



April 2, 2026

Economic Development Update





Economic Development

Key Themes

- Concern about incentives being “too rich”
- Concern about lack of access to information
- Concern about public financing tools & impact on tax system
 - Tax increment
 - PIDs/IFDs





Terminology

Tax Increment Financing (TIF)

- Value capture tool

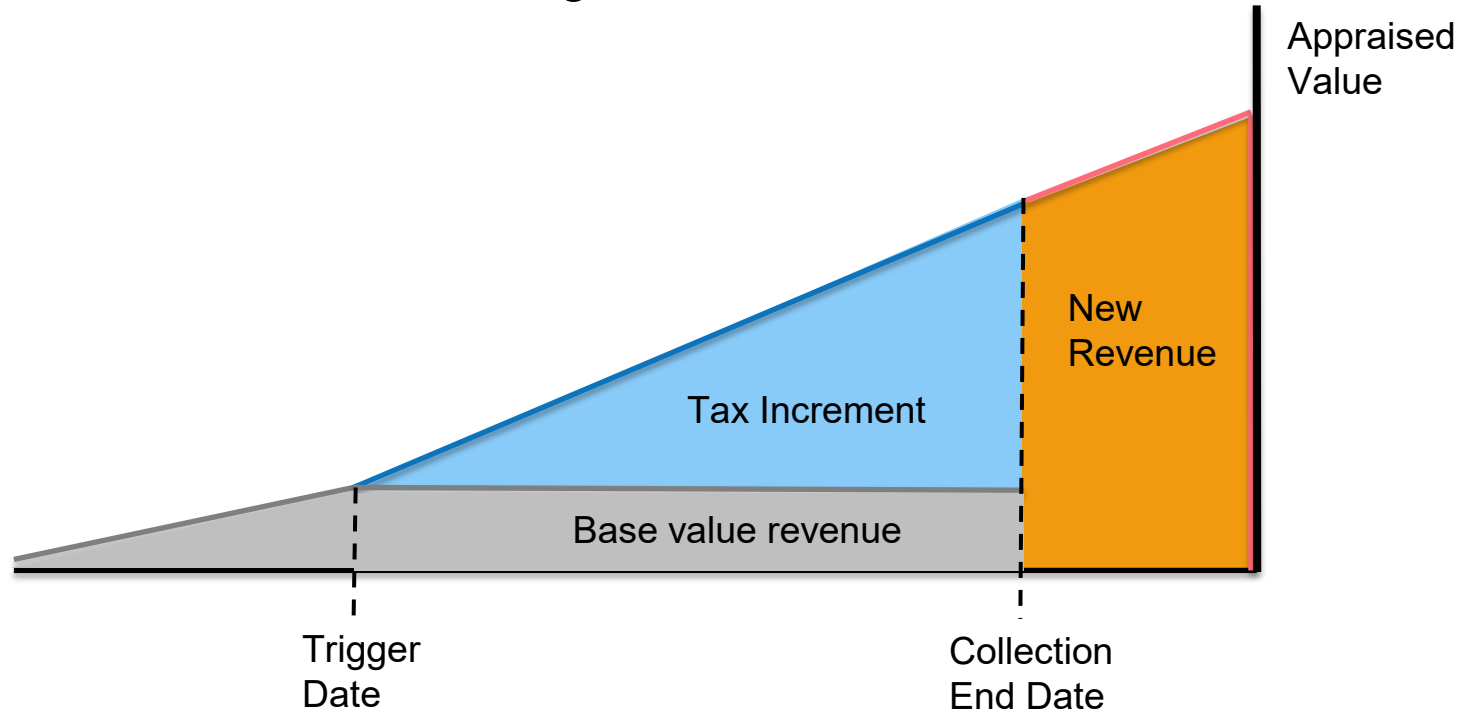
Public Infrastructure Districts (PIDs)

- Local government must approve w/ ordinance
- Property tax assessment repayment

Infrastructure Financing Districts (IFDs)

