

**Senator Wayne A. Harper** proposes the following substitute bill:

**HOUSING AND TRANSIT REINVESTMENT ZONE**

**AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: Stephen L. Whyte

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**LONG TITLE**

**General Description:**

This bill amends provisions related to housing and transit reinvestment zones.

**Highlighted Provisions:**

This bill:

- ▶ amends definitions related to housing and transit reinvestment zones;
- ▶ amends provisions related to affordable housing thresholds to require 12% of the proposed dwelling units be reserved for certain levels of income;
- ▶ requires affordable housing requirements be met in each phase of development;
- ▶ requires that a housing and transit reinvestment zone be at least 10 acres;
- ▶ clarifies notice requirements to certain entities regarding the commencement of collection of tax increment;
- ▶ clarifies information required in a housing and transit reinvestment zone proposal;
- ▶ adds two additional members of the Legislature to the housing and transit reinvestment zone committee;
- ▶ amends provisions regarding overlap of a housing and transit reinvestment zone with a community reinvestment project area;
- ▶ amends provisions related to the sales and use tax increment captured within a



26 housing and transit reinvestment zone, including:

- 27 • how base year is established;
- 28 • contiguity of affected sales and use tax boundaries; and
- 29 • limiting a housing and transit reinvestment zone to only one sales and use tax

30 increment period;

- 31 ▶ allows minor adjustments to a housing and transit reinvestment zone if the county
- 32 assessor or county auditor adjusts parcel boundaries; and

- 33 ▶ makes technical changes.

34 **Money Appropriated in this Bill:**

35 None

36 **Other Special Clauses:**

37 None

38 **Utah Code Sections Affected:**

39 AMENDS:

40 **63N-3-602**, as last amended by Laws of Utah 2023, Chapter 357

41 **63N-3-603**, as last amended by Laws of Utah 2023, Chapter 357

42 **63N-3-604**, as last amended by Laws of Utah 2023, Chapter 357

43 **63N-3-605**, as last amended by Laws of Utah 2023, Chapter 357

44 **63N-3-610**, as last amended by Laws of Utah 2022, Chapter 433

45 ENACTS:

46 **63N-3-611**, Utah Code Annotated 1953



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

49 Section 1. Section **63N-3-602** is amended to read:

50 **63N-3-602. Definitions.**

51 As used in this part:

52 (1) "Affordable housing" means housing occupied or reserved for occupancy by  
53 households with a gross household income;

54 (a) equal to or less than 80% of the median gross income of the applicable municipal or  
55 county statistical area for households of the same size[-], in certain circumstances as provided  
56 in this part; or

57 (b) equal to or less than 60% of the median gross income of the applicable municipal  
58 or county statistical area for households of the same size, in certain circumstances as provided  
59 in this part.

60 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

61 (3) "Base taxable value" means a property's taxable value as shown upon the  
62 assessment roll last equalized during the base year.

63 [~~(4) "Base year" means, for a proposed housing and transit reinvestment zone area, a~~  
64 ~~year beginning the first day of the calendar quarter determined by the last equalized tax roll~~  
65 ~~before the adoption of the housing and transit reinvestment zone.]~~

66 (4) "Base year" means, for each tax increment collection period triggered within a  
67 proposed housing and transit reinvestment zone area, the calendar year prior to the calendar  
68 year the tax increment begins to be collected for those parcels triggered for that collection  
69 period.

70 (5) "Bus rapid transit" means a high-quality bus-based transit system that delivers fast  
71 and efficient service that may include dedicated lanes, busways, traffic signal priority,  
72 off-board fare collection, elevated platforms, and enhanced stations.

73 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a  
74 proposed station, stop, or terminal that is specifically identified [in] as needed in phase one of a  
75 metropolitan planning organization's adopted long-range transportation plan and in phase one  
76 of the relevant public transit district's [five-year] adopted long-range transit plan:

77 (a) along an existing bus rapid transit line; or

78 (b) along an extension to an existing bus rapid transit line or new bus rapid transit line.

79 (7) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a  
80 large public transit district.

81 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public  
82 transit district.

83 (8) "Commuter rail station" means an existing station, stop, or terminal, or a proposed  
84 station, stop, or terminal, which has been specifically identified [in] as needed in phase one of a  
85 metropolitan planning organization's adopted long-range transportation plan and in phase one  
86 of the relevant public transit district's [five-year] adopted long-range transit plan:

87 (a) along an existing commuter rail line;

88 (b) along an extension to an existing commuter rail line or new commuter rail line; or

89 (c) along a fixed guideway extension from an existing commuter rail line.

