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FIRST HOME INVESTMENT ZONE ACT
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Wayne A. Harper
House Sponsor: Calvin R. Musselman

LONG TITLE

General Description:

This bill enacts the First Home Investment Zone Act.

Highlighted Provisions:

This bill:

- ▶ enacts the First Home Investment Zone Act;
- ▶ defines terms;
- ▶ allows a municipality to create a first home investment zone to:
 - provide affordable, owner-occupied housing;
 - encourage mixed use development;
 - encourage strategic and efficient land use planning;
 - improve access to opportunities; and
 - increase opportunities for home ownership;
- ▶ allows a first home investment zone to capture tax increment to finance the objectives of a first home investment zone;
- ▶ provides certain requirements regarding housing density, affordability, development size, and other characteristics of a first home investment zone;
- ▶ requires the housing and transit reinvestment zone committee to review and approve first home investment zone proposals;
- ▶ allows a first home investment zone to count toward requirements for moderate income housing plans; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **10-9a-403**, as last amended by Laws of Utah 2023, Chapters 88, 219 and 238

32 **59-2-924**, as last amended by Laws of Utah 2023, Chapter 502

33 **63N-3-602**, as last amended by Laws of Utah 2023, Chapter 357

34 **63N-3-603**, as last amended by Laws of Utah 2023, Chapter 357

35 **63N-3-605**, as last amended by Laws of Utah 2023, Chapter 357

36 ENACTS:

37 **63N-3-1301**, Utah Code Annotated 1953

38 **63N-3-1302**, Utah Code Annotated 1953

39 **63N-3-1303**, Utah Code Annotated 1953

40 **63N-3-1304**, Utah Code Annotated 1953

41 **63N-3-1305**, Utah Code Annotated 1953

42 **63N-3-1306**, Utah Code Annotated 1953

43 **63N-3-1307**, Utah Code Annotated 1953

44 **63N-3-1308**, Utah Code Annotated 1953

45 **63N-3-1309**, Utah Code Annotated 1953



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

48 Section 1. Section **10-9a-403** is amended to read:

49 **10-9a-403 . General plan preparation.**

50 (1) (a) The planning commission shall provide notice, as provided in Section 10-9a-203,
51 of the planning commission's intent to make a recommendation to the municipal
52 legislative body for a general plan or a comprehensive general plan amendment when
53 the planning commission initiates the process of preparing the planning commission's
54 recommendation.

55 (b) The planning commission shall make and recommend to the legislative body a
56 proposed general plan for the area within the municipality.

57 (c) The plan may include areas outside the boundaries of the municipality if, in the
58 planning commission's judgment, those areas are related to the planning of the
59 municipality's territory.

60 (d) Except as otherwise provided by law or with respect to a municipality's power of
61 eminent domain, when the plan of a municipality involves territory outside the

62 boundaries of the municipality, the municipality may not take action affecting that
63 territory without the concurrence of the county or other municipalities affected.

64 (2) (a) At a minimum, the proposed general plan, with the accompanying maps, charts,
65 and descriptive and explanatory matter, shall include the planning commission's
66 recommendations for the following plan elements:

67 (i) a land use element that:

68 (A) designates the long-term goals and the proposed extent, general distribution,
69 and location of land for housing for residents of various income levels,
70 business, industry, agriculture, recreation, education, public buildings and
71 grounds, open space, and other categories of public and private uses of land as
72 appropriate;

73 (B) includes a statement of the projections for and standards of population density
74 and building intensity recommended for the various land use categories
75 covered by the plan;

76 (C) except for a city of the fifth class or a town, is coordinated to integrate the
77 land use element with the water use and preservation element; and

78 (D) except for a city of the fifth class or a town, accounts for the effect of land use
79 categories and land uses on water demand;

80 (ii) a transportation and traffic circulation element that:

81 (A) provides the general location and extent of existing and proposed freeways,
82 arterial and collector streets, public transit, active transportation facilities, and
83 other modes of transportation that the planning commission considers
84 appropriate;

85 (B) for a municipality that has access to a major transit investment corridor,
86 addresses the municipality's plan for residential and commercial development
87 around major transit investment corridors to maintain and improve the
88 connections between housing, employment, education, recreation, and
89 commerce;

90 (C) for a municipality that does not have access to a major transit investment
91 corridor, addresses the municipality's plan for residential and commercial
92 development in areas that will maintain and improve the connections between
93 housing, transportation, employment, education, recreation, and commerce; and

94 (D) correlates with the population projections, the employment projections, and
95 the proposed land use element of the general plan;

- 96 (iii) a moderate income housing element that:
- 97 (A) provides a realistic opportunity to meet the need for additional moderate
- 98 income housing within the municipality during the next five years;
- 99 (B) for a town, may include a recommendation to implement three or more of the
- 100 moderate income housing strategies described in Subsection (2)(b)(iii);
- 101 (C) for a specified municipality, as defined in Section 10-9a-408, that does not
- 102 have a fixed guideway public transit station, shall include a recommendation to
- 103 implement three or more of the moderate income housing strategies described
- 104 in Subsection (2)(b)(iii);
- 105 (D) for a specified municipality, as defined in Section 10-9a-408, that has a fixed
- 106 guideway public transit station, shall include a recommendation to implement
- 107 five or more of the moderate income housing strategies described in Subsection
- 108 (2)(b)(iii), of which one shall be the moderate income housing strategy
- 109 described in Subsection (2)(b)(iii)(V), and one shall be a moderate income
- 110 housing strategy described in Subsection (2)(b)(iii)(G), (H), or (Q); and
- 111 (E) for a specified municipality, as defined in Section 10-9a-408, shall include an
- 112 implementation plan as provided in Subsection (2)(c); and
- 113 (iv) except for a city of the fifth class or a town, a water use and preservation element
- 114 that addresses:
- 115 (A) the effect of permitted development or patterns of development on water
- 116 demand and water infrastructure;
- 117 (B) methods of reducing water demand and per capita consumption for future
- 118 development;
- 119 (C) methods of reducing water demand and per capita consumption for existing
- 120 development; and
- 121 (D) opportunities for the municipality to modify the municipality's operations to
- 122 eliminate practices or conditions that waste water.
- 123 (b) In drafting the moderate income housing element, the planning commission:
- 124 (i) shall consider the Legislature's determination that municipalities shall facilitate a
- 125 reasonable opportunity for a variety of housing, including moderate income
- 126 housing:
- 127 (A) to meet the needs of people of various income levels living, working, or
- 128 desiring to live or work in the community; and
- 129 (B) to allow people with various incomes to benefit from and fully participate in

- 130 all aspects of neighborhood and community life;
- 131 (ii) for a town, may include, and for a specified municipality as defined in Section
132 10-9a-408, shall include, an analysis of how the municipality will provide a
133 realistic opportunity for the development of moderate income housing within the
134 next five years;
- 135 (iii) for a town, may include, and for a specified municipality as defined in Section
136 10-9a-408, shall include a recommendation to implement the required number of
137 any of the following moderate income housing strategies as specified in
138 Subsection (2)(a)(iii):
- 139 (A) rezone for densities necessary to facilitate the production of moderate income
140 housing;
- 141 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
142 facilitates the construction of moderate income housing;
- 143 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
144 stock into moderate income housing;
- 145 (D) identify and utilize general fund subsidies or other sources of revenue to
146 waive construction related fees that are otherwise generally imposed by the
147 municipality for the construction or rehabilitation of moderate income housing;
- 148 (E) create or allow for, and reduce regulations related to, internal or detached
149 accessory dwelling units in residential zones;
- 150 (F) zone or rezone for higher density or moderate income residential development
151 in commercial or mixed-use zones near major transit investment corridors,
152 commercial centers, or employment centers;
- 153 (G) amend land use regulations to allow for higher density or new moderate
154 income residential development in commercial or mixed-use zones near major
155 transit investment corridors;
- 156 (H) amend land use regulations to eliminate or reduce parking requirements for
157 residential development where a resident is less likely to rely on the resident's
158 own vehicle, such as residential development near major transit investment
159 corridors or senior living facilities;
- 160 (I) amend land use regulations to allow for single room occupancy developments;
- 161 (J) implement zoning incentives for moderate income units in new developments;
- 162 (K) preserve existing and new moderate income housing and subsidized units by
163 utilizing a landlord incentive program, providing for deed restricted units

- 164 through a grant program, or, notwithstanding Section 10-9a-535, establishing a
165 housing loss mitigation fund;
- 166 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 167 (M) demonstrate creation of, or participation in, a community land trust program
168 for moderate income housing;
- 169 (N) implement a mortgage assistance program for employees of the municipality,
170 an employer that provides contracted services to the municipality, or any other
171 public employer that operates within the municipality;
- 172 (O) apply for or partner with an entity that applies for state or federal funds or tax
173 incentives to promote the construction of moderate income housing, an entity
174 that applies for programs offered by the Utah Housing Corporation within that
175 agency's funding capacity, an entity that applies for affordable housing
176 programs administered by the Department of Workforce Services, an entity
177 that applies for affordable housing programs administered by an association of
178 governments established by an interlocal agreement under Title 11, Chapter 13,
179 Interlocal Cooperation Act, an entity that applies for services provided by a
180 public housing authority to preserve and create moderate income housing, or
181 any other entity that applies for programs or services that promote the
182 construction or preservation of moderate income housing;
- 183 (P) demonstrate utilization of a moderate income housing set aside from a
184 community reinvestment agency, redevelopment agency, or community
185 development and renewal agency to create or subsidize moderate income
186 housing;
- 187 (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter
188 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 189 (R) eliminate impact fees for any accessory dwelling unit that is not an internal
190 accessory dwelling unit as defined in Section 10-9a-530;
- 191 (S) create a program to transfer development rights for moderate income housing;
- 192 (T) ratify a joint acquisition agreement with another local political subdivision for
193 the purpose of combining resources to acquire property for moderate income
194 housing;
- 195 (U) develop a moderate income housing project for residents who are disabled or
196 55 years old or older;
- 197 (V) develop and adopt a station area plan in accordance with Section 10-9a-403.1;