- Petition to LG for approval
- Property-owner initiated
- Property assessment must be repaid prior to

Tax Increment Financing



Current Law

Locally-approved tax increment processes

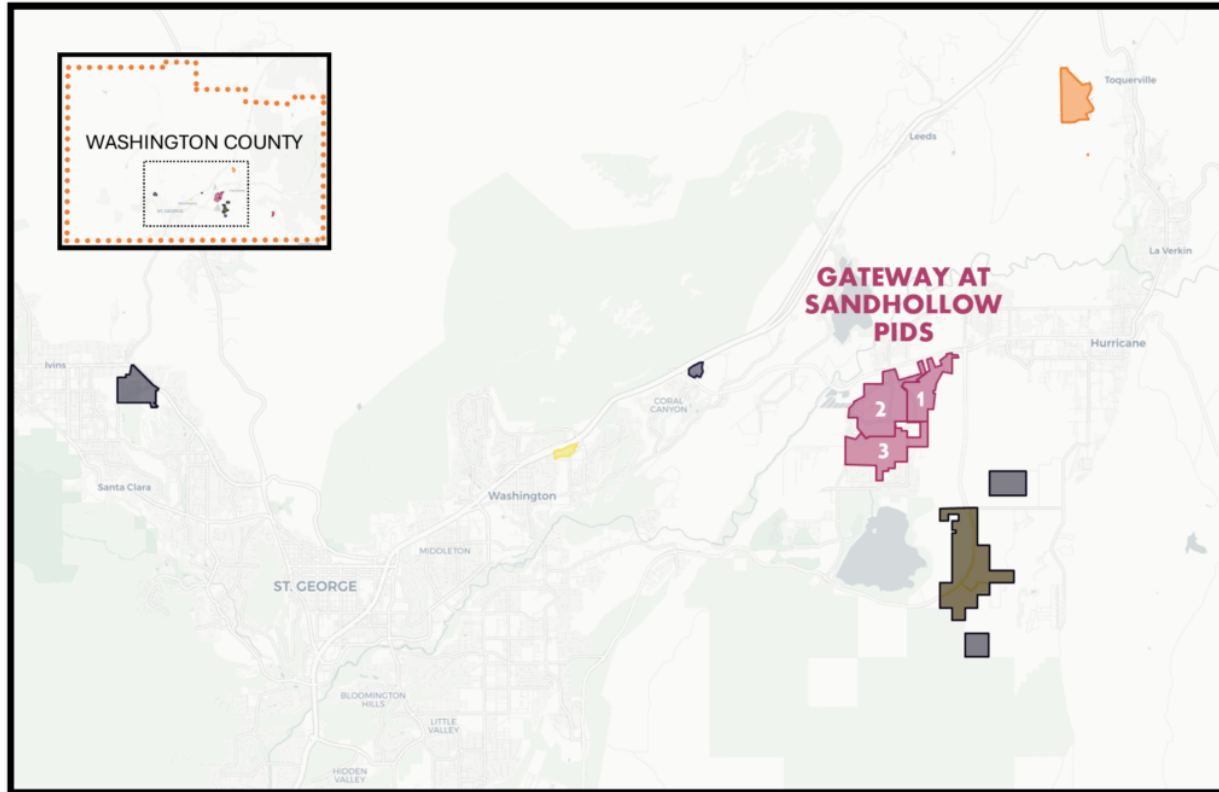
- Community reinvestment areas (CRAs)/prior iterations (RDA, EDA, etc.)
- Home ownership promotion zone

Committee approved tax increment processes

- Housing and Transit Reinvestment Zone
- First Home Investment Zone
- Convention center Reinvestment Zone



Public Infrastructure Districts



Tax Increment Policy Bill (HB 507)

SB 231 (S. Sandall)

- **Data center TIF**



State TIF Tools/HB 507

Data Centers

Requirement to use RSDZ if offering TIF to data centers >100 MW
More flexibility w/ tangible personal property tax and MET sharing