90 (9) (a) "Developable area" means the portion of land within a housing and transit  
91 reinvestment zone available for development and construction of business and residential uses.

92 (b) "Developable area" does not include portions of land within a housing and transit  
93 reinvestment zone that are allocated to:

94 (i) parks;

95 (ii) recreation facilities;

96 (iii) open space;

97 (iv) trails;

98 (v) publicly-owned roadway facilities; or

99 (vi) other public facilities.

100 (10) "Dwelling unit" means one or more rooms arranged for the use of one or more  
101 individuals living together, as a single housekeeping unit normally having cooking, living,  
102 sanitary, and sleeping facilities.

103 (11) "Enhanced development" means the construction of mixed uses including  
104 housing, commercial uses, and related facilities.

105 (12) "Enhanced development costs" means extra costs associated with structured  
106 parking costs, vertical construction costs, horizontal construction costs, life safety costs,  
107 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height  
108 of buildings or enhanced development.

109 (13) "Fixed guideway" means the same as that term is defined in Section [59-12-102](#).

110 (14) "Horizontal construction costs" means the additional costs associated with  
111 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to  
112 achieve enhanced development in the housing and transit reinvestment zone.

113 (15) "Housing and transit reinvestment zone" means a housing and transit reinvestment  
114 zone created pursuant to this part.

115 (16) "Housing and transit reinvestment zone committee" means a housing and transit  
116 reinvestment zone committee created pursuant to Section [63N-3-605](#).

117 (17) "Large public transit district" means the same as that term is defined in Section  
118 [17B-2a-802](#).

119 (18) "Light rail" means a passenger rail public transit system with right-of-way and  
120 fixed rails:

121 (a) dedicated to exclusive use by light-rail public transit vehicles;

122 (b) that may cross streets at grade; and

123 (c) that may share parts of surface streets.

124 (19) "Light rail station" means an existing station, stop, or terminal or a proposed  
125 station, stop, or terminal, which has been specifically identified ~~[in]~~ as needed in phase one of a  
126 metropolitan planning organization's adopted long-range transportation plan and in phase one  
127 of the relevant public transit district's ~~[five-year]~~ adopted long-range plan:

128 (a) along an existing light rail line; or

129 (b) along an extension to an existing light rail line or new light rail line.

130 (20) "Metropolitan planning organization" means the same as that term is defined in  
131 Section [72-1-208.5](#).

132 (21) "Mixed use development" means development with a mix of:

133 (a) multi-family residential use; and

134 (b) at least one additional land use, which shall be a significant part of the overall  
135 development.

136 (22) "Municipality" means the same as that term is defined in Section [10-1-104](#).

137 (23) "Participant" means the same as that term is defined in Section [17C-1-102](#).

138 (24) "Participation agreement" means the same as that term is defined in Section  
139 [17C-1-102](#), except that the agency may not provide and the person may not receive a direct  
140 subsidy.

141 (25) "Public transit county" means a county that has created a small public transit  
142 district.

143 (26) "Public transit hub" means a public transit depot or station where four or more  
144 routes serving separate parts of the county-created transit district stop to transfer riders between  
145 routes.

146 (27) "Sales and use tax base year" means a sales and use tax year determined by the  
147 first year pertaining to the tax imposed in Section [59-12-103](#) after the sales and use tax  
148 boundary for a housing and transit reinvestment zone is established.

149 (28) "Sales and use tax boundary" means a boundary created as described in Section

150 63N-3-604, based on state sales and use tax collection that corresponds as closely as reasonably  
151 practicable to the housing and transit reinvestment zone boundary.

152 (29) "Sales and use tax increment" means the difference between:

153 (a) the amount of state sales and use tax revenue generated each year following the  
154 sales and use tax base year by the sales and use tax from the area within a housing and transit  
155 reinvestment zone designated in the housing and transit reinvestment zone proposal as the area  
156 from which sales and use tax increment is to be collected; and

157 (b) the amount of state sales and use tax revenue that was generated from that same  
158 area during the sales and use tax base year.

159 (30) "Sales and use tax revenue" means revenue that is generated from the tax imposed  
160 under Section 59-12-103.

161 (31) "Small public transit district" means the same as that term is defined in Section  
162 17B-2a-802.

163 (32) "Tax Commission" means the State Tax Commission created in Section 59-1-201.

