board.

874 (8) A person may not receive a business recruitment incentive under both Subsection
875 (5) and Subsection (6).

876 Section 13. Section **11-58-604** is enacted to read:

877 **11-58-604. Authority's uses of shared property tax revenue.**

878 (1) As used in this section:

879 (a) "Primary municipality" means the same as that term is defined in Section
880 [11-58-601](#).

881 (b) "Shared property tax revenue" means property tax revenue the authority receives
882 under Section [17C-5-114](#).

883 (2) Of the shared property tax revenue the authority receives, the authority shall use:

884 (a) 40% for environmental mitigation projects within the authority jurisdictional land;

885 (b) 40% for mitigation projects, which may include a regional traffic study and an
886 environmental impact mitigation analysis, for communities within the primary municipality
887 that are adjacent to the authority jurisdictional land; and

888 (c) 20% for economic development activities on the authority jurisdictional land.

889 Section 14. Section **11-58-801** is amended to read:

890 **11-58-801. Annual port authority budget -- Fiscal year -- Public hearing required**
891 **-- Auditor forms -- Requirement to file annual budget.**

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

894 (2) Each annual authority budget shall be adopted before June [22] 30, except that the
895 authority's initial budget shall be adopted as soon as reasonably practicable after the

896 organization of the board and the beginning of authority operations.

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

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

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

902 (i) at least once in a newspaper of general circulation within the state, at least one week
903 before the public hearing; and

904 (ii) on the Utah Public Notice Website created in Section [63A-16-601](#), [~~for~~] at least
905 one week immediately before the public hearing.

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

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

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

911 (b) legal fees; and

912 (c) administrative costs, including rent, supplies, and other materials, and salaries of
913 authority personnel.

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

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

922 Section 15. Section **17C-5-114** is enacted to read:

923 **17C-5-114. Project area for inland port area -- Use of property tax revenue from**
924 **the area.**

925 (1) As used in this section:

926 (a) "Exempt area" means the same as that term is defined in Section [11-58-601](#).

927 (b) "Exempt area property tax" means all annual property tax revenue generated from a
928 primary municipality's property tax levy on property within the exempt area.

929 (c) "Port authority" means the Utah Inland Port Authority, created in Section
930 11-58-201.

931 (d) "Primary municipality" means the same as that term is defined in Section
932 11-58-601.

933 (e) "Primary municipality's agency" means the agency created by a primary
934 municipality.

935 (2) No later than January 1, 2023, the primary municipality's agency shall create a
936 project area consisting of the exempt area.

937 (3) No later than January 1, 2023, the primary municipality, the primary municipality's
938 agency, and the port authority shall enter into an agreement requiring:

939 (a) the primary municipality's agency to be paid the exempt area property tax;

940 (b) the primary municipality's agency to distribute the exempt area property tax in the
941 amounts and for the purposes provided in this Subsection (3);

942 (c) the primary municipality's agency to pay, beginning with the first tax year that
943 begins on or after January 1, 2023, 25% of the exempt area property tax to the port authority:

944 (i) for the port authority's use as provided in Section 11-58-604; and

945 (ii) (A) for a period of 25 years beginning January 1, 2023; and

946 (B) for a period of an additional 15 years beyond the period stated in Subsection

947 (3)(c)(ii)(A) if the board of the port authority determines by resolution, adopted before the
948 expiration of the 25-year period under Subsection (3)(c)(ii)(A), that the additional years will

949 produce a significant benefit to the uses described in Section 11-58-604 and if the primary
950 municipality's agency amends the applicable project area plan, in accordance with Section

951 17C-5-112, to reflect the additional period of time for the payment of exempt area property tax;

952 (d) the primary municipality's agency to pay, beginning the first tax year that begins on
953 or after January 1, 2023, a percentage, as defined in Subsection (4), of the exempt area property

954 tax to the port authority for the port authority's use as provided in Section 11-58-604;

955 (e) the port authority to consult with the primary municipality concerning the
956 mitigation projects described in Subsections 11-58-604(2)(a) and (b); and

957 (f) the primary municipality's agency to use 10% of exempt area property tax for

958 affordable housing as provided in Section 17C-1-412.

959 (4) The percentage of the exempt area property tax to be paid to the authority as
960 provided in Subsection (3)(d):

961 (a) shall be 40% for the first tax year that begins on or after January 1, 2023;

962 (b) shall decrease 2% each year after the 2023 tax year, so that in 2029 the percentage
963 is 28;

964 (c) beginning January 1, 2030, and for a period of seven years, shall be 10%;

965 (d) beginning January 1, 2037, and for a period of 11 years, shall be 8%; and

966 (e) after 2037, shall be 0%.

967 **Section 16. Repealer.**

968 This bill repeals:

969 Section **11-58-101**, Title.

970 **Section 17. Effective date.**

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