HTRZ

Implementing land use for HTRZ, reporting
Allows HTRZ \$ for extraterritorial housing infrastructure
HTRZs can span three lightrail/BRT stations in certain circumstances

SB 221 (W. Harper)

- **HTRZ changes,**
- **Base year**



TIF Base year

Sets HTRZ/FHIZ/HOPZ/CCRZ base year

Political Subs. Interim Subcommittee to study TIF tools

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

Policy Components:

- Creates RSDZ Development Tool
- Sunsets HTRZ, FHIZ, HOPZ, CCRZ, MSEVZ in 2028
 - Approved projects continue under approved criteria
- PID process clarifications
- State Reinvestment Restricted Account

Sunsets HTRZ, FHIZ, HOPZ, CCRZ in 2028

- Existing programs continue under approved parameters

Political Subdivisions Interim Committee on Tax Increment

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

Regionally Significant Development Zone (RSDZ)

- City- or county-proposed, state approved
- Must meet criteria for “significant capital investment” or “regional significance”
- Increment pays for infrastructure
- Portion of project funds dedicated to State Reinvestment Restricted Account
- Counties can challenge regionally significant findings
 - Current tools continue to operate
- HTRZ-style framework
 - GOEO committee approves the increment, all taxing entities must participate; up to 60% of increment for 25/40 years

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

RSDZ Project Fund Uses

- Development, including:
 - Income targeted housing costs
 - Structured parking
 - Enhanced development costs
 - Horizontal construction costs
 - Vertical construction costs
 - Property acquisition costs
 - Realigning public infrastructure
- Public infrastructure and improvements in the zone and impacted primary area
 - Impacted primary area means land outside of a proposed zone that is described in a proposal and is crucial to one or more aspects of the development of the zone.
- Repayment of bonds necessary to support the zone

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

RSDZ Approval Process Example

- City/county applies
- Tax increment committee approves (analogous to HTRZ committee)
- City application + approval parameters become a governing document for the project area
- Redevelopment/reinvestment agency administers project area
- Agency may adopt additional policies, so long as they conform to the proposal and do not conflict with conditions established by the committee.
- Modifications to the proposal return to the committee for approval.

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

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RSDZ Specialized Types

- Regionally Significant Transit Oriented Development
 - Similar application parameters to HTRZ (affordable housing, mixed use, public transit utilization, etc.)
- Regionally Significant First Home Village
 - Similar application parameters to FHIZ (affordable home ownership, center-oriented development, extraterritorial housing)
- Regionally Significant Zone with Energy Implications
 - Special considerations for:
 - Access to energy resources and water supply, alignment with regional and statewide objectives, realistic timelines, specific infrastructure improvements, and specific benefits provided to residents who live nearby

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

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State Reinvestment Restricted Account

- Objective: create a mechanism for significant state-involved/approved economic development projects to have a broader state-wide benefit

Revenue sources:

- Portion of RSDZ TIF/personal property tax diversion (5%-25%)
- Portion of county energy excise tax funds (10%)
- UIPA projects beginning 9/30/2026, TIF (1-5%)

Funds can be used for:

- income tax relief,
- developing generational water infrastructure,
- preserving GSL watershed,
- regionally significant transit infrastructure,
- developing energy resources

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

Economic Development GRAMA Provisions

- GRAMA protected status for confidential economic development information
- Confidential information provided (under an NDA) to a governmental entity related to recruiting or negotiating with a business to expand or relocate to the state
- If protected information is intentionally or about to be intentionally disclosed a person who requested the protected status in this process may seek injunctive relief and damages

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

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PID Process Changes

- Governing document must describe infrastructure and improvements, facilities, or properties to be constructed, repaired, or completed
- Clarifies the conveyance, transfer, or dedication of infrastructure to a creating entity or a public entity is NOT a financial benefit to the creating or public entity.
- Requires real property conveyed in a public infrastructure district to disclose expected annual cost of the PID's final tax rate.
- Provides for dissolution process after debt repaid
- Rather than appointing initial PID board members, a local government approves the governing document, which states:
 - Initial board member names
 - LG issues for certificate of incorporation
 - Provides for vacancy filling process

