

HB0443S01 compared with HB0443

~~deleted text~~ shows text that was in HB0443 but was deleted in HB0443S01.

inserted text shows text that was not in HB0443 but was inserted into HB0443S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Mike Schultz proposes the following substitute bill:

UTAH INLAND PORT AUTHORITY AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ modifies definitions applicable to code provisions governing the Utah Inland Port Authority, including modifying and expanding the definition of publicly owned infrastructure and improvements to include certain privately owned facilities;
- ▶ modifies provisions relating to the Authority policies and objectives;
- ▶ eliminates language making an intermodal facility owned by the Authority subject to a privilege tax;
- ▶ modifies provisions relating to the Authority board;
- ▶ removes a primary municipality's property tax revenue from property tax

HB0443S01 compared with HB0443

differential, upon certain conditions;

- ▶ requires the community development and renewal agency of a primary municipality to create a project area on authority jurisdictional land;
- ▶ requires a primary municipality, the primary agency's municipality, and the Authority to enter into an agreement relating to the sharing of property tax revenue and uses of the revenue;
- ▶ modifies a provision relating to the Authority executive director;
- ▶ modifies allowable uses of property tax differential;
- ▶ authorizes the Authority to use property tax differential for business recruitment incentives and establishes provisions governing business recruitment incentives;
- ▶ modifies provisions relating to the Authority budget;
- ▶ authorizes the Authority to use an automatic license plate reader system under certain circumstances; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

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

17D-4-102, as last amended by Laws of Utah 2021, Chapter 415 and renumbered and amended by Laws of Utah 2021, Chapter 314

17D-4-203, as last amended by Laws of Utah 2021, Chapters 414, 415 and renumbered and amended by Laws of Utah 2021, Chapter 314

41-6a-2003, as last amended by Laws of Utah 2020, Chapter 68

59-12-205, as last amended by Laws of Utah 2021, Chapter 281

63A-3-401.5, as enacted by Laws of Utah 2021, Chapter 415

ENACTS:

11-58-603, Utah Code Annotated 1953

11-58-604, Utah Code Annotated 1953

17C-5-114, Utah Code Annotated 1953

REPEALS:

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

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

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

11-58-102. Definitions.

As used in this chapter:

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

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

delineated:

(a) in the electronic shapefile that is the electronic component of H.B. 2001, Utah Inland Port Authority Amendments, 2018 Second Special Session; and

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

(3) "Base taxable value" means:

(a) (i) except as provided in Subsection (3)(a)(ii), for a project area that consists of the authority jurisdictional land, the taxable value of authority jurisdictional land in calendar year 2018; and

(ii) for an area described in Subsection 11-58-601(5), the taxable value of that area in calendar year 2017; or

HB0443S01 compared with HB0443

(b) for a project area that consists of land outside the authority jurisdictional land, the taxable value of property within any portion of a project area, as designated by board resolution, from which the property tax differential will be collected, as shown upon the assessment roll last equalized before the year in which the authority adopts a project area plan for that area.

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

(5) "Business plan" means a plan designed to facilitate, encourage, and bring about development of the authority jurisdictional land to achieve the goals and objectives described in Subsection 11-58-203(1), including the development and establishment of an inland port.

(6) "Development" means:

(a) the demolition, construction, reconstruction, modification, expansion, or improvement of a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or other facility, including ~~publicly owned~~ public infrastructure and improvements; and

(b) the planning of, arranging for, or participation in any of the activities listed in Subsection (6)(a).

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

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

(a) contain multimodal ~~transportation assets and~~ facilities, intermodal facilities, or other facilities that:

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

(ii) together are intended to:

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

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

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

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

HB0443S01 compared with HB0443

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

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

(a) for an inland port;

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

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

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

(10) "Intermodal facility" means a facility for transferring containerized cargo between rail, truck, air, or other transportation modes.

~~[(10) "Intermodal facility"]~~ (11) "Multimodal facility" means a hub or other facility for trade combining any combination of rail, trucking, air cargo, and other transportation services.

~~[(11)]~~ (12) "Nonvoting member" means an individual appointed as a member of the board under Subsection 11-58-302~~[(6)]~~(3) who does not have the power to vote on matters of authority business.

~~[(12)]~~ (13) "Project area" means:

(a) the authority jurisdictional land; or

(b) land outside the authority jurisdictional land, whether consisting of a single contiguous area or multiple noncontiguous areas, described in a project area plan or draft project area plan, where the development project set forth in the project area plan or draft project area plan takes place or is proposed to take place.