164 (33) (a) "Tax increment" means the difference between:

165 ~~[(a)]~~ (i) the amount of property tax revenue generated each tax year by a taxing entity  
166 from the area within a housing and transit reinvestment zone designated in the housing and  
167 transit reinvestment zone proposal as the area from which tax increment is to be collected,  
168 using the current assessed value and each taxing entity's current certified tax rate as defined in  
169 Section 59-2-924; and

170 ~~[(b)]~~ (ii) the amount of property tax revenue that would be generated from that same  
171 area using the base taxable value and each taxing entity's current certified tax rate as defined in  
172 Section 59-2-924.

173 (b) "Tax increment" does not include property tax revenue from:

174 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);

175 or

176 (ii) a county additional property tax described in Subsection 59-2-1602(4).

177 (34) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

178 (35) "Vertical construction costs" means the additional costs associated with  
179 construction above four stories and structured parking to achieve enhanced development in the  
180 housing and transit reinvestment zone.

181 Section 2. Section **63N-3-603** is amended to read:

182 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**  
 183 **reinvestment zone.**

184 (1) A housing and transit reinvestment zone proposal created under this part shall  
 185 promote the following objectives:

186 (a) higher utilization of public transit;

187 (b) increasing availability of housing, including affordable housing, and fulfillment of  
 188 moderate income housing plans;

189 (c) promoting and encouraging development of owner-occupied housing;

190 ~~[(c)]~~ (d) improving efficiencies in parking and transportation, including walkability of  
 191 communities near public transit facilities;

192 ~~[(d)]~~ (e) overcoming development impediments and market conditions that render a  
 193 development cost prohibitive absent the proposal and incentives;

194 ~~[(e)]~~ (f) [conservation of] conserving water resources through efficient land use;

195 ~~[(f)]~~ (g) improving air quality by reducing fuel consumption and motor vehicle trips;

196 ~~[(g)]~~ (h) encouraging transformative mixed-use development and investment in  
 197 transportation and public transit infrastructure in strategic areas;

198 ~~[(h)]~~ (i) strategic land use and municipal planning in major transit investment corridors  
 199 as described in Subsection 10-9a-403(2);

200 ~~[(i)]~~ (j) increasing access to employment and educational opportunities; and

201 ~~[(j)]~~ (k) increasing access to child care.

202 (2) (a) In order to accomplish the objectives described in Subsection (1), a municipality  
 203 or public transit county that initiates the process to create a housing and transit reinvestment  
 204 zone as described in this part shall ensure that the proposal for a housing and transit  
 205 reinvestment zone includes:

206 ~~[(a)]~~ (i) except as provided in Subsection (3), at least ~~[10%]~~ 12% of the proposed  
 207 dwelling units within the housing and transit reinvestment zone are affordable housing units~~;~~  
 208 with:

209 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy by  
 210 households with a gross household income equal to or less than 80% of the median gross  
 211 income of the applicable municipal or county statistical area for households of the same size;

212 and

213 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy by  
214 households with a gross household income equal to or less than 60% of the median gross  
215 income of the applicable municipal or county statistical area for households of the same size.

216 ~~[(b) at least 51% of the developable area within the housing and transit reinvestment~~  
217 ~~zone includes residential uses with, except as provided in Subsection (4)(c), an average of 50~~  
218 ~~dwelling units per acre or greater;]~~

219 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone  
220 shall include:

221 (A) at least 51% of the developable area within a housing and transit reinvestment zone  
222 as residential uses; and

223 (B) an average of at least 50 dwelling units per acre within the acreage of the housing  
224 and transit reinvestment zone dedicated to residential uses;

225 ~~[(c)]~~ (iii) mixed-use development; and

226 ~~[(d)]~~ (iv) a mix of dwelling units to ensure that a reasonable percentage of the dwelling  
227 units has more than one bedroom.

228 (b) (i) If a housing and transit reinvestment zone is phased, a municipality or public  
229 transit county shall ensure that a housing and transit reinvestment zone is phased and  
230 developed to provide the required 12% of affordable housing units in each phase of  
231 development.

232 (ii) A municipality or public transit county may allow a housing and transit  
233 reinvestment zone to be phased and developed in a manner to provide more of the required  
234 affordable housing units in early phases of development.

235 (iii) A municipality or public transit county shall include in a housing and transit  
236 reinvestment zone proposal an affordable housing plan, which may include deed restrictions, to  
237 ensure the affordable housing required in the proposal will continue to meet the definition of  
238 affordable housing at least throughout the entire term of the housing and transit reinvestment  
239 zone.