- 198 (W) create or allow for, and reduce regulations related to, multifamily residential
199 dwellings compatible in scale and form with detached single-family residential
200 dwellings and located in walkable communities within residential or mixed-use
201 zones;[~~and~~]
- 202 (X) create a first home investment zone in accordance with Title 63N, Chapter 3,
203 Part 13, First Home Investment Zone Act; and
- 204 [~~(X)~~] (Y) demonstrate implementation of any other program or strategy to address
205 the housing needs of residents of the municipality who earn less than 80% of
206 the area median income, including the dedication of a local funding source to
207 moderate income housing or the adoption of a land use ordinance that requires
208 10% or more of new residential development in a residential zone be dedicated
209 to moderate income housing; and
- 210 (iv) shall identify each moderate income housing strategy recommended to the
211 legislative body for implementation by restating the exact language used to
212 describe the strategy in Subsection (2)(b)(iii).
- 213 (c) (i) In drafting the implementation plan portion of the moderate income housing
214 element as described in Subsection (2)(a)(iii)(C), the planning commission shall
215 recommend to the legislative body the establishment of a five-year timeline for
216 implementing each of the moderate income housing strategies selected by the
217 municipality for implementation.
- 218 (ii) The timeline described in Subsection (2)(c)(i) shall:
- 219 (A) identify specific measures and benchmarks for implementing each moderate
220 income housing strategy selected by the municipality, whether one-time or
221 ongoing; and
- 222 (B) provide flexibility for the municipality to make adjustments as needed.
- 223 (d) In drafting the land use element, the planning commission shall:
- 224 (i) identify and consider each agriculture protection area within the municipality;
- 225 (ii) avoid proposing a use of land within an agriculture protection area that is
226 inconsistent with or detrimental to the use of the land for agriculture; and
- 227 (iii) consider and coordinate with any station area plans adopted by the municipality
228 if required under Section 10-9a-403.1.
- 229 (e) In drafting the transportation and traffic circulation element, the planning
230 commission shall:
- 231 (i) (A) consider and coordinate with the regional transportation plan developed by

- 232 the municipality's region's metropolitan planning organization, if the
233 municipality is within the boundaries of a metropolitan planning organization;
234 or
235 (B) consider and coordinate with the long-range transportation plan developed by
236 the Department of Transportation, if the municipality is not within the
237 boundaries of a metropolitan planning organization; and
238 (ii) consider and coordinate with any station area plans adopted by the municipality if
239 required under Section 10-9a-403.1.
- 240 (f) In drafting the water use and preservation element, the planning commission:
- 241 (i) shall consider:
- 242 (A) applicable regional water conservation goals recommended by the Division of
243 Water Resources; and
244 (B) if Section 73-10-32 requires the municipality to adopt a water conservation
245 plan pursuant to Section 73-10-32, the municipality's water conservation plan;
- 246 (ii) shall include a recommendation for:
- 247 (A) water conservation policies to be determined by the municipality; and
248 (B) landscaping options within a public street for current and future development
249 that do not require the use of lawn or turf in a parkstrip;
- 250 (iii) shall review the municipality's land use ordinances and include a
251 recommendation for changes to an ordinance that promotes the inefficient use of
252 water;
- 253 (iv) shall consider principles of sustainable landscaping, including the:
- 254 (A) reduction or limitation of the use of lawn or turf;
255 (B) promotion of site-specific landscape design that decreases stormwater runoff
256 or runoff of water used for irrigation;
257 (C) preservation and use of healthy trees that have a reasonable water requirement
258 or are resistant to dry soil conditions;
259 (D) elimination or regulation of ponds, pools, and other features that promote
260 unnecessary water evaporation;
261 (E) reduction of yard waste; and
262 (F) use of an irrigation system, including drip irrigation, best adapted to provide
263 the optimal amount of water to the plants being irrigated;
- 264 (v) shall consult with the public water system or systems serving the municipality
265 with drinking water regarding how implementation of the land use element and

- 266 water use and preservation element may affect:
- 267 (A) water supply planning, including drinking water source and storage capacity
- 268 consistent with Section 19-4-114; and
- 269 (B) water distribution planning, including master plans, infrastructure asset
- 270 management programs and plans, infrastructure replacement plans, and impact
- 271 fee facilities plans;
- 272 (vi) shall consult with the Division of Water Resources for information and technical
- 273 resources regarding regional water conservation goals, including how
- 274 implementation of the land use element and the water use and preservation
- 275 element may affect the Great Salt Lake;
- 276 (vii) may include recommendations for additional water demand reduction strategies,
- 277 including:
- 278 (A) creating a water budget associated with a particular type of development;
- 279 (B) adopting new or modified lot size, configuration, and landscaping standards
- 280 that will reduce water demand for new single family development;
- 281 (C) providing one or more water reduction incentives for existing development
- 282 such as modification of existing landscapes and irrigation systems and
- 283 installation of water fixtures or systems that minimize water demand;
- 284 (D) discouraging incentives for economic development activities that do not
- 285 adequately account for water use or do not include strategies for reducing
- 286 water demand; and
- 287 (E) adopting water concurrency standards requiring that adequate water supplies
- 288 and facilities are or will be in place for new development; and
- 289 (viii) for a town, may include, and for another municipality, shall include, a
- 290 recommendation for low water use landscaping standards for a new:
- 291 (A) commercial, industrial, or institutional development;
- 292 (B) common interest community, as defined in Section 57-25-102; or
- 293 (C) multifamily housing project.
- 294 (3) The proposed general plan may include:
- 295 (a) an environmental element that addresses:
- 296 (i) the protection, conservation, development, and use of natural resources, including
- 297 the quality of:
- 298 (A) air;
- 299 (B) forests;

- 300 (C) soils;
- 301 (D) rivers;
- 302 (E) groundwater and other waters;
- 303 (F) harbors;
- 304 (G) fisheries;
- 305 (H) wildlife;
- 306 (I) minerals; and
- 307 (J) other natural resources; and
- 308 (ii) (A) the reclamation of land, flood control, prevention and control of the
- 309 pollution of streams and other waters;
- 310 (B) the regulation of the use of land on hillsides, stream channels and other
- 311 environmentally sensitive areas;
- 312 (C) the prevention, control, and correction of the erosion of soils;
- 313 (D) the preservation and enhancement of watersheds and wetlands; and
- 314 (E) the mapping of known geologic hazards;
- 315 (b) a public services and facilities element showing general plans for sewage, water,
- 316 waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for
- 317 them, police and fire protection, and other public services;
- 318 (c) a rehabilitation, redevelopment, and conservation element consisting of plans and
- 319 programs for:
- 320 (i) historic preservation;
- 321 (ii) the diminution or elimination of a development impediment as defined in Section
- 322 17C-1-102; and
- 323 (iii) redevelopment of land, including housing sites, business and industrial sites, and
- 324 public building sites;
- 325 (d) an economic element composed of appropriate studies and forecasts, as well as an
- 326 economic development plan, which may include review of existing and projected
- 327 municipal revenue and expenditures, revenue sources, identification of basic and
- 328 secondary industry, primary and secondary market areas, employment, and retail
- 329 sales activity;
- 330 (e) recommendations for implementing all or any portion of the general plan, including
- 331 the adoption of land and water use ordinances, capital improvement plans,
- 332 community development and promotion, and any other appropriate action;
- 333 (f) provisions addressing any of the matters listed in Subsection 10-9a-401(2) or (3); and

334 (g) any other element the municipality considers appropriate.

335 Section 2. Section **59-2-924** is amended to read:

336 **59-2-924 . Definitions -- Report of valuation of property to county auditor and**
337 **commission -- Transmittal by auditor to governing bodies -- Calculation of**
338 **certified tax rate -- Rulemaking authority -- Adoption of tentative budget --**
339 **Notice provided by the commission.**

340 (1) As used in this section:

341 (a) (i) "Ad valorem property tax revenue" means revenue collected in accordance
342 with this chapter.

343 (ii) "Ad valorem property tax revenue" does not include:

344 (A) interest;

345 (B) penalties;

346 (C) collections from redemptions; or

347 (D) revenue received by a taxing entity from personal property that is
348 semiconductor manufacturing equipment assessed by a county assessor in
349 accordance with Part 3, County Assessment.

350 (b) "Adjusted tax increment" means the same as that term is defined in Section
351 17C-1-102.

352 (c) (i) "Aggregate taxable value of all property taxed" means:

353 (A) the aggregate taxable value of all real property a county assessor assesses in
354 accordance with Part 3, County Assessment, for the current year;

355 (B) the aggregate taxable value of all real and personal property the commission
356 assesses in accordance with Part 2, Assessment of Property, for the current
357 year; and

358 (C) the aggregate year end taxable value of all personal property a county assessor
359 assesses in accordance with Part 3, County Assessment, contained on the prior
360 year's tax rolls of the taxing entity.

361 (ii) "Aggregate taxable value of all property taxed" does not include the aggregate
362 year end taxable value of personal property that is:

363 (A) semiconductor manufacturing equipment assessed by a county assessor in
364 accordance with Part 3, County Assessment; and

365 (B) contained on the prior year's tax rolls of the taxing entity.

366 (d) "Base taxable value" means:

367 (i) for an authority created under Section 11-58-201, the same as that term is defined

- 368 in Section 11-58-102;
- 369 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
370 the same as that term is defined in Section 11-59-207;
- 371 (iii) for an agency created under Section 17C-1-201.5, the same as that term is
372 defined in Section 17C-1-102;
- 373 (iv) for an authority created under Section 63H-1-201, the same as that term is
374 defined in Section 63H-1-102;
- 375 (v) for a host local government, the same as that term is defined in Section 63N-2-502;[
376 or]
- 377 (vi) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
378 Part 6, Housing and Transit Reinvestment Zone Act, a property's taxable value as
379 shown upon the assessment roll last equalized during the base year, as that term is
380 defined in Section 63N-3-602[-] ; or
- 381 (vii) for a first home investment zone created under Title 63N, Chapter 3, Part 13,
382 First Home Investment Zone Act, a property's taxable value as shown upon the
383 assessment roll last equalized during the base year, as that term is defined in
384 Section 63N-3-1301.
- 385 (e) "Centrally assessed benchmark value" means an amount equal to the highest year end
386 taxable value of real and personal property the commission assesses in accordance
387 with Part 2, Assessment of Property, for a previous calendar year that begins on or
388 after January 1, 2015, adjusted for taxable value attributable to:
- 389 (i) an annexation to a taxing entity;
- 390 (ii) an incorrect allocation of taxable value of real or personal property the
391 commission assesses in accordance with Part 2, Assessment of Property; or
- 392 (iii) a change in value as a result of a change in the method of apportioning the value
393 prescribed by the Legislature, a court, or the commission in an administrative rule
394 or administrative order.
- 395 (f) (i) "Centrally assessed new growth" means the greater of:
- 396 (A) zero; or
- 397 (B) the amount calculated by subtracting the centrally assessed benchmark value
398 adjusted for prior year end incremental value from the taxable value of real and
399 personal property the commission assesses in accordance with Part 2,
400 Assessment of Property, for the current year, adjusted for current year
401 incremental value.