~~[(13)]~~ (14) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area.

~~[(14)]~~ (15) "Project area plan" means a written plan that, after its effective date, guides and controls the development within a project area.

~~[(15)]~~ (16) "Property tax" includes a privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.

~~[(16)]~~ (17) "Property tax differential":

(a) means the difference between:

HB0443S01 compared with HB0443

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

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

(b) does not include property tax revenue from:

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

(ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330;

or

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

~~[(17)]~~ [(18)] "Public entity" means:

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

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

~~[(18)] "Publicly owned]~~ [(19)] "Public infrastructure and improvements":

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

(i) benefit the public; and

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

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

(b) includes:

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

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

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

(ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, ~~[and]~~ rail lines, intermodal facilities, multimodal facilities, and other public transportation facilities~~[-];~~ ~~[and]~~

(iii) an inland port; and

(iv) infrastructure, improvements, facilities or buildings that:

HB0443S01 compared with HB0443

(A) are privately owned;

(B) benefit the public;

(C) as determined by the board, provide a substantial benefit to the development and operation of a project area; and

(D) are built according to the applicable county or municipal design and safety standards for public infrastructure.

~~[(19)]~~ (20) "Shapefile" means the digital vector storage format for storing geometric location and associated attribute information.

~~[(20)]~~ (21) "Taxable value" means the value of property as shown on the last equalized assessment roll.

~~[(21)]~~ (22) "Taxing entity":

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

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

~~[(22)]~~ (23) "Voting member" means an individual appointed or designated as a member of the board under Subsection 11-58-302(2).

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

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

(1) As used in this section:

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

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

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

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

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

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

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

~~[(iii) the board member appointed by the speaker of the House of Representatives; and]~~

~~[(iv) the board member appointed by the chair of the Permanent Community Impact~~

HB0443S01 compared with HB0443

~~Fund Board.]~~

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

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

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

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

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

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

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

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

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

(b) A committee member who is not a legislator may not receive compensation or

HB0443S01 compared with HB0443

benefits for the member's service on the committee, but may receive per diem and reimbursement for travel expenses incurred as a committee member at the rates established by the Division of Finance under:

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

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

11-58-202. Authority powers and duties.

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

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

- (i) emissions monitoring and reporting; and
- (ii) strategies that use the best available technology to mitigate environmental impacts from development and uses on the authority jurisdictional land;

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

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

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

(2) The authority may:

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

- (i) the development of an inland port on the authority jurisdictional land; and
- (ii) other development of the authority jurisdictional land consistent with the policies and objectives described in Subsection 11-58-203(1);

(b) facilitate and provide funding for the development of ~~the authority jurisdictional~~

HB0443S01 compared with HB0443

~~land and land in other authority project areas]~~ land in a project area, including the development of ~~[publicly owned]~~ public infrastructure and improvements and other infrastructure and improvements on or related to ~~[the authority jurisdictional land]~~ land in a project area;

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

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

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

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

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

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

(f) sue and be sued;

(g) enter into contracts generally;

(h) provide funding for the development of ~~[publicly owned]~~ public infrastructure and improvements or other infrastructure and improvements on or related to the authority jurisdictional land or other authority project areas;

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

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

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

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

(m) issue bonds to finance the undertaking of any development objectives of the authority, including bonds under Chapter 17, Utah Industrial Facilities and Development Act,

HB0443S01 compared with HB0443

bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial Property Assessed Clean Energy Act;

(n) hire employees, including contract employees;

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

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

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

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

~~[(s) own and operate publicly owned]~~ [(r) own, lease, operate, or otherwise control public infrastructure and improvements in a project area [outside the authority jurisdictional land]; [and]

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

~~[(u)]~~ [(t)] develop and implement world-class, state-of-the-art, zero-emissions logistics to:

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

public.

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

(A) with a single tax identification number; and

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

enhancement program.