240 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
241 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at  
242 a bus rapid transit station, the housing and transit reinvestment zone shall include:



243 (i) at least 51% of the developable area within a housing and transit reinvestment zone  
244 as residential uses; and

245 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing  
246 and transit reinvestment zone dedicated to residential uses.

247 (3) A municipality or public transit county that, at the time the housing and transit  
248 reinvestment zone proposal is approved by the housing and transit reinvestment zone  
249 committee, meets the affordable housing guidelines of the United States Department of  
250 Housing and Urban Development at 60% area median income is exempt from the requirement  
251 described in Subsection (2)(a).

252 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a  
253 commuter rail station, and a public transit county may only propose a housing and transit  
254 reinvestment zone at a public transit hub, that:

255 (i) subject to Subsection (5)(a):

256 (A) (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality, does not  
257 exceed a 1/3 mile radius of a commuter rail station;

258 (II) for a municipality that is a city of the first class with a population greater than  
259 150,000 that is within a county of the first class, with an opportunity zone created pursuant to  
260 Section 1400Z-1, Internal Revenue Code, does not exceed a 1/2 mile radius of a commuter rail  
261 station located within the opportunity zone; or

262 (III) for a public transit county, does not exceed a 1/3 mile radius of a public transit  
263 hub; and

264 (B) has a total area of no more than 125 noncontiguous acres;

265 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each  
266 taxing entity's tax increment above the base year for a term of no more than 25 consecutive  
267 years on each parcel within a 45-year period not to exceed the tax increment amount approved  
268 in the housing and transit reinvestment zone proposal; and

269 (iii) the commencement of collection of tax increment, for all or a portion of the  
270 housing and transit reinvestment zone, will be triggered by providing notice as described in  
271 Subsection (6), but a housing and transit reinvestment zone proposal may not propose or  
272 include triggering more than three tax increment collection periods during the applicable  
273 45-year period.

274 (b) A municipality or public transit county may only propose a housing and transit  
275 reinvestment zone at a light rail station or bus rapid transit station that:  
276 (i) subject to Subsection (5):  
277 (A) does not exceed:  
278 (I) except as provided in Subsection [~~(4)(b)(i)(A)(II) or (III);~~] (4)(b)(i)(A)(II), (III), or  
279 (4)(e), a 1/4 mile radius of a bus rapid transit station or light rail station;  
280 (II) for a municipality that is a city of the first class with a population greater than  
281 150,000 that is within a county of the first class, a 1/2 mile radius of a light rail station located  
282 in an opportunity zone created pursuant to Section  
283 1400Z-1, Internal Revenue Code; or  
284 (III) a 1/2 mile radius of a light rail station located within a master-planned  
285 development of 500 acres or more; and  
286 (B) has a total area of no more than 100 noncontiguous acres;  
287 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a  
288 maximum of 80% of each taxing entity's tax increment above the base year for a term of no  
289 more than 15 consecutive years on each parcel within a 30-year period not to exceed the tax  
290 increment amount approved in the housing and transit reinvestment zone proposal; and  
291 (iii) the commencement of collection of tax increment, for all or a portion of the  
292 housing and transit reinvestment zone, will be triggered by providing notice as described in  
293 Subsection (6), but a housing and transit reinvestment zone proposal may not propose or  
294 include triggering more than three tax increment collection periods during the applicable  
295 30-year period.  
296 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
297 public transit hub, or for a housing and transit reinvestment zone proposed by a municipality at  
298 a bus rapid transit station, if the proposed housing density within the housing and transit  
299 reinvestment zone is between 39 and 49 dwelling units per acre, the maximum capture of each  
300 taxing entity's tax increment above the base year is 60%.  
301 (d) A municipality that is a city of the first class with a population greater than 150,000  
302 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and (4)(b)(i)(A)(II) may  
303 only propose one housing and transit reinvestment zone within an opportunity zone.  
304 (e) (i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection

305 (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to an area  
306 between two light rail stations if the two light rail stations are within a 2/3 mile distance on the  
307 same light rail line.

308 (ii) If a housing and transit reinvestment zone is extended to accommodate two light  
309 rail stations as described in Subsection (4)(e)(i):

310 (A) the housing and transit reinvestment zone is limited to a total area not to exceed  
311 100 noncontiguous acres; and

312 (B) the housing and transit reinvestment zone may not exceed a 1/4 mile radius from  
313 the light rail stations or any point on the light rail line between the two stations.

