

Higher Education Development Areas

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

LONG TITLE**General Description:**

This bill enacts provisions relating to the development of property owned by certain higher education institutions.

Highlighted Provisions:

This bill:

- ▶ authorizes certain higher education institutions to designate a development area consisting of property owned by the institution;
- ▶ provides a process for an institution to adopt a resolution designating a development area;
- ▶ requires an institution to establish a fund for revenue from the development area and provides for uses of money in the fund;
- ▶ provides for property an eligible university leases to a private person to be exempt from a privilege tax;
- ▶ requires approval from the Transportation and Infrastructure Appropriations Subcommittee and the institution's board of trustees before the institution may adopt a development agreement relating to property within a development area;
- ▶ provides limitations on a board member's participation in development actions and requires a board member to disclose a conflict before the board approves a development agreement; and
- ▶ requires the board to provide an annual report to the Higher Education Appropriations Subcommittee for each development area.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

53B-20-108, Utah Code Annotated 1953

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

33 Section 1. Section **53B-20-108** is enacted to read:

34 **53B-20-108 . Development of university property.**

35 (1) As used in this section:

36 (a) "Board" means the board of trustees of an eligible university.

37 (b) "Conflict" means a situation in which a board member or a family member of a
38 board member will or is likely to receive a direct financial benefit because of the
39 development of eligible university property within a development area.

40 (c) "Designation resolution" means a board resolution designating eligible university
41 property as a development area.

42 (d) "Development action" means:

43 (i) board deliberations on whether to adopt a designation resolution;

44 (ii) the board's adoption of a designation resolution;

45 (iii) board deliberations on whether to approve a development agreement; or

46 (iv) the board's approval of a development agreement.

47 (e) "Development agreement" means an agreement governing the development of
48 eligible university property within a development area.

49 (f) "Development area" means a single, contiguous area:

50 (i) of only eligible university property; and

51 (ii) that the eligible university designates for development in a designation resolution,
52 as provided in this section.

53 (g) "Development fund" means the fund described in and established under Subsection
54 (4).

55 (h) "Direct financial benefit":

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

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

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

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

62 (i) "Eligible university" means an institution of higher education listed in Subsection
63 53B-1-102(1)(a).

64 (j) "Eligible university property" means real property owned by an eligible university.

65 (k) "Family member" means a parent, spouse, sibling, child, or grandchild.

- 66 (l) "Leased property" means eligible university property that:
67 (i) is within a development area; and
68 (ii) an eligible university leases to a private person.
- 69 (2)(a) An eligible university may, by resolution of the board, designate eligible
70 university property as a development area.
- 71 (b) Before adopting a designation resolution, a board shall:
72 (i) provide notice of the public hearing required under Subsection (2)(b)(ii), as
73 required for a class A notice under Section 63G-30-102, for at least seven days
74 before the day of the public hearing; and
75 (ii) hold a public hearing on the proposed adoption of a designation resolution.
- 76 (c) A notice under Subsection (2)(b)(i) shall include a copy of the proposed designation
77 resolution.
- 78 (d) A designation resolution, including a proposed designation resolution that
79 accompanies a notice under Subsection (2)(b)(i), shall:
80 (i) accurately describe the boundary of the proposed development area;
81 (ii) describe the development that is proposed to occur in the proposed development
82 area; and
83 (iii) estimate the amount and sources of revenue the eligible university expects to
84 receive from the development area.
- 85 (e) Before adopting a designation resolution, a board may modify the proposed
86 designation resolution to:
87 (i) address concerns raised in a public hearing held under Subsection (2)(b)(ii); or
88 (ii) clarify or adjust provisions of the proposed designation resolution, as the board
89 considers appropriate.
- 90 (f) The board may not adopt a designation resolution if the board has previously adopted
91 a designation resolution.
- 92 (3) Within 30 days after the board's adoption of a designation resolution, the board or the
93 board's delegate shall deliver a copy of the designation resolution to:
94 (a) the clerk of the municipality in which the development area that is the subject of the
95 designation resolution is located; and
96 (b) the assessor and treasurer of the county in which the development area that is the
97 subject of the designation resolution is located.
- 98 (4)(a) Upon adoption of a designation resolution, a board shall establish a separate fund
99 related to the development area that is the subject of the designation resolution.

- 100 (b) An eligible university shall deposit into a development fund all money the eligible
101 university receives from the development and lease of eligible university property
102 within a development area.
- 103 (c) Money in a development fund shall be accounted for separately from any other fund
104 of the eligible university.
- 105 (d) An eligible university may use money in a development fund for:
106 (i) expenses associated with the development of the development area;
107 (ii) capital facility projects of the eligible university;
108 (iii) operation and maintenance costs associated with capital facilities of the eligible
109 university; or
110 (iv) any other eligible university-related purpose.
- 111 (5)(a) Subject to Subsection (5)(b), an eligible university may enter into a development
112 agreement.
- 113 (b) Before an eligible university may enter into a development agreement:
114 (i) the board shall receive the approval of the Transportation and Infrastructure
115 Appropriations Subcommittee of the Legislature for the development agreement;
116 and
117 (ii) the board shall approve the development agreement by resolution, adopted in a
118 public meeting.
- 119 (6)(a) A board member may not participate in a development action if the board
120 member or a family member of the board member owns an interest in, is directly
121 affiliated with, or is an employee or officer of a private firm, private company, or
122 other private entity that the board member reasonably believes is likely to participate
123 in or receive a direct financial benefit from the development of land that is the subject
124 of a development agreement.
- 125 (b) Before the board approves a development agreement, the board shall require any
126 member with a conflict to disclose the conflict in writing to the board.
- 127 (c) Nothing in this Subsection (6) affects the application or effect of any other code
128 provision applicable to a board member relating to ethics or conflicts of interest.
- 129 (7) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege Tax.
- 130 (8)(a) A board shall present a written report to the Higher Education Appropriations
131 Subcommittee no later than September 30 of each year after the board's adoption of a
132 designation resolution.
- 133 (b) A report under Subsection (8)(a) shall:

- 134 (i) describe the development taking place or expected to take place within the
- 135 development area; and
- 136 (ii) provide a summary of money deposited into and expended from the development
- 137 fund for that development area.

138 Section 2. **Effective date.**

139 This bill takes effect on May 7, 2025.