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

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

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

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

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

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

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

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

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

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

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

(d) improve air quality and minimize resource use;

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

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

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

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

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

HB0443S01 compared with HB0443

- (h) facilitate the transportation of goods;
- (i) coordinate trade-related opportunities to export Utah products nationally and internationally;
- (j) support and promote land uses on the authority jurisdictional land and land in other authority project areas that generate economic development, including rural economic development;
- (k) establish a project of regional significance;
- (l) facilitate an intermodal facility;
- (m) support uses of the authority jurisdictional land for inland port uses, including warehousing, light manufacturing, and distribution facilities;
- (n) facilitate an increase in trade in the region and in global commerce;
- (o) promote the development of facilities that help connect local businesses to potential foreign markets for exporting or that increase foreign direct investment;
- (p) encourage all class 5 through 8 designated truck traffic entering the authority jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and urban bus exhaust emission standards for year 2007 and later; [~~and~~]
- (q) encourage the development and use of cost-efficient renewable energy in project areas[-];
- (r) aggressively pursue world-class businesses that employ cutting-edge technologies to locate within a project area; and
- (s) pursue land remediation and development opportunities for publicly owned land to add value to a project area.

(2) In fulfilling its duties and responsibilities relating to the development of the authority jurisdictional land and land in other authority project areas and to achieve and implement the development policies and objectives under Subsection (1), the authority shall:

(a) work to identify funding sources, including federal, state, and local government funding and private funding, for capital improvement projects in and around the authority jurisdictional land and land in other authority project areas and for an inland port;

(b) review and identify land use and zoning policies and practices to recommend to municipal land use policymakers and administrators that are consistent with and will help to achieve:

HB0443S01 compared with HB0443

(i) the policies and objectives stated in Subsection (1); and

(ii) the mutual goals of the state and local governments that have authority

jurisdictional land with their boundaries with respect to the authority jurisdictional land;

(c) consult and coordinate with other applicable governmental entities to improve and enhance transportation and other infrastructure and facilities in order to maximize the potential of the authority jurisdictional land to attract, retain, and service users who will help maximize the long-term economic benefit to the state; and

(d) pursue policies that the board determines are designed to avoid or minimize negative environmental impacts of development.

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

zoning and a similar development level.

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

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

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

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

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

(iv) "Nonauthority local government entity":

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

(B) excludes the authority.

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

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

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

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

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

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

(i) the nonauthority governing body member:

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

HB0443S01 compared with HB0443

jurisdictional land; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

who appointed the member.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

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

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

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

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

(1) As used in this section:

(a) "Direct financial benefit":

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

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

and

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

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

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

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

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

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

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

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

(i) expense reimbursements;

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

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

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

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

11-58-305. Executive director.

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

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

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

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

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

and

HB0443S01 compared with HB0443

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

authority jurisdictional land:

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

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

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

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

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

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

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

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

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

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

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

(5) The authority may not receive:

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

HB0443S01 compared with HB0443

the community reinvestment project area plan; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

time provided in Section 59-2-1365.

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

- (i) according to the provisions of this section; and
- (ii) based on the boundary of the authority jurisdictional land as of May 31, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

(B) mitigates traffic congestion; or

HB0443S01 compared with HB0443

(C) uses high efficiency building construction and operation.

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

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

(2) The authority may use revenue generated from the operation of ~~[publicly owned]~~ public infrastructure operated by the authority or improvements, including an intermodal facility, operated by the authority to:

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

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

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

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

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

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

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

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

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

(iv) "Point of sale portion" means:

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

HB0443S01 compared with HB0443

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

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

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

(A) constructed within a project area; and

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

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

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

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

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

HB0443S01 compared with HB0443

(e) "Tax differential parcel" means a parcel of land:

(i) on which capital facilities are constructed from a capital expenditure; or

(ii) where development activity occurs that results in the creation of high-paying jobs.

(2) The authority may use property tax differential as a business recruitment incentive as provided in this section.

(3) The {authority} board shall establish the application timeline, documentation requirements, and approval criteria applicable to an incentive application and approval of an incentive application, consistent with this section.

(4) (a) Subject to Subsection (4)(b), a person may qualify for a business recruitment incentive if:

(i) the person submits an incentive application according to requirements established by the {authority} board;

(ii) the person meets the requirements under Subsection (5) or (6) for a business recruitment incentive; and

(iii) the {authority} board approves the incentive application.

(b) A person may not qualify for a business recruitment incentive if the person's development project relates primarily to retail operations or the distribution of goods.