- 402 (ii) "Centrally assessed new growth" does not include a change in value as a result of
403 a change in the method of apportioning the value prescribed by the Legislature, a
404 court, or the commission in an administrative rule or administrative order.
- 405 (g) "Certified tax rate" means a tax rate that will provide the same ad valorem property
406 tax revenue for a taxing entity as was budgeted by that taxing entity for the prior year.
- 407 (h) "Community reinvestment agency" means the same as that term is defined in Section
408 17C-1-102.
- 409 (i) "Eligible new growth" means the greater of:
410 (i) zero; or
411 (ii) the sum of:
412 (A) locally assessed new growth;
413 (B) centrally assessed new growth; and
414 (C) project area new growth or hotel property new growth.
- 415 (j) "Host local government" means the same as that term is defined in Section 63N-2-502.
- 416 (k) "Hotel property" means the same as that term is defined in Section 63N-2-502.
- 417 (l) "Hotel property new growth" means an amount equal to the incremental value that is
418 no longer provided to a host local government as incremental property tax revenue.
- 419 (m) "Incremental property tax revenue" means the same as that term is defined in
420 Section 63N-2-502.
- 421 (n) "Incremental value" means:
422 (i) for an authority created under Section 11-58-201, the amount calculated by
423 multiplying:
424 (A) the difference between the taxable value and the base taxable value of the
425 property that is located within a project area and on which property tax
426 differential is collected; and
427 (B) the number that represents the percentage of the property tax differential that
428 is paid to the authority;
429 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
430 an amount calculated by multiplying:
431 (A) the difference between the current assessed value of the property and the base
432 taxable value; and
433 (B) the number that represents the percentage of the property tax augmentation, as
434 defined in Section 11-59-207, that is paid to the Point of the Mountain State
435 Land Authority;

- 436 (iii) for an agency created under Section 17C-1-201.5, the amount calculated by
 437 multiplying:
- 438 (A) the difference between the taxable value and the base taxable value of the
 439 property located within a project area and on which tax increment is collected;
 440 and
- 441 (B) the number that represents the adjusted tax increment from that project area
 442 that is paid to the agency;
- 443 (iv) for an authority created under Section 63H-1-201, the amount calculated by
 444 multiplying:
- 445 (A) the difference between the taxable value and the base taxable value of the
 446 property located within a project area and on which property tax allocation is
 447 collected; and
- 448 (B) the number that represents the percentage of the property tax allocation from
 449 that project area that is paid to the authority;
- 450 (v) for a housing and transit reinvestment zone created pursuant to Title 63N, Chapter
 451 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount calculated by
 452 multiplying:
- 453 (A) the difference between the taxable value and the base taxable value of the
 454 property that is located within a housing and transit reinvestment zone and on
 455 which tax increment is collected; and
- 456 (B) the number that represents the percentage of the tax increment that is paid to
 457 the housing and transit reinvestment zone;
- 458 (vi) for a host local government, an amount calculated by multiplying:
- 459 (A) the difference between the taxable value and the base taxable value of the
 460 hotel property on which incremental property tax revenue is collected; and
- 461 (B) the number that represents the percentage of the incremental property tax
 462 revenue from that hotel property that is paid to the host local government;~~[-or]~~
- 463 (vii) for the State Fair Park Authority created in Section 11-68-201, the taxable value
 464 of:
- 465 (A) fair park land, as defined in Section 11-68-101, that is subject to a privilege
 466 tax under Section 11-68-402; or
- 467 (B) personal property located on property that is subject to the privilege tax
 468 described in Subsection (1)(n)(vii)(A)~~[-]~~ ; or
- 469 (viii) for a first home investment zone created pursuant to Title 63N, Chapter 3, Part

- 470 13, First Home Investment Zone Act, an amount calculated by multiplying:
471 (A) the difference between the taxable value and the base taxable value of the
472 property that is located within a first home investment zone and on which tax
473 increment is collected; and
474 (B) the number that represents the percentage of the tax increment that is paid to
475 the first home investment zone.
- 476 (o) (i) "Locally assessed new growth" means the greater of:
477 (A) zero; or
478 (B) the amount calculated by subtracting the year end taxable value of real
479 property the county assessor assesses in accordance with Part 3, County
480 Assessment, for the previous year, adjusted for prior year end incremental
481 value from the taxable value of real property the county assessor assesses in
482 accordance with Part 3, County Assessment, for the current year, adjusted for
483 current year incremental value.
- 484 (ii) "Locally assessed new growth" does not include a change in:
485 (A) value as a result of factoring in accordance with Section 59-2-704, reappraisal,
486 or another adjustment;
487 (B) assessed value based on whether a property is allowed a residential exemption
488 for a primary residence under Section 59-2-103;
489 (C) assessed value based on whether a property is assessed under Part 5, Farmland
490 Assessment Act; or
491 (D) assessed value based on whether a property is assessed under Part 17, Urban
492 Farming Assessment Act.
- 493 (p) "Project area" means:
494 (i) for an authority created under Section 11-58-201, the same as that term is defined
495 in Section 11-58-102;
496 (ii) for an agency created under Section 17C-1-201.5, the same as that term is defined
497 in Section 17C-1-102; or
498 (iii) for an authority created under Section 63H-1-201, the same as that term is
499 defined in Section 63H-1-102.
- 500 (q) "Project area new growth" means:
501 (i) for an authority created under Section 11-58-201, an amount equal to the
502 incremental value that is no longer provided to an authority as property tax
503 differential;

- 504 (ii) for the Point of the Mountain State Land Authority created in Section 11-59-201,
 505 an amount equal to the incremental value that is no longer provided to the Point of
 506 the Mountain State Land Authority as property tax augmentation, as defined in
 507 Section 11-59-207;
- 508 (iii) for an agency created under Section 17C-1-201.5, an amount equal to the
 509 incremental value that is no longer provided to an agency as tax increment;
- 510 (iv) for an authority created under Section 63H-1-201, an amount equal to the
 511 incremental value that is no longer provided to an authority as property tax
 512 allocation;~~[-or]~~
- 513 (v) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
 514 Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to the
 515 incremental value that is no longer provided to a housing and transit reinvestment
 516 zone as tax increment~~[-]~~ ; or
- 517 (vi) for a first home investment zone created under Title 63N, Chapter 3, Part 13,
 518 First Home Investment Zone Act, an amount equal to the incremental value that is
 519 no longer provided to a first home investment zone as tax increment.
- 520 (r) "Project area incremental revenue" means the same as that term is defined in Section
 521 17C-1-1001.
- 522 (s) "Property tax allocation" means the same as that term is defined in Section 63H-1-102.
- 523 (t) "Property tax differential" means the same as that term is defined in Section
 524 11-58-102.
- 525 (u) "Qualifying exempt revenue" means revenue received:
- 526 (i) for the previous calendar year;
- 527 (ii) by a taxing entity;
- 528 (iii) from tangible personal property contained on the prior year's tax rolls that is
 529 exempt from property tax under Subsection 59-2-1115(2)(b) for a calendar year
 530 beginning on January 1, 2022; and
- 531 (iv) on the aggregate 2021 year end taxable value of the tangible personal property
 532 that exceeds \$15,300.
- 533 (v) "Tax increment" means:
- 534 (i) for a project created under Section 17C-1-201.5, the same as that term is defined
 535 in Section 17C-1-102;~~[-or]~~
- 536 (ii) for a housing and transit reinvestment zone created under Title 63N, Chapter 3,
 537 Part 6, Housing and Transit Reinvestment Zone Act, the same as that term is

- 538 defined in Section 63N-3-602[-] ; or
539 (iii) for a first home investment zone created under Title 63N, Chapter 3, Part 13,
540 First Home Investment Zone Act, the same as that term is defined in Section
541 63N-3-1301.
- 542 (2) Before June 1 of each year, the county assessor of each county shall deliver to the
543 county auditor and the commission the following statements:
- 544 (a) a statement containing the aggregate valuation of all taxable real property a county
545 assessor assesses in accordance with Part 3, County Assessment, for each taxing
546 entity; and
- 547 (b) a statement containing the taxable value of all personal property a county assessor
548 assesses in accordance with Part 3, County Assessment, from the prior year end
549 values.
- 550 (3) The county auditor shall, on or before June 8, transmit to the governing body of each
551 taxing entity:
- 552 (a) the statements described in Subsections (2)(a) and (b);
553 (b) an estimate of the revenue from personal property;
554 (c) the certified tax rate; and
555 (d) all forms necessary to submit a tax levy request.
- 556 (4) (a) Except as otherwise provided in this section, the certified tax rate shall be
557 calculated by dividing the ad valorem property tax revenue that a taxing entity
558 budgeted for the prior year minus the qualifying exempt revenue by the amount
559 calculated under Subsection (4)(b).
- 560 (b) For purposes of Subsection (4)(a), the legislative body of a taxing entity shall
561 calculate an amount as follows:
- 562 (i) calculate for the taxing entity the difference between:
563 (A) the aggregate taxable value of all property taxed; and
564 (B) any adjustments for current year incremental value;
- 565 (ii) after making the calculation required by Subsection (4)(b)(i), calculate an amount
566 determined by increasing or decreasing the amount calculated under Subsection
567 (4)(b)(i) by the average of the percentage net change in the value of taxable
568 property for the equalization period for the three calendar years immediately
569 preceding the current calendar year;
- 570 (iii) after making the calculation required by Subsection (4)(b)(ii), calculate the
571 product of:

- 572 (A) the amount calculated under Subsection (4)(b)(ii); and
- 573 (B) the percentage of property taxes collected for the five calendar years
- 574 immediately preceding the current calendar year; and
- 575 (iv) after making the calculation required by Subsection (4)(b)(iii), calculate an
- 576 amount determined by:
- 577 (A) multiplying the percentage of property taxes collected for the five calendar
- 578 years immediately preceding the current calendar year by eligible new growth;
- 579 and
- 580 (B) subtracting the amount calculated under Subsection (4)(b)(iv)(A) from the
- 581 amount calculated under Subsection (4)(b)(iii).
- 582 (5) A certified tax rate for a taxing entity described in this Subsection (5) shall be calculated
- 583 as follows:
- 584 (a) except as provided in Subsection (5)(b) or (c), for a new taxing entity, the certified
- 585 tax rate is zero;
- 586 (b) for a municipality incorporated on or after July 1, 1996, the certified tax rate is:
- 587 (i) in a county of the first, second, or third class, the levy imposed for municipal-type
- 588 services under Sections 17-34-1 and 17-36-9; and
- 589 (ii) in a county of the fourth, fifth, or sixth class, the levy imposed for general county
- 590 purposes and such other levies imposed solely for the municipal-type services
- 591 identified in Section 17-34-1 and Subsection 17-36-3(23);
- 592 (c) for a community reinvestment agency that received all or a portion of a taxing
- 593 entity's project area incremental revenue in the prior year under Title 17C, Chapter 1,
- 594 Part 10, Agency Taxing Authority, the certified tax rate is calculated as described in
- 595 Subsection (4) except that the commission shall treat the total revenue transferred to
- 596 the community reinvestment agency as ad valorem property tax revenue that the
- 597 taxing entity budgeted for the prior year; and
- 598 (d) for debt service voted on by the public, the certified tax rate is the actual levy
- 599 imposed by that section, except that a certified tax rate for the following levies shall
- 600 be calculated in accordance with Section 59-2-913 and this section:
- 601 (i) a school levy provided for under Section 53F-8-301, 53F-8-302, or 53F-8-303; and
- 602 (ii) a levy to pay for the costs of state legislative mandates or judicial or
- 603 administrative orders under Section 59-2-1602.
- 604 (6) (a) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 may be
- 605 imposed at a rate that is sufficient to generate only the revenue required to satisfy one

- 606 or more eligible judgments.
- 607 (b) The ad valorem property tax revenue generated by a judgment levy described in
608 Subsection (6)(a) may not be considered in establishing a taxing entity's aggregate
609 certified tax rate.
- 610 (7) (a) For the purpose of calculating the certified tax rate, the county auditor shall use:
611 (i) the taxable value of real property:
612 (A) the county assessor assesses in accordance with Part 3, County Assessment;
613 and
614 (B) contained on the assessment roll;
615 (ii) the year end taxable value of personal property:
616 (A) a county assessor assesses in accordance with Part 3, County Assessment; and
617 (B) contained on the prior year's assessment roll; and
618 (iii) the taxable value of real and personal property the commission assesses in
619 accordance with Part 2, Assessment of Property.
- 620 (b) For purposes of Subsection (7)(a), taxable value does not include eligible new
621 growth.
- 622 (8) (a) On or before June 30, a taxing entity shall annually adopt a tentative budget.
623 (b) If a taxing entity intends to exceed the certified tax rate, the taxing entity shall notify
624 the county auditor of:
625 (i) the taxing entity's intent to exceed the certified tax rate; and
626 (ii) the amount by which the taxing entity proposes to exceed the certified tax rate.
- 627 (c) The county auditor shall notify property owners of any intent to levy a tax rate that
628 exceeds the certified tax rate in accordance with Sections 59-2-919 and 59-2-919.1.
- 629 (9) (a) Subject to Subsection (9)(d), the commission shall provide notice, through
630 electronic means on or before July 31, to a taxing entity and the Revenue and
631 Taxation Interim Committee if:
632 (i) the amount calculated under Subsection (9)(b) is 10% or more of the year end
633 taxable value of the real and personal property the commission assesses in
634 accordance with Part 2, Assessment of Property, for the previous year, adjusted
635 for prior year end incremental value; and
636 (ii) the amount calculated under Subsection (9)(c) is 50% or more of the total year
637 end taxable value of the real and personal property of a taxpayer the commission
638 assesses in accordance with Part 2, Assessment of Property, for the previous year.
- 639 (b) For purposes of Subsection (9)(a)(i), the commission shall calculate an amount by

640 subtracting the taxable value of real and personal property the commission assesses
641 in accordance with Part 2, Assessment of Property, for the current year, adjusted for
642 current year incremental value, from the year end taxable value of the real and
643 personal property the commission assesses in accordance with Part 2, Assessment of
644 Property, for the previous year, adjusted for prior year end incremental value.

645 (c) For purposes of Subsection (9)(a)(ii), the commission shall calculate an amount by
646 subtracting the total taxable value of real and personal property of a taxpayer the
647 commission assesses in accordance with Part 2, Assessment of Property, for the
648 current year, from the total year end taxable value of the real and personal property of
649 a taxpayer the commission assesses in accordance with Part 2, Assessment of
650 Property, for the previous year.

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

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

654 **63N-3-602 . Definitions.**

655 As used in this part:

656 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
657 with a gross household income equal to or less than 80% of the median gross income of
658 the applicable municipal or county statistical area for households of the same size.

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

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

662 (4) "Base year" means, for a proposed housing and transit reinvestment zone area, a year
663 beginning the first day of the calendar quarter determined by the last equalized tax roll
664 before the adoption of the housing and transit reinvestment zone.

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

668 (6) "Bus rapid transit station" means an existing station, stop, or terminal, or a proposed
669 station, stop, or terminal that is specifically identified in a metropolitan planning
670 organization's adopted long-range transportation plan and the relevant public transit
671 district's five-year plan:

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

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

- 674 (7) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a
675 large public transit district.
- 676 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public
677 transit district.
- 678 (8) "Commuter rail station" means an existing station, stop, or terminal, or a proposed
679 station, stop, or terminal, which has been specifically identified in a metropolitan
680 planning organization's adopted long-range transportation plan and the relevant public
681 transit district's five-year plan:
- 682 (a) along an existing commuter rail line;
- 683 (b) along an extension to an existing commuter rail line or new commuter rail line; or
- 684 (c) along a fixed guideway extension from an existing commuter rail line.
- 685 (9) (a) "Developable area" means the portion of land within a housing and transit
686 reinvestment zone available for development and construction of business and
687 residential uses.
- 688 (b) "Developable area" does not include portions of land within a housing and transit
689 reinvestment zone that are allocated to:
- 690 (i) parks;
- 691 (ii) recreation facilities;
- 692 (iii) open space;
- 693 (iv) trails;
- 694 (v) publicly-owned roadway facilities; or
- 695 (vi) other public facilities.
- 696 (10) "Dwelling unit" means one or more rooms arranged for the use of one or more
697 individuals living together, as a single housekeeping unit normally having cooking,
698 living, sanitary, and sleeping facilities.
- 699 (11) "Enhanced development" means the construction of mixed uses including housing,
700 commercial uses, and related facilities.
- 701 (12) "Enhanced development costs" means extra costs associated with structured parking
702 costs, vertical construction costs, horizontal construction costs, life safety costs,
703 structural costs, conveyor or elevator costs, and other costs incurred due to the increased
704 height of buildings or enhanced development.
- 705 (13) "First home investment zone" means the same as that term is defined in Section
706 63N-3-1301.
- 707 [~~13~~] (14) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

708 ~~[(14)]~~ (15) "Horizontal construction costs" means the additional costs associated with
709 earthwork, over excavation, utility work, transportation infrastructure, and landscaping
710 to achieve enhanced development in the housing and transit reinvestment zone.

711 ~~[(15)]~~ (16) "Housing and transit reinvestment zone" means a housing and transit
712 reinvestment zone created pursuant to this part.

713 ~~[(16)]~~ (17) "Housing and transit reinvestment zone committee" means a housing and transit
714 reinvestment zone committee created pursuant to Section 63N-3-605.

715 ~~[(17)]~~ (18) "Large public transit district" means the same as that term is defined in Section
716 17B-2a-802.

717 ~~[(18)]~~ (19) "Light rail" means a passenger rail public transit system with right-of-way and
718 fixed rails:

719 (a) dedicated to exclusive use by light-rail public transit vehicles;
720 (b) that may cross streets at grade; and
721 (c) that may share parts of surface streets.

722 ~~[(19)]~~ (20) "Light rail station" means an existing station, stop, or terminal or a proposed
723 station, stop, or terminal, which has been specifically identified in a metropolitan
724 planning organization's adopted long-range transportation plan and the relevant public
725 transit district's five-year plan:

726 (a) along an existing light rail line; or
727 (b) along an extension to an existing light rail line or new light rail line.

728 ~~[(20)]~~ (21) "Metropolitan planning organization" means the same as that term is defined in
729 Section 72-1-208.5.

730 ~~[(21)]~~ (22) "Mixed use development" means development with a mix of multi-family
731 residential use and at least one additional land use.

732 ~~[(22)]~~ (23) "Municipality" means the same as that term is defined in Section 10-1-104.

733 ~~[(23)]~~ (24) "Participant" means the same as that term is defined in Section 17C-1-102.

734 ~~[(24)]~~ (25) "Participation agreement" means the same as that term is defined in Section
735 17C-1-102, except that the agency may not provide and the person may not receive a
736 direct subsidy.

737 ~~[(25)]~~ (26) "Public transit county" means a county that has created a small public transit
738 district.

739 ~~[(26)]~~ (27) "Public transit hub" means a public transit depot or station where four or more
740 routes serving separate parts of the county-created transit district stop to transfer riders
741 between routes.

- 742 [(27)] (28) "Sales and use tax base year" means a sales and use tax year determined by the
743 first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax
744 boundary for a housing and transit reinvestment zone is established.
- 745 [(28)] (29) "Sales and use tax boundary" means a boundary created as described in Section
746 63N-3-604, based on state sales and use tax collection that corresponds as closely as
747 reasonably practicable to the housing and transit reinvestment zone boundary.
- 748 [(29)] (30) "Sales and use tax increment" means the difference between:
- 749 (a) the amount of state sales and use tax revenue generated each year following the sales
750 and use tax base year by the sales and use tax from the area within a housing and
751 transit reinvestment zone designated in the housing and transit reinvestment zone
752 proposal as the area from which sales and use tax increment is to be collected; and
- 753 (b) the amount of state sales and use tax revenue that was generated from that same area
754 during the sales and use tax base year.
- 755 [(30)] (31) "Sales and use tax revenue" means revenue that is generated from the tax
756 imposed under Section 59-12-103.
- 757 [(31)] (32) "Small public transit district" means the same as that term is defined in Section
758 17B-2a-802.
- 759 [(32)] (33) "Tax Commission" means the State Tax Commission created in Section 59-1-201.
- 760 [(33)] (34) "Tax increment" means the difference between:
- 761 (a) the amount of property tax revenue generated each tax year by a taxing entity from
762 the area within a housing and transit reinvestment zone designated in the housing and
763 transit reinvestment zone proposal as the area from which tax increment is to be
764 collected, using the current assessed value and each taxing entity's current certified
765 tax rate as defined in Section 59-2-924; and
- 766 (b) the amount of property tax revenue that would be generated from that same area
767 using the base taxable value and each taxing entity's current certified tax rate as
768 defined in Section 59-2-924.
- 769 [(34)] (35) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 770 [(35)] (36) "Vertical construction costs" means the additional costs associated with
771 construction above four stories and structured parking to achieve enhanced development
772 in the housing and transit reinvestment zone.
- 773 Section 4. Section **63N-3-603** is amended to read:
- 774 **63N-3-603 . Applicability, requirements, and limitations on a housing and transit**
775 **reinvestment zone.**