314 (f) If a parcel within the housing transit and reinvestment zone is included as an area  
315 that is part of a project area, as that term is defined in Section 17C-1-102, and created under  
316 Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for collection unless  
317 the project area is dissolved pursuant to Section 17C-1-702.

318 ~~[(e) A county of the first class may not propose a housing and transit reinvestment zone~~  
319 ~~that includes an area that is part of a project area, as that term is defined in Section 17C-1-102,~~  
320 ~~and created under Title 17C, Chapter 1, Agency Operations, until the project area is dissolved~~  
321 ~~pursuant to Section 17C-1-702.]~~

322 (5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a  
323 parcel is bisected by the relevant radius limitation, the full parcel may be included as part of the  
324 housing and transit reinvestment zone area and will not count against the limitations described  
325 in Subsection (4)(a)(i).

326 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit  
327 station, if a parcel is bisected by the relevant radius limitation, the full parcel may be included  
328 as part of the housing and transit reinvestment zone area and will not count against the  
329 limitations described in Subsection (4)(b)(i).

330 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.

331 (6) The notice of commencement of collection of tax increment required in Subsection  
332 (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the following entities no later  
333 than January 1 of the year for which the tax increment collection is proposed to commence:

334 (a) the tax commission;

335 (b) the State Board of Education;

336 (c) the state auditor;

337 (d) the auditor of the county in which the housing and transit reinvestment zone is

338 located;

339 (e) each taxing entity affected by the collection of tax increment from the housing and

340 transit reinvestment zone; and

341 (f) the Governor's Office of Economic Opportunity.

342 (7) (a) The maximum number of housing and transit reinvestment zones at light rail

343 stations is eight in any given county.

344 (b) Within a county of the first class, the maximum number of housing and transit

345 reinvestment zones at bus rapid transit stations is three.

346 (8) (a) This Subsection (8) applies to a specified county, as defined in Section

347 [17-27a-408](#), that has created a small public transit district on or before January 1, 2022.

348 (b) (i) A county described in Subsection (8)(a) shall, in accordance with Section

349 [63N-3-604](#), prepare and submit to the Governor's Office of Economic Opportunity a proposal

350 to create a housing and transit reinvestment zone on or before December 31, 2022.

351 (ii) A county described in Subsection (8)(a) that, on December 31, 2022, was

352 noncompliant under Section [17-27a-408](#) for failure to demonstrate in the county's moderate

353 income housing report that the county complied with Subsection (8)(b)(i), may cure the

354 deficiency in the county's moderate income housing report by submitting satisfactory proof to

355 the Housing and Community Development Division that, notwithstanding the deadline in

356 Subsection (8)(b)(i), the county has submitted to the Governor's Office of Economic

357 Opportunity a proposal to create a housing and transit reinvestment zone.

358 (c) (i) A county described in Subsection (8)(a) may not propose a housing and transit

359 reinvestment zone if more than 15% of the acreage within the housing and transit reinvestment

360 zone boundary is owned by the county.

361 (ii) For purposes of determining the percentage of acreage owned by the county as

362 described in Subsection (8)(c)(i), a county may exclude any acreage owned that is used for

363 highways, bus rapid transit, light rail, or commuter rail within the boundary of the housing and

364 transit reinvestment zone.

365 (d) To accomplish the objectives described in Subsection (1), if a county described in

366 Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit an

367 application before December 31, 2022, an owner of undeveloped property who has submitted a  
368 land use application to the county on or before December 31, 2022, and is within a 1/3 mile  
369 radius of a public transit hub in a county described in Subsection (8)(a), including parcels that  
370 are bisected by the 1/3 mile radius, shall have the right to develop and build a mixed-use  
371 development including the following:

372 (i) excluding the parcels devoted to commercial uses as described in Subsection  
373 (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area, with at least  
374 10% of the dwelling units as affordable housing units;

375 (ii) commercial uses including office, retail, educational, and healthcare in support of  
376 the mixed-use development constituting up to 1/3 of the total planned gross building square  
377 footage of the subject parcels; and

378 (iii) any other infrastructure element necessary or reasonable to support the mixed-use  
379 development, including parking infrastructure, streets, sidewalks, parks, and trails.