(5) The authority may pay a person, on a post-performance basis:

(a) up to 20% of the property tax differential generated from a tax differential parcel for a period of 20 years, if the person demonstrates that at least \$1,000,000,000 of capital expenditure will occur on the tax differential parcel due to the person's development project;

(b) up to 15% of the property tax differential generated from a tax differential parcel for a period of 15 years, if the person demonstrates that at least \$500,000,000 of capital expenditure will occur on the tax differential parcel due to the person's development project; or

(c) up to 10% of the property tax differential generated from a tax differential parcel for a period of 10 years, if the person demonstrates that at least \$100,000,000 of capital expenditure will occur on the tax differential parcel due to the person's development project.

(6) The authority may pay a person, on a post-performance basis:

(a) up to 10% of the property tax differential generated from a tax differential parcel for a period of 20 years, if the person demonstrates that the person's development activity on the tax differential parcel will result in the creation of at least 1,000 high-paying jobs;

HB0443S01 compared with HB0443

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

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

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

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

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

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

(1) As used in this section:

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

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

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

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

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

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

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

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

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

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

HB0443S01 compared with HB0443

organization of the board and the beginning of authority operations.

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

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

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

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

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

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

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

(a) revenues and expenditures for the budget year;

(b) legal fees; and

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

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

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

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

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

(1) As used in this section:

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

HB0443S01 compared with HB0443

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

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

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

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

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

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

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

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

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

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

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

(B) for a period of an additional 15 years beyond the period stated in Subsection (3)(c)(ii)(A) if the board of the port authority determines by resolution, adopted before the expiration of the 25-year period under Subsection (3)(c)(ii)(A), that the additional years will produce a significant benefit to the uses described in Section 11-58-604 and if the primary municipality's agency amends the applicable project area plan, in accordance with Section 17C-5-112, to reflect the additional period of time for the payment of exempt area property tax;

(d) the primary municipality's agency to pay, beginning the first tax year that begins on or after January 1, 2023 **and in addition to the amounts under Subsection (3)(c),** a percentage, as defined in Subsection (4), of the exempt area property tax to the port authority for the port authority's use as provided in Section 11-58-604;

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

HB0443S01 compared with HB0443

(f) the primary municipality's agency to use 10% of exempt area property tax for affordable housing as provided in Section 17C-1-412.

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

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

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

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

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

(e) after ~~2037~~2047, shall be 0%.

Section 16. Section 17D-4-102 is amended to read:

17D-4-102. Definitions.

As used in this chapter:

(1) "Board" means the board of trustees of a public infrastructure district.

(2) "Creating entity" means the county, municipality, or development authority that approves the creation of a public infrastructure district.

(3) "Development authority" means:

(a) the Utah Inland Port Authority created in Section 11-58-201; or

(b) the military installation development authority created in Section 63H-1-201.

(4) "District applicant" means the person proposing the creation of a public infrastructure district.

(5) "Division" means a division of a public infrastructure district:

(a) that is relatively equal in number of eligible voters or potential eligible voters to all other divisions within the public infrastructure district, taking into account existing or potential developments which, when completed, would increase or decrease the population within the public infrastructure district; and

(b) which a member of the board represents.

(6) "Governing document" means the document governing a public infrastructure district to which the creating entity agrees before the creation of the public infrastructure district, as amended from time to time, and subject to the limitations of Title 17B, Chapter 1, Provisions Applicable to All Local Districts, and this chapter.

HB0443S01 compared with HB0443

(7) (a) "Limited tax bond" means a bond:

(i) that is directly payable from and secured by ad valorem property taxes that are levied:

(A) by a public infrastructure district that issues the bond; and

(B) on taxable property within the district;

(ii) that is a general obligation of the public infrastructure district; and

(iii) for which the ad valorem property tax levy for repayment of the bond does not exceed the property tax levy rate limit established under Section 17D-4-303 for any fiscal year, except as provided in Subsection 17D-4-301(8).

(b) "Limited tax bond" does not include:

(i) a short-term bond;

(ii) a tax and revenue anticipation bond; or

(iii) a special assessment bond.

(8) "Public infrastructure and improvements" means:

(a) [~~publicly owned infrastructure and improvements, as~~] the same as that term is defined in Section 11-58-102, for a public infrastructure district created by the Utah Inland Port Authority created in Section 11-58-201; and

(b) the same as that term is defined in Section 63H-1-102, for a public infrastructure district created by the military installation development authority created in Section 63H-1-201.

Section 17. Section 17D-4-203 is amended to read:

17D-4-203. Public infrastructure district powers.