- 776 (1) A housing and transit reinvestment zone proposal created under this part shall promote
777 the following objectives:
- 778 (a) higher utilization of public transit;
 - 779 (b) increasing availability of housing, including affordable housing, and fulfillment of
780 moderate income housing plans;
 - 781 (c) improving efficiencies in parking and transportation, including walkability of
782 communities near public transit facilities;
 - 783 (d) overcoming development impediments and market conditions that render a
784 development cost prohibitive absent the proposal and incentives;
 - 785 (e) conservation of water resources through efficient land use;
 - 786 (f) improving air quality by reducing fuel consumption and motor vehicle trips;
 - 787 (g) encouraging transformative mixed-use development and investment in transportation
788 and public transit infrastructure in strategic areas;
 - 789 (h) strategic land use and municipal planning in major transit investment corridors as
790 described in Subsection 10-9a-403(2);
 - 791 (i) increasing access to employment and educational opportunities; and
 - 792 (j) increasing access to child care.
- 793 (2) In order to accomplish the objectives described in Subsection (1), a municipality or
794 public transit county that initiates the process to create a housing and transit
795 reinvestment zone as described in this part shall ensure that the proposal for a housing
796 and transit reinvestment zone includes:
- 797 (a) except as provided in Subsection (3), at least 10% of the proposed dwelling units
798 within the housing and transit reinvestment zone are affordable housing units;
 - 799 (b) at least 51% of the developable area within the housing and transit reinvestment zone
800 includes residential uses with, except as provided in Subsection (4)(c), an average of
801 50 dwelling units per acre or greater;
 - 802 (c) mixed-use development; and
 - 803 (d) a mix of dwelling units to ensure that a reasonable percentage of the dwelling units
804 has more than one bedroom.
- 805 (3) A municipality or public transit county that, at the time the housing and transit
806 reinvestment zone proposal is approved by the housing and transit reinvestment zone
807 committee, meets the affordable housing guidelines of the United States Department of
808 Housing and Urban Development at 60% area median income is exempt from the
809 requirement described in Subsection (2)(a).

- 810 (4) (a) A municipality may only propose a housing and transit reinvestment zone at a
811 commuter rail station, and a public transit county may only propose a housing and
812 transit reinvestment zone at a public transit hub, that:
- 813 (i) subject to Subsection (5)(a):
 - 814 (A) (I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality,
815 does not exceed a 1/3 mile radius of a commuter rail station;
 - 816 (II) for a municipality that is a city of the first class with a population greater
817 than 150,000 that is within a county of the first class, with an opportunity
818 zone created pursuant to Section 1400Z-1, Internal Revenue Code, does not
819 exceed a 1/2 mile radius of a commuter rail station located within the
820 opportunity zone; or
 - 821 (III) for a public transit county, does not exceed a 1/3 mile radius of a public
822 transit hub; and
 - 823 (B) has a total area of no more than 125 noncontiguous acres;
 - 824 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of 80% of each
825 taxing entity's tax increment above the base year for a term of no more than 25
826 consecutive years on each parcel within a 45-year period not to exceed the tax
827 increment amount approved in the housing and transit reinvestment zone proposal;
828 and
 - 829 (iii) the commencement of collection of tax increment, for all or a portion of the
830 housing and transit reinvestment zone, will be triggered by providing notice as
831 described in Subsection (6).
- 832 (b) A municipality or public transit county may only propose a housing and transit
833 reinvestment zone at a light rail station or bus rapid transit station that:
- 834 (i) subject to Subsection (5):
 - 835 (A) does not exceed:
 - 836 (I) except as provided in Subsection (4)(b)(i)(A)(II) or (III), a 1/4 mile radius
837 of a bus rapid transit station or light rail station;
 - 838 (II) for a municipality that is a city of the first class with a population greater than 150,000 that
839 is within a county of the first class, a 1/2 mile radius of a light rail station located in an
840 opportunity zone created pursuant to Section
841 1400Z-1, Internal Revenue Code; or
 - 842 (III) a 1/2 mile radius of a light rail station located within a master-planned
843 development of 500 acres or more; and

- 844 (B) has a total area of no more than 100 noncontiguous acres;
- 845 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a
846 maximum of 80% of each taxing entity's tax increment above the base year for a
847 term of no more than 15 consecutive years on each parcel within a 30-year period
848 not to exceed the tax increment amount approved in the housing and transit
849 reinvestment zone proposal; and
- 850 (iii) the commencement of collection of tax increment, for all or a portion of the
851 housing and transit reinvestment zone, will be triggered by providing notice as
852 described in Subsection (6).
- 853 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
854 public transit hub, or for a housing and transit reinvestment zone proposed by a
855 municipality at a bus rapid transit station, if the proposed housing density within the
856 housing and transit reinvestment zone is between 39 and 49 dwelling units per acre,
857 the maximum capture of each taxing entity's tax increment above the base year is
858 60%.
- 859 (d) A municipality that is a city of the first class with a population greater than 150,000
860 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and
861 (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within
862 an opportunity zone.
- 863 (e) A county of the first class may not propose a housing and transit reinvestment zone
864 that includes an area that is part of a project area, as that term is defined in Section
865 17C-1-102, and created under Title 17C, Chapter 1, Agency Operations, until the
866 project area is dissolved pursuant to Section 17C-1-702.
- 867 (5) (a) For a housing and transit reinvestment zone for a commuter rail station, if a
868 parcel is bisected by the relevant radius limitation, the full parcel may be included as
869 part of the housing and transit reinvestment zone area and will not count against the
870 limitations described in Subsection (4)(a)(i).
- 871 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit
872 station, if a parcel is bisected by the relevant radius limitation, the full parcel may be
873 included as part of the housing and transit reinvestment zone area and will not count
874 against the limitations described in Subsection (4)(b)(i).
- 875 (6) The notice of commencement of collection of tax increment required in Subsection
876 (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to:
- 877 (a) the tax commission;

- 878 (b) the State Board of Education;
- 879 (c) the state auditor;
- 880 (d) the auditor of the county in which the housing and transit reinvestment zone is
- 881 located;
- 882 (e) each taxing entity affected by the collection of tax increment from the housing and
- 883 transit reinvestment zone; and
- 884 (f) the Governor's Office of Economic Opportunity.
- 885 (7) (a) The maximum number of housing and transit reinvestment zones at light rail
- 886 stations is eight in any given county.
- 887 (b) Within a county of the first class, the maximum number of housing and transit
- 888 reinvestment zones at bus rapid transit stations is three.
- 889 (c) Within a county of the first class, the maximum total combined number of housing
- 890 and transit reinvestment zones described in Subsections (7)(a) and (b) and first home
- 891 investment zones created under Part 13, First Home Investment Zone Act, is 11.
- 892 (8) (a) This Subsection (8) applies to a specified county, as defined in Section
- 893 17-27a-408, that has created a small public transit district on or before January 1,
- 894 2022.
- 895 (b) (i) A county described in Subsection (8)(a) shall, in accordance with Section
- 896 63N-3-604, prepare and submit to the Governor's Office of Economic Opportunity
- 897 a proposal to create a housing and transit reinvestment zone on or before
- 898 December 31, 2022.
- 899 (ii) A county described in Subsection (8)(a) that, on December 31, 2022, was
- 900 noncompliant under Section 17-27a-408 for failure to demonstrate in the county's
- 901 moderate income housing report that the county complied with Subsection
- 902 (8)(b)(i), may cure the deficiency in the county's moderate income housing report
- 903 by submitting satisfactory proof to the Housing and Community Development
- 904 Division that, notwithstanding the deadline in Subsection (8)(b)(i), the county has
- 905 submitted to the Governor's Office of Economic Opportunity a proposal to create
- 906 a housing and transit reinvestment zone.
- 907 (c) (i) A county described in Subsection (8)(a) may not propose a housing and transit
- 908 reinvestment zone if more than 15% of the acreage within the housing and transit
- 909 reinvestment zone boundary is owned by the county.
- 910 (ii) For purposes of determining the percentage of acreage owned by the county as
- 911 described in Subsection (8)(c)(i), a county may exclude any acreage owned that is

- 912 used for highways, bus rapid transit, light rail, or commuter rail within the
 913 boundary of the housing and transit reinvestment zone.
- 914 (d) To accomplish the objectives described in Subsection (1), if a county described in
 915 Subsection (8)(a) has failed to comply with Subsection (8)(b)(i) by failing to submit
 916 an application before December 31, 2022, an owner of undeveloped property who
 917 has submitted a land use application to the county on or before December 31, 2022,
 918 and is within a 1/3 mile radius of a public transit hub in a county described in
 919 Subsection (8)(a), including parcels that are bisected by the 1/3 mile radius, shall
 920 have the right to develop and build a mixed-use development including the following:
- 921 (i) excluding the parcels devoted to commercial uses as described in Subsection
 922 (8)(d)(ii), at least 39 dwelling units per acre on average over the developable area,
 923 with at least 10% of the dwelling units as affordable housing units;
 - 924 (ii) commercial uses including office, retail, educational, and healthcare in support of
 925 the mixed-use development constituting up to 1/3 of the total planned gross
 926 building square footage of the subject parcels; and
 - 927 (iii) any other infrastructure element necessary or reasonable to support the
 928 mixed-use development, including parking infrastructure, streets, sidewalks,
 929 parks, and trails.