380 Section 3. Section **63N-3-604** is amended to read:

381 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**  
382 **Analysis.**

383 (1) Subject to approval of the housing and transit reinvestment zone committee as  
384 described in Section **63N-3-605**, in order to create a housing and transit reinvestment zone, a  
385 municipality or public transit county that has general land use authority over the housing and  
386 transit reinvestment zone area, shall:

387 (a) prepare a proposal for the housing and transit reinvestment zone that:

388 (i) demonstrates that the proposed housing and transit reinvestment zone will meet the  
389 objectives described in Subsection **63N-3-603(1)**;

390 (ii) explains how the municipality or public transit county will achieve the  
391 requirements of Subsection **63N-3-603(2)(a)(i)**;

392 (iii) defines the specific transportation infrastructure needs, if any, and proposed  
393 improvements;

394 (iv) defines the boundaries of:

395 (A) the housing and transit reinvestment zone; and

396 (B) the sales and use tax boundary corresponding to the housing and transit  
397 reinvestment zone boundary, as described in Section **63N-3-610**;

398 (v) includes maps of the proposed housing and transit reinvestment zone to illustrate:

399 (A) the proposed boundary and radius from a public transit hub;

400 (B) proposed housing density within the housing and transit reinvestment zone; and

401 (C) existing zoning and proposed zoning changes related to the housing and transit

402 reinvestment zone;

403 (vi) identifies any development impediments that prevent the development from being  
404 a market-rate investment and proposed strategies for addressing each one;

405 (vii) describes the proposed development plan, including the requirements described in  
406 Subsections [63N-3-603](#)(2) and (4);

407 (viii) establishes a base year and collection period to calculate the tax increment within  
408 the housing and transit reinvestment zone;

409 (ix) establishes a sales and use tax base year to calculate the sales and use tax  
410 increment within the housing and transit reinvestment zone in accordance with Section  
411 [63N-3-610](#);

412 (x) describes projected maximum revenues generated and the amount of tax increment  
413 capture from each taxing entity and proposed expenditures of revenue derived from the housing  
414 and transit reinvestment zone;

415 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources of  
416 revenue that can be used to reduce the finance gap;

417 (xii) evaluates possible benefits to active and public transportation availability and  
418 impacts on air quality;

419 (xiii) proposes a finance schedule to align expected revenue with required financing  
420 costs and payments;

421 (xiv) provides a pro-forma for the planned development [~~including the cost differential~~  
422 ~~between surface-parked multi-family development and enhanced development~~] that:

423 (A) satisfies the requirements described in Subsections [63N-3-603](#)(2), (3), and (4); and

424 (B) includes data showing the cost difference between what type of development could  
425 feasibly be developed absent the housing and transit reinvestment zone tax increment and the  
426 type of development that is proposed to be developed with the housing and transit reinvestment  
427 zone tax increment; and

428 (xv) for a housing and transit reinvestment zone at a commuter rail station, light rail

429 station, or bus rapid transit station that is proposed and not in public transit service operation as  
430 of the date of submission of the proposal, demonstrates that the proposed station is:

431 (A) included [~~in~~] as needed in phase one of a metropolitan planning organization's  
432 adopted long-range transportation plan and in phase one of the relevant public transit district's  
433 [~~five-year~~] adopted long-range plan; and

434 (B) reasonably anticipated to be constructed in the near future; and

435 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office  
436 of Economic Opportunity.

437 (2) As part of the proposal described in Subsection (1), a municipality or public transit  
438 county shall study and evaluate possible impacts of a proposed housing and transit  
439 reinvestment zone on parking within the city and housing and transit reinvestment zone.

440 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's  
441 Office of Economic Opportunity shall:

442 (i) within 14 days after the date on which the Governor's Office of Economic  
443 Opportunity receives the proposal described in Subsection (1)(b), provide notice of the  
444 proposal to all affected taxing entities, including the Tax Commission, cities, counties, school  
445 districts, [~~and~~] metropolitan planning organizations, and the county assessor and county auditor  
446 of the county in which the housing and transit reinvestment zone is located; and

447 (ii) at the expense of the proposing municipality or public transit county as described in  
448 Subsection (5), contract with an independent entity to perform the gap analysis described in  
449 Subsection (3)(b).

450 (b) The gap analysis required in Subsection (3)(a)(ii) shall include:

451 (i) a description of the planned development;

452 (ii) a market analysis relative to other comparable project developments included in or  
453 adjacent to the municipality or public transit county absent the proposed housing and transit  
454 reinvestment zone;

455 (iii) an evaluation of the proposal to and a determination of the adequacy and efficiency  
456 of the proposal;

457 (iv) an evaluation of the proposed increment capture needed to cover the enhanced  
458 development costs associated with the housing and transit reinvestment zone proposal and  
459 enable the proposed development to occur; and

460 (v) based on the market analysis and other findings, an opinion relative to the  
461 appropriate amount of potential public financing reasonably determined to be necessary to  
462 achieve the objectives described in Subsection 63N-3-603(1).