A public infrastructure district shall have all of the authority conferred upon a local district under Section 17B-1-103, and in addition a public infrastructure district may:

(1) issue negotiable bonds to pay:

(a) all or part of the costs of acquiring, acquiring an interest in, improving, or extending any of the improvements, facilities, or property allowed under Section 11-14-103;

(b) capital costs of improvements in an energy assessment area, as defined in Section 11-42a-102, and other related costs, against the funds that the public infrastructure district will receive because of an assessment in an energy assessment area, as defined in Section 11-42a-102;

(c) public improvements related to the provision of housing;

HB0443S01 compared with HB0443

(d) capital costs related to public transportation; and

(e) for a public infrastructure district created by a development authority, the cost of acquiring or financing public infrastructure and improvements[, as defined in Section 63H-1-102];

(2) enter into an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, provided that the interlocal agreement may not expand the powers of the public infrastructure district, within the limitations of Title 11, Chapter 13, Interlocal Cooperation Act, without the consent of the creating entity;

(3) acquire completed or partially completed improvements for fair market value as reasonably determined by:

(a) the board;

(b) the creating entity, if required in the governing document; or

(c) a surveyor or engineer that a public infrastructure district employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements;

(4) contract with the creating entity for the creating entity to provide administrative services on behalf of the public infrastructure district, when agreed to by both parties, in order to achieve cost savings and economic efficiencies, at the discretion of the creating entity; and

(5) for a public infrastructure district created by a development authority:

(a) (i) operate and maintain public infrastructure and improvements the district acquires or finances; and

(ii) use fees, assessments, or taxes to pay for the operation and maintenance of those public infrastructure and improvements; and

(b) issue bonds under Title 11, Chapter 42, Assessment Area Act.

Section 18. Section 41-6a-2003 is amended to read:

41-6a-2003. Automatic license plate reader systems -- Restrictions.

(1) Except as provided in Subsection (2), a governmental entity may not use an automatic license plate reader system.

(2) An automatic license plate reader system may be used:

(a) by a law enforcement agency for the purpose of protecting public safety, conducting criminal investigations, or ensuring compliance with local, state, and federal laws;

HB0443S01 compared with HB0443

(b) by a governmental parking enforcement entity for the purpose of enforcing state and local parking laws;

(c) by a parking enforcement entity for regulating the use of a parking facility;

(d) for the purpose of controlling access to a secured area;

(e) for the purpose of collecting an electronic toll;

(f) for the purpose of enforcing motor carrier laws;

(g) by a public transit district for the purpose of assessing parking needs and conducting a travel pattern analysis; [or]

(h) by an institution of higher education within the state system of higher education as described in Section 53B-1-102:

(i) for a purpose described in Subsections (2)(a) through (d); or

(ii) if the data collected is anonymized, for research and educational purposes[-]; or

(i) by the Utah Inland Port Authority, created in Section 11-58-201, or by a contractor of the Utah Inland Port Authority with the approval of the board of the Utah Inland Port Authority, if:

(i) the automatic license plate reader system is used only within a project area, as defined in Section 11-58-102, of the Utah Inland Port Authority;

(ii) the purpose of using the automatic license plate reader system is to improve supply chain efficiency or the efficiency of the movement of goods by analyzing and researching data related to commercial vehicle traffic; and

(iii) specific license plate information is anonymized.

Section 19. Section 59-12-205 is amended to read:

59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.

(1) To maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

(a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and

(b) as required to conform to the amendments to Part 1, Tax Collection.

(2) (a) Except as provided in Subsections (3) through (5) and subject to Subsection (6):

HB0443S01 compared with HB0443

[(a)] (i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and

[(b)(i)] (ii) (A) except as provided in Subsections (2)(b)(ii) and (iii), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

[(ii)] (B) 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201; and

[(iii)] (C) beginning July 1, 2022 50% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201.

(b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before July 1, 2022.

(3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

(i) the county, city, or town is a:

(A) county of the third, fourth, fifth, or sixth class;

(B) city of the fifth class; or

(C) town;

(ii) the county, city, or town received a distribution under this section for the calendar year beginning on January 1, 2008, that was less than the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007;

(iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,

HB0443S01 compared with HB0443

Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; or

(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), the city or town had located within the city or town for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; and

(iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1; or

(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a city or town for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1.

(b) The commission shall make the distribution required by this Subsection (3) to a county, city, or town described in Subsection (3)(a):

(i) from the distribution required by Subsection (2)(a); and

(ii) before making any other distribution required by this section.