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

Large Load Data Centers

- Large load data centers = data centers that contracts with a utility for 100mw of electricity.
- Restricts the use of tax increment and personal property tax revenue for purposes of incentivizing or supporting public infrastructure for large load data centers after May 6, 2027
- UNLESS large load data center is located in an RSDZ
 - *Specifically, Regionally Significant Zone with Energy Implications*
 - RSDZ caps tax increment for large load data centers at 60% real property, 80% MET/County Energy Excise Tax, and 80% personal property tax revenue
- Large load data center incentives/agreements in place prior to May 7, 2027, are allowed to continue but incentive terms are locked in.

HB 507 S4: State Coordination of Regional & Local Economic Development Projects Amendments

Rep. Roberts

HTRZ changes (*from SB 221*)

- Allows HTRZ to span three light rail/BRT stations in cities of 3rd/4th class if:
 - total area < 250 non-contiguous acres
 - cannot exceed a ¼ mile radius from the stations or any point on the light rail/BRT line
 - A 3-station HTRZ counts as two HTRZs towards the SLCo cap
- Once an HTRZ is approved, the proposing entity must:
 - enter into an agreement with the relevant property owners identifying the density needed to implement approved zone
 - enter into entitlement/development/participation agreements with property owners within zone as soon as reasonably possible to implement approval
 - If the agreements have not been entered into w/in two years, proposing entity must submit report to the HTRZ committee explaining:
 - status of agreements
 - related land use regulations needed to implement proposal.
 - *This provision is retroactive*
- HTRZ can use increment for *extraterritorial housing* if units are affordable, located in same city, at least 6 units/acre, owner occupied for 25 years, and doesn't have building permit (FHIZ style)
- Base Year Change (calendar year committee approved the zone OR year committee established which must be within 5 years of approving the zone)

Tax Increment Transparency Bill (SB 206)

HB 427 (N. Walter)

- Notice, disclosure



SB 228 (W. Harper)

- Reporting,
dormancy/extension



HB 461 (R. Ward)

- State Land Use Authority
Reporting



HB 507 (C. Roberts)

- RSDZ, Reporting



TIF Transparency/SB 206

Disclosure

Documentation of project authorization meeting
Public purpose of project
type, amount of tax increment
cost analysis
“but for” analysis

Reporting

GOEO -> STATS system
Project area budget, plan, map
Amount of tax increment collected, spent
Change in project taxable value
Expenditures
Benefits to taxing entities

Aggregate STATS report to Political Subdivisions Interim Committee

SB 206 Tax Amendments

Sen. Harper

Creates Statewide Tax Administration and Technology Solutions (STATS) program

Creates additional disclosure and reporting components that apply to CRA, HTRZ, FHIZ, HOPZ, RSDZ and will be collected via the STATS program which will then be reported to the Legislature

Creates requirements for returning excess tax increment that is not spent by the end of the project area dormancy period to participating taxing entities

New growth definition changes relocated from SB 97

Analysis required to initiate a CRA (current law)

Current law

Project area plan components:

- Boundary and description of the project area
- General statement of existing land uses
- Standards to guide development
- Show how the project area furthers purposes of code section
- Consistent w/ general plan of the area
- Shows how project area development will eliminate or reduce a development impediment
- Describes specific development in the area
- Explains how the agency will select a participant
- States each reason the agency selected the area
- Describes physical, social, and economic conditions that exist in in the project area
- Describes each type of financial assistance the agency will offer to participants
- Includes analysis or description of the anticipated public benefit, including benefits to the area's tax base
- Includes rationale for use of tax increment, including analysis of whether proposed development might reasonably be expected to occur w/o use of tax increment ("but for" test)
- Historic district provisions, if applicable
- Other relevant information

SB 206 Tax Amendments

Sen. Harper

Disclosure Requirements (Pre-increment Disclosure/Reporting)