463 (c) After receiving notice from the Governor's Office of Economic Opportunity of a  
464 proposed housing and transit reinvestment zone as described in Subsection (3)(a)(i), the Tax  
465 Commission shall:

466 (i) evaluate the feasibility of administering the tax implications of the proposal; and

467 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any  
468 challenges in the administration of the proposal, or indicating that the Tax Commission can  
469 feasibly administer the proposal.

470 (4) After receiving the results from the analysis described in Subsection (3)(b), the  
471 municipality or public transit county proposing the housing and transit reinvestment zone may:

472 (a) amend the housing and transit reinvestment zone proposal based on the findings of  
473 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic  
474 Opportunity submit the amended housing and transit reinvestment zone proposal to the housing  
475 and transit reinvestment zone committee; or

476 (b) request that the Governor's Office of Economic Opportunity submit the original  
477 housing and transit reinvestment zone proposal to the housing and transit reinvestment zone  
478 committee.

479 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated  
480 credit, up to \$20,000 from a municipality or public transit county for the costs of the gap  
481 analysis described in Subsection (3)(b).

482 (b) The Governor's Office of Economic Opportunity may expend funds received from a  
483 municipality or public transit county as dedicated credits to pay for the costs associated with  
484 the gap analysis described in Subsection (3)(b).

485 Section 4. Section 63N-3-605 is amended to read:

486 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

487 (1) For any housing and transit reinvestment zone proposed under this part, there is  
488 created a housing and transit reinvestment zone committee with membership described in  
489 Subsection (2).

490 (2) Each housing and transit reinvestment zone committee shall consist of the



491 following members:

492 (a) one representative from the Governor's Office of Economic Opportunity, designated  
493 by the executive director of the Governor's Office of Economic Opportunity;

494 (b) one representative from each municipality that is a party to the proposed housing  
495 and transit reinvestment zone, designated by the chief executive officer of each respective  
496 municipality;

497 (c) a member of the Transportation Commission created in Section 72-1-301;

498 (d) a member of the board of trustees of a large public transit district;

499 (e) one individual from the Office of the State Treasurer, designated by the state  
500 treasurer;

501 (f) [~~one member~~] two members designated by the president of the Senate;

502 (g) [~~one member~~] two members designated by the speaker of the House of  
503 Representatives;

504 (h) one member designated by the chief executive officer of each county affected by  
505 the housing and transit reinvestment zone;

506 (i) one representative designated by the school superintendent from the school district  
507 affected by the housing and transit reinvestment zone; and

508 (j) one representative, representing the largest participating local taxing entity, after the  
509 municipality, county, and school district.

510 (3) The individual designated by the Governor's Office of Economic Opportunity as  
511 described in Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone  
512 committee.

513 (4) (a) A majority of the members of the housing and transit reinvestment zone  
514 committee constitutes a quorum of the housing and transit reinvestment zone committee.

515 (b) An action by a majority of a quorum of the housing and transit reinvestment zone  
516 committee is an action of the housing and transit reinvestment zone committee.

517 (5) After the Governor's Office of Economic Opportunity receives the results of the  
518 analysis described in Section 63N-3-604, and after the Governor's Office of Economic  
519 Opportunity has received a request from the submitting municipality or public transit county to  
520 submit the housing and transit reinvestment zone proposal to the housing and transit  
521 reinvestment zone committee, the Governor's Office of Economic Opportunity shall notify each

522 of the entities described in Subsection (2) of the formation of the housing and transit  
523 reinvestment zone committee.

524 (6) (a) The chair of the housing and transit reinvestment zone committee shall convene  
525 a public meeting to consider the proposed housing and transit reinvestment zone.

526 (b) A meeting of the housing and transit reinvestment zone committee is subject to  
527 Title 52, Chapter 4, Open and Public Meetings Act.

528 (7) (a) The proposing municipality or public transit county shall present the housing  
529 and transit reinvestment zone proposal to the housing and transit reinvestment zone committee  
530 in a public meeting.

531 (b) The housing and transit reinvestment zone committee shall:

532 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone  
533 described in Subsections 63N-3-603(2) and (4) have been met; and

534 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis  
535 described in Subsection 63N-3-604(2).