(c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

(ii) For purposes of Subsection (3)(c)(i):

(A) the numerator of the fraction is the difference calculated by subtracting the distribution a county, city, or town described in Subsection (3)(a) received under this section for the calendar year beginning on January 1, 2008, from the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007; and

(B) the denominator of the fraction is \$333,583.

(d) A distribution required by this Subsection (3) is in addition to any other distribution required by this section.

HB0443S01 compared with HB0443

(4) (a) As used in this Subsection (4):

(i) "Eligible county, city, or town" means a county, city, or town that:

(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b) equal to the amount described in Subsection (4)(b)(ii); and

(B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.

(ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town received from a tax imposed in accordance with this part for fiscal year 2004-05.

(b) An eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

(i) the payment required by Subsection (2); or

(ii) the minimum tax revenue distribution.

(5) (a) For purposes of this Subsection (5):

(i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to 1.8% of the participating local government's tax revenue distribution amount under Subsection (2)(a) for the previous fiscal year.

(ii) "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality or grant eligible entity certified in accordance with Section 35A-16-307.

(b) For revenue collected from the tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a) to a participating local government, shall:

(i) subtract one-twelfth of the annual local contribution for each participating local government from the participating local government's tax revenue distribution under Subsection (2)(a); and

(ii) deposit the amount described in Subsection (5)(b)(i) into the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-304.

(c) For a participating local government that qualifies to receive a distribution described in Subsection (3) or (4), the commission shall apply the provisions of this Subsection (5) after the commission applies the provisions of Subsections (3) and (4).

HB0443S01 compared with HB0443

(6) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Bureau of the Census.

(b) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from the estimate from the Utah Population Committee.

(c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

Section 20. Section 63A-3-401.5 is amended to read:

63A-3-401.5. Definitions.

As used in this part:

(1) "Borrower" means a person who borrows money from an infrastructure fund for an infrastructure project.

(2) "Independent political subdivision" means:

(a) the Utah Inland Port Authority created in Section 11-58-201;

(b) the Point of the Mountain State Land Authority created in Section 11-59-201; or

(c) the Military Installation Development Authority created in Section 63H-1-201.

(3) "Infrastructure fund" means a fund created in Subsection 63A-3-402(1).

(4) "Infrastructure loan" means a loan of infrastructure fund money to finance an infrastructure project.

(5) "Infrastructure project" means a project to acquire, construct, reconstruct, rehabilitate, equip, or improve public infrastructure and improvements:

(a) within a project area; or

(b) outside a project area, if the respective loan approval committee determines by resolution that the public infrastructure and improvements are of benefit to the project area.

(6) "Inland port" means the same as that term is defined in Section 11-58-102.

(7) "Inland port fund" means the infrastructure fund created in Subsection 63A-3-402(1)(a).

(8) "Military development fund" means the infrastructure fund created in Subsection 63A-3-402(1)(c).

(9) "Point of the mountain fund" means the infrastructure fund created in Subsection 63A-3-402(1)(b).

HB0443S01 compared with HB0443

(10) "Project area" means:

(a) the same as that term is defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund;

(b) the point of the mountain state land, as defined in Section 11-59-102, for purposes of an infrastructure loan from the point of the mountain fund; and

(c) the same as that term is defined in Section 63H-1-102, for purposes of an infrastructure loan from the military development fund.

(11) "Property tax revenue" means:

(a) property tax differential, as defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund; or

(b) property tax allocation, as defined in Section 63H-1-102, for purposes of an infrastructure loan from the military development fund.

(12) "Public infrastructure and improvements":

(a) means the same as that term is defined in Section 11-58-102, for purposes of an infrastructure loan from the inland port fund[:]; and

~~[(i) means publicly owned infrastructure and improvements, as defined in Section 11-58-102; and]~~

~~[(ii) includes an inland port facility; and]~~

(b) means the same as that term is defined in Section 63H-1-102, for purposes of an infrastructure loan from the military development fund.

(13) "Respective loan approval committee" means:

(a) the committee created in Section 11-58-106, for purposes of an infrastructure loan from the inland port fund;

(b) the committee created in Section 11-59-104, for purposes of an infrastructure loan from the point of the mountain fund; and

(c) the committee created in Section 63H-1-104, for purposes of an infrastructure loan from the military development fund.

Section 21. Repealer.

This bill repeals:

Section 11-58-101, Title.

Section ~~{17}~~22. Effective date.

HB0443S01 compared with HB0443

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