930 Section 5. Section **63N-3-605** is amended to read:

931 **63N-3-605 . Housing and transit reinvestment zone committee -- Creation.**

- 932 (1) For any housing and transit reinvestment zone proposed under this part, or for a first
 933 home investment zone proposed in accordance with Part 13, First Home Investment
 934 Zone Act, there is created a housing and transit reinvestment zone committee with
 935 membership described in Subsection (2).
- 936 (2) Each housing and transit reinvestment zone committee shall consist of the following
 937 members:
- 938 (a) one representative from the Governor's Office of Economic Opportunity, designated
 939 by the executive director of the Governor's Office of Economic Opportunity;
 - 940 (b) one representative from each municipality that is a party to the proposed housing and
 941 transit reinvestment zone or first home investment zone, designated by the chief
 942 executive officer of each respective municipality;
 - 943 (c) a member of the Transportation Commission created in Section 72-1-301;
 - 944 (d) a member of the board of trustees of a large public transit district;
 - 945 (e) one individual from the Office of the State Treasurer, designated by the state

- 946 treasurer;
- 947 (f) one member designated by the president of the Senate;
- 948 (g) one member designated by the speaker of the House of Representatives;
- 949 (h) one member designated by the chief executive officer of each county affected by the
- 950 housing and transit reinvestment zone or first home investment zone;
- 951 (i) one representative designated by the school superintendent from the school district
- 952 affected by the housing and transit reinvestment zone or first home investment zone;
- 953 and
- 954 (j) one representative, representing the largest participating local taxing entity, after the
- 955 municipality, county, and school district.
- 956 (3) The individual designated by the Governor's Office of Economic Opportunity as
- 957 described in Subsection (2)(a) shall serve as chair of the housing and transit
- 958 reinvestment zone committee.
- 959 (4) (a) A majority of the members of the housing and transit reinvestment zone
- 960 committee constitutes a quorum of the housing and transit reinvestment zone
- 961 committee.
- 962 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
- 963 committee is an action of the housing and transit reinvestment zone committee.
- 964 (5) (a) After the Governor's Office of Economic Opportunity receives the results of the
- 965 analysis described in Section 63N-3-604, and after the Governor's Office of
- 966 Economic Opportunity has received a request from the submitting municipality or
- 967 public transit county to submit the housing and transit reinvestment zone proposal to
- 968 the housing and transit reinvestment zone committee, the Governor's Office of
- 969 Economic Opportunity shall notify each of the entities described in Subsection (2) of
- 970 the formation of the housing and transit reinvestment zone committee.
- 971 (b) For a first home investment zone, the housing and transit reinvestment zone
- 972 committee shall follow the procedures described in Section 63N-3-1304.
- 973 (6) (a) The chair of the housing and transit reinvestment zone committee shall convene a
- 974 public meeting to consider the proposed housing and transit reinvestment zone.
- 975 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
- 976 52, Chapter 4, Open and Public Meetings Act.
- 977 (7) (a) The proposing municipality or public transit county shall present the housing and
- 978 transit reinvestment zone proposal to the housing and transit reinvestment zone
- 979 committee in a public meeting.

- 980 (b) The housing and transit reinvestment zone committee shall:
- 981 (i) evaluate and verify whether the elements of a housing and transit reinvestment
- 982 zone described in Subsections 63N-3-603(2) and (4) have been met; and
- 983 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
- 984 analysis described in Subsection 63N-3-604(2).
- 985 (8) (a) Subject to Subsection (8)(b), the housing and transit reinvestment zone
- 986 committee may:
- 987 (i) request changes to the housing and transit reinvestment zone proposal based on
- 988 the analysis, characteristics, and criteria described in Section 63N-3-604; or
- 989 (ii) vote to approve or deny the proposal.
- 990 (b) Before the housing and transit reinvestment zone committee may approve the
- 991 housing and transit reinvestment zone proposal, the municipality or public transit
- 992 county proposing the housing and transit reinvestment zone shall ensure that the area
- 993 of the proposed housing and transit reinvestment zone is zoned in such a manner to
- 994 accommodate the requirements of a housing and transit reinvestment zone described
- 995 in this section and the proposed development.
- 996 (9) If a housing and transit reinvestment zone is approved by the committee:
- 997 (a) the proposed housing and transit reinvestment zone is established according to the
- 998 terms of the housing and transit reinvestment zone proposal;
- 999 (b) affected local taxing entities are required to participate according to the terms of the
- 1000 housing and transit reinvestment zone proposal; and
- 1001 (c) each affected taxing municipality is required to participate at the same rate as a
- 1002 participating county.
- 1003 (10) A housing and transit reinvestment zone proposal may be amended by following the
- 1004 same procedure as approving a housing and transit reinvestment zone proposal.

1005 Section 6. Section **63N-3-1301** is enacted to read:

1006 **Part 13. First Home Investment Zone Act**

1007 **63N-3-1301 . Definitions.**

- 1008 (1) "Affordable housing" means:
- 1009 (a) for homes that are not owner occupied, housing occupied or reserved for occupancy
- 1010 by households with a gross household income equal to or less than 80% of the
- 1011 median gross income of the applicable municipal statistical area for households of the
- 1012 same size; or

- 1013 (b) for homes that are owner occupied, housing that is priced at 80% of the county
1014 median home price.
- 1015 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 1016 (3) "Base taxable value" means the same as that term is defined in Section 63N-3-602.
- 1017 (4) "Base year" means the same as that term is defined in Section 63N-3-602.
- 1018 (5) "Developable area" means the same as that term is defined in Section 63N-3-602.
- 1019 (6) " Dwelling unit" means the same as that term is defined in Section 63N-3-602.
- 1020 (7) "Extraterritorial home" means a dwelling unit that is included as part of the first home
1021 investment zone proposal that:
- 1022 (a) is located within the municipality proposing the first home investment zone but
1023 outside the boundary of the first home investment zone;
- 1024 (b) is part of a development with a density of at least six units per acre;
- 1025 (c) is not located within an existing housing and transit reinvestment zone or an area that
1026 could be included in a housing and transit reinvestment zone;
- 1027 (d) has not been issued a building permit by the municipality as of the date of the
1028 approval of the first home investment zone; and
- 1029 (e) is required to be owner occupied for no less than 25 years.
- 1030 (8) "First home investment zone" means a first home investment zone created in accordance
1031 with this part.
- 1032 (9) "Home" means a dwelling unit.
- 1033 (10) "Housing and transit reinvestment zone" means the same as that term is defined in
1034 Section 63N-3-602.
- 1035 (11) "Housing and transit reinvestment zone committee" means the housing and transit
1036 reinvestment zone committee described in Section 63N-3-605.
- 1037 (12) "Metropolitan planning organization" means the same as that term is defined in
1038 Section 72-1-208.5.
- 1039 (13) "Mixed use development" means the same as that term is defined in Section 63N-3-603.
- 1040 (14) "Moderate income housing plan" means the same as that term is defined in Section
1041 11-41-102.
- 1042 (15) "Municipality" means the same as that term is defined in Section 10-1-104.
- 1043 (16) "Owner occupied" means private real property that is:
- 1044 (a) used for a single-family residential purpose; and
- 1045 (b) required to be occupied by the owner of the real property for no less than 25 years.
- 1046 (17) "Project area" means the same as that term is defined in Section 17C-1-102.

- 1047 (18) (a) "Project improvements" means site improvements and facilities that are:
1048 (i) planned and designed to provide service for development resulting from a
1049 development activity;
1050 (ii) necessary for the use and convenience of the occupants or users of development
1051 resulting from a development activity; and
1052 (iii) not identified or reimbursed as a system improvement.
1053 (b) "Project improvements" does not mean system improvements.
- 1054 (19) "State Tax Commission" means the State Tax Commission created in Section 59-1-201.
- 1055 (20) (a) "System improvements" means existing and future public facilities that are
1056 designed to provide services to service areas within the community at large.
1057 (b) "System improvements" does not mean project improvements.
- 1058 (21) (a) "Tax increment" means the difference between:
1059 (i) the amount of property tax revenue generated each tax year by a taxing entity from
1060 the area within a first home investment zone designated in the first home
1061 investment zone proposal as the area from which tax increment is to be collected,
1062 using the current assessed value and each taxing entity's current certified tax rate
1063 as defined in Section 59-2-924; and
1064 (ii) the amount of property tax revenue that would be generated from that same area
1065 using the base taxable value and each taxing entity's current certified tax rate as
1066 defined in Section 59-2-924.
1067 (b) "Tax increment" does not include property tax revenue from:
1068 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
1069 or
1070 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 1071 (22) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 1072 (23) "Unencumbered annual community reinvestment agency revenue" means tax
1073 increment revenue received by the agency for purposes identified in Title 17C, Limited
1074 Purpose Local Government Entities - Community Reinvestment Agency Act, that:
1075 (a) have not been designated or restricted for future qualified uses as approved by the
1076 agency board related to a specific project area; and
1077 (b) do not have a date certain by which the tax increment revenues will be used.
- 1078 Section 7. Section **63N-3-1302** is enacted to read:
1079 **63N-3-1302 . Applicability, requirements, and limitations on a first home**
1080 **investment zone.**

- 1081 (1) A first home investment zone created pursuant to this part shall promote the following
1082 objectives:
- 1083 (a) encouraging efficient development and opportunities for home ownership by
1084 providing a variety of housing options, including affordable housing and for sale,
1085 owner-occupied housing;
- 1086 (b) improving availability of housing options;
- 1087 (c) overcoming development impediments and market conditions that render a
1088 development cost prohibitive absent the proposal and incentives;
- 1089 (d) conserving water resources through efficient land use;
- 1090 (e) improving air quality by reducing fuel consumption and motor vehicle trips;
- 1091 (f) encouraging transformative mixed-use development;
- 1092 (g) strategic land use and municipal planning in major transit investment corridors as
1093 described in Subsection 10-9a-403(2);
- 1094 (h) increasing access to employment and educational opportunities;
- 1095 (i) increasing access to child care; and
- 1096 (j) improving efficiencies in parking and transportation, including walkability of
1097 communities, street and path interconnectivity within the proposed development and
1098 connections to surrounding communities, and access to roadways, public
1099 transportation, and active transportation.
- 1100 (2) In order to accomplish the objectives described in Subsection (1), a municipality or
1101 county that initiates the process to create a first home investment zone as described in
1102 this part shall ensure that the proposal for a first home investment zone includes:
- 1103 (a) subject to Subsection (3), a minimum of 30 housing units per acre in at least 51% of
1104 the developable area within the first home investment zone;
- 1105 (b) a mixed use development;
- 1106 (c) a requirement that at least 25% of homes within the first home investment zone
1107 remain owner occupied for at least 25 years from the date of original purchase;
- 1108 (d) for homes inside the first home investment zone, a requirement that at least 12% of
1109 the owner occupied homes and 12% of the homes that are not owner occupied are
1110 affordable housing; and
- 1111 (e) a requirement that at least 20% of the extraterritorial homes are affordable housing.
- 1112 (3) (a) Subject to Subsection (3)(b), to satisfy the requirements described in Subsection
1113 (2)(a), a first home investment zone may include an extraterritorial home to count
1114 toward the required density of the first home investment zone by:

- 1115 (i) (A) taking the total number of extraterritorial homes related to the first home
1116 investment zone; and
- 1117 (B) adding the total number under Subsection (3)(a)(i)(A) to the number of homes
1118 within the first home investment zone; and
- 1119 (ii) dividing the total described in Subsection (3)(a)(i) by the total number of
1120 developable acres with the first home investment zone.
- 1121 (b) Extraterritorial homes may account for no more than half of the total homes to
1122 calculate density within a first home investment zone.
- 1123 (4) (a) If a municipality proposes a first home investment zone, the proposal shall
1124 comply with the limitations described in this Subsection (4).
- 1125 (b) A first home investment zone may not be less than 10 acres and no more than 100
1126 acres in size.
- 1127 (c) (i) Except as provided in Subsection (4)(c)(ii), a first home investment zone is
1128 required to be one contiguous area.
- 1129 (ii) While considering a first home investment zone proposal as described in Section
1130 63N-3-1305, the housing and transit reinvestment zone committee may consider
1131 and approve a first home investment zone that is not one contiguous area if:
- 1132 (A) the municipality provides evidence in the proposal showing that the deviation
1133 from the contiguity requirement will enhance the ability of the first home
1134 investment zone to achieve the objectives described in Subsection (1); and
- 1135 (B) the housing and transit reinvestment zone committee determines that the
1136 deviation is reasonable and circumstances justify deviation from the contiguity
1137 requirement.
- 1138 (iii) The first home investment zone area contiguity is not affected by roads or other
1139 rights-of-way.
- 1140 (d) (i) A first home investment zone proposal may propose the capture of a maximum
1141 of 60% of each taxing entity's tax increment above the base year for a term of no
1142 more than 25 consecutive years within a 45-year period not to exceed the tax
1143 increment amount approved in the first home investment zone proposal.
- 1144 (ii) A first home investment zone proposal may not propose or include triggering
1145 more than three tax increment collection periods during the applicable 25-year
1146 period.
- 1147 (iii) Subject to Subsection (4)(d)(iv), a municipality shall ensure that the required
1148 affordable housing units are included proportionally in each phase of the first

- 1149 home investment zone development.
- 1150 (iv) A municipality may allow a first home investment zone to be phased and
- 1151 developed in a manner to provide more of the required affordable housing units in
- 1152 early phases of development.
- 1153 (e) If a municipality proposes a first home investment zone, commencement of the
- 1154 collection of tax increment, for all or a portion of the first home investment zone, is
- 1155 triggered by providing notice as described in Subsection (5).
- 1156 (f) A municipality may restrict homes within a first home investment zone and related
- 1157 extraterritorial homes from being used as a short-term rental.
- 1158 (g) A municipality shall ensure that affordable housing within a first home investment
- 1159 zone and related extraterritorial homes that are reserved as affordable housing are
- 1160 spread throughout the overall development.
- 1161 (h) A municipality shall ensure that at least 80% of extraterritorial homes included in a
- 1162 first home investment zone proposal are single-family detached homes.
- 1163 (i) A municipality shall include in a first home investment zone proposal:
- 1164 (i) an affordable housing plan, which may include deed restrictions, to ensure the
- 1165 affordable housing required in the proposal will continue to meet the definition of
- 1166 affordable housing at least throughout the entire term of the first home investment
- 1167 zone; and
- 1168 (ii) an owner occupancy plan, which may include deed restrictions, to ensure the
- 1169 owner occupancy requirements in the proposal will continue to meet the definition
- 1170 of owner occupancy at least throughout the entire term of the first home
- 1171 investment zone.
- 1172 (j) A municipality shall include in the first home investment zone proposal evidence to
- 1173 demonstrate how the first home investment zone proposal complies with the
- 1174 municipality's moderate income housing plan and general plan.
- 1175 (5) Notice of commencement of collection of tax increment shall be sent by mail or
- 1176 electronically to the following entities no later than January 1 of the year for which the
- 1177 tax increment collection is proposed to commence:
- 1178 (a) the State Tax Commission;
- 1179 (b) the State Board of Education;
- 1180 (c) the state auditor;
- 1181 (d) the auditor of the county in which the first home investment zone is located;
- 1182 (e) each taxing entity affected by the collection of tax increment from the first home

- 1183 investment zone;
 1184 (f) the assessor of the county in which the first home investment zone is located; and
 1185 (g) the Governor's Office of Economic Opportunity.
 1186 (6) A first home investment zone proposal may not include a proposal to capture sales and
 1187 use tax increment.
 1188 (7) A municipality may not propose a first home investment zone in a county of the first
 1189 class if the limitation described in Subsection 63N-3-603(7)(c) has been reached.
 1190 (8) A municipality may not propose a first home investment zone in a location that is
 1191 eligible for a housing and transit reinvestment zone.
 1192 (9) A municipality may not propose a first home investment zone if the municipality's
 1193 community reinvestment agency, based on the most recent annual comprehensive
 1194 financial report, retains cash and cash equivalent assets of more than 20% of ongoing
 1195 and unencumbered annual community reinvestment agency revenue.

1196 Section 8. Section **63N-3-1303** is enacted to read:

1197 **63N-3-1303 . Process for a proposal of a first home investment zone.**

- 1198 (1) Subject to approval of the housing and transit reinvestment zone committee as described
 1199 in Section 63N-3-1304, in order to create a first home investment zone, a municipality
 1200 that has general land use authority over the first home investment zone area, shall:
 1201 (a) prepare a proposal for the first home investment zone that:
 1202 (i) demonstrates that the proposed first home investment zone will meet the
 1203 objectives described in Subsection 63N-3-1302(1);
 1204 (ii) explains how the municipality will achieve the requirements of Subsection
 1205 63N-3-1302(2);
 1206 (iii) defines the specific infrastructure needs, if any, and proposed improvements;
 1207 (iv) demonstrates how the first home investment zone will ensure:
 1208 (A) sufficient pedestrian access to schools and other areas of community; and
 1209 (B) inclusion of child care facilities and access;
 1210 (v) defines the boundaries of the first home investment zone;
 1211 (vi) includes maps of the proposed first home investment zone to illustrate:
 1212 (A) proposed housing density within the first home investment zone;
 1213 (B) extraterritorial homes relevant to the first home investment zone, including
 1214 density of the development of extraterritorial homes; and
 1215 (C) existing zoning and proposed zoning changes related to the first home
 1216 investment zone;

- 1217 (vii) identifies any development impediments that prevent the development from
1218 being a market-rate investment and proposed strategies for addressing each one;
1219 (viii) describes the proposed development plan, including the requirements described
1220 in Subsections 63N-3-1302(2) and (4);
1221 (ix) establishes the collection period or periods to calculate the tax increment;
1222 (x) describes projected maximum revenues generated and the amount of tax
1223 increment capture from each taxing entity and proposed expenditures of revenue
1224 derived from the first home investment zone;
1225 (xi) includes an analysis of other applicable or eligible incentives, grants, or sources
1226 of revenue that can be used to reduce the finance gap;
1227 (xii) proposes a finance schedule to align expected revenue with required financing
1228 costs and payments;
1229 (xiii) evaluates possible benefits to active transportation, public transportation
1230 availability and utilization, street connectivity, and air quality; and
1231 (xiv) provides a pro forma for the planned development that:
1232 (A) satisfies the requirements described in Subsections 63N-3-1302(2) and (4); and
1233 (B) includes data showing the cost difference between what type of development
1234 could feasibly be developed absent the first home investment zone tax
1235 increment and the type of development that is proposed to be developed with
1236 the first home investment zone tax increment;
1237 (b) submit the proposal to the relevant school district to discuss the requirements of the
1238 proposal and whether the proposal provides the benefits and achieves the objectives
1239 described in this part; and
1240 (c) submit the first home investment zone proposal to the Governor's Office of
1241 Economic Opportunity.
1242 (2) As part of the proposal described in Subsection (1), a municipality shall:
1243 (a) study and evaluate possible impacts of a proposed first home investment zone on
1244 parking and efficient use of land within the municipality and first home investment
1245 zone; and
1246 (b) include in the first home investment zone proposal the findings of the study
1247 described in Subsection (2)(a) and proposed strategies to efficiently address parking
1248 impacts.
1249 (3) (a) After receiving the proposal as described in Subsection (1)(c), the Governor's
1250 Office of Economic Opportunity shall:

- 1251 (i) within 14 days after the date on which the Governor's Office of Economic
 1252 Opportunity receives the proposal described in Subsection (1)(c), provide notice
 1253 of the proposal to all affected taxing entities, including the State Tax Commission,
 1254 cities, counties, school districts, metropolitan planning organizations, and the
 1255 county assessor and county auditor of the county in which the first home
 1256 investment zone is located; and
- 1257 (ii) at the expense of the proposing municipality as described in Subsection (5),
 1258 contract with an independent entity to:
 1259 (A) perform the gap analysis described in Subsection (3)(b); and
 1260 (B) perform an analysis of the pro-forma described in Subsection (1)(a)(xiv)(B)
 1261 and the feasibility of the proposed development absent the tax increment.
- 1262 (b) The gap and pro-forma analysis required in Subsection (3)(a)(ii) shall include:
 1263 (i) a description of the planned development;
 1264 (ii) a market analysis relative to other comparable project developments included in
 1265 or adjacent to the municipality absent the proposed first home investment zone;
 1266 (iii) an evaluation of the proposal and a determination of the adequacy and efficiency
 1267 of the proposal;
 1268 (iv) an evaluation of the proposed tax increment capture needed to cover the system
 1269 improvements and project improvements associated with the first home
 1270 investment zone proposal and enable the proposed development to occur, and for
 1271 the benefit of affordable housing projects; and
 1272 (v) based on the market analysis and other findings, an opinion relative to the
 1273 appropriate amount of potential public financing reasonably determined to be
 1274 necessary to achieve the objectives described in Subsection 63N-3-1302(1).
- 1275 (c) After receiving notice from the Governor's Office of Economic Opportunity of a
 1276 proposed first home investment zone as described in Subsection (3)(a)(i), the
 1277 municipality, in consultation with the county assessor and the State Tax Commission,
 1278 shall:
 1279 (i) evaluate the feasibility of administering the tax implications of the proposal; and
 1280 (ii) provide a letter to the Governor's Office of Economic Opportunity describing any
 1281 challenges in the administration of the proposal, or indicating that the county
 1282 assessor can feasibly administer the proposal.
- 1283 (4) After receiving the results from the analysis described in Subsection (3)(b), the
 1284 municipality proposing the first home investment zone may:

1285 (a) amend the first home investment zone proposal based on the findings of the analysis
 1286 described in Subsection (3)(b) and request that the Governor's Office of Economic
 1287 Opportunity submit the amended first home investment zone proposal to the housing
 1288 and transit reinvestment zone committee; or

1289 (b) request that the Governor's Office of Economic Opportunity submit the original first
 1290 home investment zone proposal to the housing and transit reinvestment zone
 1291 committee.