536 (8) (a) Subject to Subsection (8)(b), the housing and transit reinvestment zone  
537 committee may:

538 (i) request changes to the housing and transit reinvestment zone proposal based on the  
539 analysis, characteristics, and criteria described in Section 63N-3-604; or

540 (ii) vote to approve or deny the proposal.

541 (b) Before the housing and transit reinvestment zone committee may approve the  
542 housing and transit reinvestment zone proposal, the municipality or public transit county  
543 proposing the housing and transit reinvestment zone shall ensure that the area of the proposed  
544 housing and transit reinvestment zone is zoned in such a manner to accommodate the  
545 requirements of a housing and transit reinvestment zone described in this section and the  
546 proposed development.

547 (9) If a housing and transit reinvestment zone is approved by the committee:

548 (a) the proposed housing and transit reinvestment zone is established according to the  
549 terms of the housing and transit reinvestment zone proposal;

550 (b) affected local taxing entities are required to participate according to the terms of the  
551 housing and transit reinvestment zone proposal; and

552 (c) each affected taxing [municipality] entity is required to participate at the same rate[

553 as a participating county].

554 (10) A housing and transit reinvestment zone proposal may be amended by following  
555 the same procedure as approving a housing and transit reinvestment zone proposal.

556 Section 5. Section **63N-3-610** is amended to read:

557 **63N-3-610. Sales and use tax increment in a housing and transit reinvestment**  
558 **zone.**

559 (1) A housing and transit reinvestment proposal shall, in consultation with the tax  
560 commission:

561 (a) create a sales and use tax boundary as described in Subsection (2); and

562 (b) establish a sales and use tax base year and collection period to calculate and transfer  
563 the state sales and use tax increment within the housing and transit reinvestment zone, which  
564 sales and use tax base year is established prospectively, 90 days after the date of the notice  
565 described in Subsection (4).

566 (2) (a) The municipality or public transit county, in consultation with the tax  
567 commission, shall establish a sales and use tax boundary that:

568 (i) is based on state sales and use tax collection boundaries, which are determined  
569 using the ZIP Code as defined in Section 59-12-102, including the four digit delivery route  
570 extension; [and]

571 (ii) follows as closely as reasonably practicable the boundary of the housing and transit  
572 reinvestment zone[-]; and

573 (iii) is one contiguous area that includes at least the entire boundary of the housing and  
574 transit reinvestment zone.

575 (b) If a state sales and use tax boundary is bisected by the boundary of the housing and  
576 transit reinvestment zone, the housing and transit reinvestment zone may include the entire  
577 state sales and use tax boundary.

578 ~~[(b)]~~ (c) The municipality or public transit county shall include the sales and use tax  
579 boundary in the housing and transit reinvestment zone proposal as described in Section  
580 **63N-3-604.**

581 (3) (a) Beginning the first day of the calendar quarter one year after the sales and use  
582 tax boundary for a housing and transit reinvestment zone is established, the tax commission  
583 shall, at least annually, transfer an amount equal to 15% of the sales and use tax increment

584 within an established sales and use tax boundary into the Transit Transportation Investment  
585 Fund created in Section [72-2-124](#).

586 (b) A municipality or public transit county may only propose one sales and use tax  
587 increment period for a housing and transit reinvestment zone established under this section.

588 (4) (a) The establishment of a sales and use tax base year and the requirement  
589 described in Subsection (3) to transfer incremental sales tax revenue shall take effect:

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

591 (ii) after a 90-day waiting period, beginning on the date the commission receives notice  
592 from the municipality or public transit county meeting the requirements of Subsection (4)(b).

593 (b) The notice described in Subsection (4)(a) shall include:

594 (i) a statement that the housing and transit reinvestment zone will be established under  
595 this part;

596 (ii) the approval date and effective date of the housing and transit reinvestment zone;

597 and

598 (iii) the definitions of the sales and use tax boundary and sales and use tax base year.

599 Section 6. Section **63N-3-611** is enacted to read:

600 **63N-3-611. Boundary adjustments.**

601 If the relevant county assessor or county auditor adjusts parcel boundaries relevant to a  
602 housing and transit reinvestment zone, the municipality administering the tax increment  
603 collected in the housing and transit reinvestment zone may make corresponding adjustments to  
604 the boundary of the housing and transit reinvestment zone.

605 Section 7. **Effective date.**

606 This bill takes effect on May 1, 2024.