1292 (5) (a) The Governor's Office of Economic Opportunity may accept, as a dedicated
 1293 credit, up to \$20,000 from a municipality for the costs of the gap analysis described
 1294 in Subsection (3)(b).

1295 (b) The Governor's Office of Economic Opportunity may expend funds received from a
 1296 municipality as dedicated credits to pay for the costs associated with the gap analysis
 1297 described in Subsection (3)(b).

1298 Section 9. Section **63N-3-1304** is enacted to read:

1299 **63N-3-1304 . Consideration of proposals by housing and transit reinvestment**
 1300 **zone committee.**

1301 (1) A first home investment zone proposed under this part is subject to approval by the
 1302 housing and transit reinvestment zone committee.

1303 (2) After the Governor's Office of Economic Opportunity receives the results of the analysis
 1304 described in Section 63N-3-1303, and after the Governor's Office of Economic
 1305 Opportunity has received a request from the submitting municipality to submit the first
 1306 home investment zone proposal to the housing and transit reinvestment zone committee,
 1307 the Governor's Office of Economic Opportunity shall notify each of the relevant entities
 1308 of the formation of the housing and transit reinvestment zone committee as described in
 1309 Section 63N-3-605.

1310 (3) (a) The chair of the housing and transit reinvestment zone committee shall convene a
 1311 public meeting to consider the proposed first home investment zone in the same
 1312 manner as described in Section 63N-3-605.

1313 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
 1314 52, Chapter 4, Open and Public Meetings Act.

1315 (4) (a) The proposing municipality shall present the first home investment zone proposal
 1316 to the housing and transit reinvestment zone committee in a public meeting.

1317 (b) The housing and transit reinvestment zone committee shall:

1318 (i) evaluate and verify whether the objectives and elements of a first home investment

- 1319 zone described in Subsections 63N-3-1302(1), (2), and (4) have been met; and
 1320 (ii) evaluate the proposed first home investment zone relative to the analysis
 1321 described in Subsection 63N-3-1303(2).
- 1322 (5) (a) Subject to Subsection (5)(b), the housing and transit reinvestment zone
 1323 committee may:
- 1324 (i) request changes to the first home investment zone proposal based on the analysis,
 1325 characteristics, and criteria described in Section 63N-3-1303; or
 1326 (ii) vote to approve or deny the proposal.
- 1327 (b) Before the housing and transit reinvestment zone committee may approve the first
 1328 home investment zone proposal, the municipality proposing the first home
 1329 investment zone shall ensure that the area of the proposed first home investment zone
 1330 is zoned in such a manner to accommodate the requirements of a first home
 1331 investment zone described in this section and the proposed development.
- 1332 (6) If a first home investment zone is approved by the committee:
- 1333 (a) the proposed first home investment zone is established according to the terms of the
 1334 first home investment zone proposal;
- 1335 (b) affected local taxing entities are required to participate according to the terms of the
 1336 first home investment zone proposal; and
- 1337 (c) each affected taxing entity is required to participate at the same rate.
- 1338 (7) A first home investment zone proposal may be amended by following the same
 1339 procedure as approving a first home investment zone proposal.
- 1340 Section 10. Section **63N-3-1305** is enacted to read:
- 1341 **63N-3-1305 . Notice requirements.**
- 1342 (1) In approving a first home investment zone proposal, the housing and transit
 1343 reinvestment zone committee shall follow the hearing and notice requirements for
 1344 proposing a first home investment zone as described in this section.
- 1345 (2) Within 30 days after the housing and transit reinvestment zone committee approves a
 1346 proposed first home investment zone, the municipality shall:
- 1347 (a) record with the recorder of the county in which the first home investment zone is
 1348 located a document containing:
- 1349 (i) a description of the land within the first home investment zone;
 1350 (ii) a statement that the proposed first home investment zone has been approved; and
 1351 (iii) the date of adoption;
- 1352 (b) transmit a copy of the description of the land within the first home investment zone

- 1353 and an accurate map or plat indicating the boundaries of the first home investment
 1354 zone to the Utah Geospatial Resource Center created under Section 63A-16-505; and
 1355 (c) transmit a copy of the approved first home investment zone proposal, map, and
 1356 description of the land within the first home investment zone, to:
 1357 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any
 1358 part of the first home investment zone is located;
 1359 (ii) the officer or officers performing the function of auditor or assessor for each
 1360 taxing entity that does not use the county assessment roll or collect the taxing
 1361 entity's taxes through the county;
 1362 (iii) the legislative body or governing board of each taxing entity;
 1363 (iv) the State Tax Commission; and
 1364 (v) the State Board of Education.

1365 Section 11. Section **63N-3-1306** is enacted to read:

1366 **63N-3-1306 . Payment, use, and administration of tax increment from a first**
 1367 **home investment zone.**

- 1368 (1) A municipality may receive and use tax increment and first home investment zone funds
 1369 in accordance with this part.
 1370 (2) (a) A county that collects property tax on property located within a first home
 1371 investment zone shall, in accordance with Section 59-2-1365, distribute to the
 1372 municipality any tax increment the municipality is authorized to receive up to the
 1373 maximum approved by the housing and transit reinvestment zone committee.
 1374 (b) (i) Except as provided in Subsection (2)(b)(ii), tax increment paid to the
 1375 municipality are first home investment zone funds and shall be administered by
 1376 the municipality within which the first home investment zone is located.
 1377 (ii) A municipality may contract with an agency, county, or a housing authority to
 1378 administer tax increment and the first home investment zone, ensure compliance
 1379 with first home investment zone requirements, and administer deed restrictions.
 1380 (iii) Before an agency may receive first home investment zone funds from the
 1381 municipality, the municipality and the agency shall enter into an interlocal
 1382 agreement with terms that:
 1383 (A) are consistent with the approval of the housing and transit reinvestment zone
 1384 committee; and
 1385 (B) meet the requirements of Section 63N-3-1302.
 1386 (3) (a) A municipality and the agency shall use first home investment zone funds for the

- 1387 benefit of the first home investment zone and related extraterritorial housing.
- 1388 (b) If any first home investment zone funds will be used outside of the first home
- 1389 investment zone there must be a finding in the approved proposal for a first home
- 1390 investment zone that the use of the first home investment zone funds outside of the
- 1391 first home investment zone will directly benefit the first home investment zone or
- 1392 related extraterritorial homes.
- 1393 (4) In accordance with Subsection 63N-3-1302(4)(e), a municipality shall use the first home
- 1394 investment zone funds to achieve the purposes described in Subsections 63N-3-1302(1)
- 1395 and (2), by paying all or part of the costs associated with the first home investment zone
- 1396 and extraterritorial homes, including:
- 1397 (a) project improvements;
- 1398 (b) system improvements; and
- 1399 (c) the costs of the municipality to create and administer the first home investment zone,
- 1400 which may not exceed 2% of the total first home investment zone funds, plus the
- 1401 costs to complete the gap analysis described in Subsection 63N-3-1303(2).
- 1402 (5) First home investment zone funds may be paid to a participant, if the agency and
- 1403 participant enter into a participation agreement which requires the participant to utilize
- 1404 the first home investment zone funds as allowed in this section.
- 1405 (6) First home investment zone funds may be used to pay all of the costs of bonds issued by
- 1406 the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds,
- 1407 including the cost to issue and repay the bonds including interest.
- 1408 (7) A municipality may create one or more public infrastructure districts within the city
- 1409 under Title 17D, Chapter 4, Public Infrastructure District Act, and pledge and utilize the
- 1410 first home investment zone funds to guarantee the payment of public infrastructure
- 1411 bonds issued by a public infrastructure district.

1412 Section 12. Section **63N-3-1307** is enacted to read:

1413 **63N-3-1307 . Applicability to an existing first home investment zone or**

1414 **community reinvestment project.**

1415 If a parcel within a first home investment zone is included as an area that is part of a

1416 project area, as that term is defined in Section 17C-1-102, and created under Title 17C,

1417 Chapter 1, Agency Operations, that parcel may not be triggered for collection unless the

1418 project area funds collection period, as that term is defined in Section 17C-1-102, has

1419 expired.

1420 Section 13. Section **63N-3-1308** is enacted to read:

1421 **63N-3-1308 . Tax increment protections.**

1422 (1) Upon petition by a participating taxing entity or on the initiative of the housing and
1423 transit reinvestment zone committee creating a first home investment zone, a first home
1424 investment zone may suspend or terminate the collection of tax increment in a first home
1425 investment zone if the housing and transit reinvestment zone committee determines, by
1426 clear and convincing evidence, presented in a public meeting of the housing and transit
1427 reinvestment zone committee, that:

1428 (a) a substantial portion of the tax increment collected in the first home investment zone
1429 has not or will not be used for the purposes provided in Section 63N-3-1306; and

1430 (b) (i) the first home investment zone has no indebtedness; or

1431 (ii) the first home investment zone has no binding financial obligations.

1432 (2) A first home investment zone may not collect tax increment in excess of the tax
1433 increment projections or limitations set forth in the first home investment zone proposal.

1434 (3) The agency administering the tax increment collected in a first home investment zone
1435 under Subsection 63N-3-1306(2), shall have standing in a court with proper jurisdiction
1436 to enforce provisions of the first home investment zone proposal, participation
1437 agreements, and other agreements for the use of the tax increment collected.

1438 (4) The agency administering tax increment from a first home investment zone under
1439 Subsection 63N-3-1306(2) shall follow the reporting requirements described in Section
1440 17C-1-603 and the audit requirements described in Sections 17C-1-604 and 17C-1-605.

1441 (5) For each first home investment zone collecting tax increment within a county, the
1442 county auditor shall follow the reporting requirement found in Section 17C-1-606.

1443 Section 14. Section **63N-3-1309** is enacted to read:

1444 **63N-3-1309 . Boundary adjustments.**

1445 If the relevant county assessor or county auditor adjusts parcel boundaries
1446 relevant to a first home investment zone, the municipality administering the tax
1447 increment collected in the first home investment zone may make corresponding
1448 adjustments to the boundary of the first home investment zone.

1449 Section 15. **Effective date.**

1450 This bill takes effect on May 1, 2024.