- Details of local gov't TIF authorization meeting
 - Notice, minutes
 - May be part of a regular public meeting (e.g., council meeting)
- Public good to be addressed
- Type of tax increment sought use for
- Maximum total tax increment (by each type, if multiple types)
- Project admin. cost
- But for analysis
- Proportionate benefit analysis
 - 40-year net present value formula
- 30 days notice to affected taxing entities
- Notice to county assessor not later than Dec 31 year prior to collecting increment
- Must re-authorize if tax increment not triggered in 5 years
- If disclosure documentation missing, the STATS program manager must notify the TIF entity of remaining info, and they shall respond (**no state signoff**)

SB 206 Tax Amendments

Sen. Harper

Disclosure Requirements (Pre-increment Disclosure/Reporting)

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 - Notice, minutes
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- Public good to be addressed
- Type of tax increment sought use for
- Maximum total tax increment (by each type, if multiple types)
- Project admin. cost
- But for analysis
- **Proportionate benefit analysis**
 - **40-year net present value formula**
- 30 days notice to affected taxing entities
- Notice to county assessor not later than Dec 31 year prior to collecting increment
- Must re-authorize if tax increment not triggered in 5 years
- If disclosure documentation missing, the STATS program manager must notify the TIF entity of remaining info, and they shall respond (**no state signoff**)

Tax Increment Reporting (Current Law)

Current law

GOEO Database Reporting Requirements

- **Assessment of the change in marginal value, including:**
 - Base year
 - Estimated current assessed value
 - Percentage change in marginal value
 - Narrative description of relative growth in assessed value
- **Amount of funds received, including:**
 - Comparison of actual funds received and spent for each year forecasted
 - Agency's historical receipts and expenditures
 - List of each taxing entity that levies or imposes the tax
 - Amount paid to other taxing entities
- **Description of current and anticipated project area development**
 - Narrative of significant development (infrastructure, site development, participation agreements, or vertical construction)
 - Other details of project (total developed/undeveloped acreage, percentage of residential development, number of housing units authorized)
- **Project area budget analysis, with receipts by type of expenditure, amount of project area funds the agency is authorized to receive from each taxing entity**
- **Amount of project area funds authorized to collect for admin costs**
- **Estimated amount of project funds that agency is authorized to receive for subsequent year**
- **Amount of funds to be paid to agency for next year**
- **Map of the project area**
- **A description of goals, policies, and purposes furthered during preceding year**
- **Any other relevant information**

Reports must be submitted by June 30th of each year

Tax Increment Reporting (Current Law)

Current law



**Governor's Office of
Economic Opportunity**

Utah Redevelopment Agency Database

This database is in accordance with Utah Code §17C-1-603.

To request access if you work for an RDA, please use the login button on the top of this screen
For members of the general public, no access is needed. As data becomes available it will appear here.

Please remember all submissions for the previous year are due by **June 30**

All ▾

50+ items • Sorted by Project Area • Filtered by All rda project area yearly reports • Updated a few seconds ago

Q Search this list...



	Yearly Audit ▾	Current Year ▾	Project Area ↑	Status ▾	Redevelopment Agency ▾	
1	2025 - 1000 North Retail	2025	1000 North Retail CRA	Live	Tooele City Redevelopment Agency	▾
2	2022 - 11400 South CDA	2022	11400 South Community Development Area	Live	Sandy City Redevelopment Agency	▾
3	2023 - 11400 South CDA	2023	11400 South Community Development Area	Live	Sandy City Redevelopment Agency	▾
4	2024 - 11400 South CDA	2024	11400 South Community Development Area	Live	Sandy City Redevelopment Agency	▾
5	2025 - 11400 South CDA	2025	11400 South Community Development Area	Live	Sandy City Redevelopment Agency	▾
6	2021 - 12th Street	2021	12th Street Redevelopment Area (RDA)	Live	Ogden City Redevelopment Agency	▾
7	2022 - 12th Street	2022	12th Street Redevelopment Area (RDA)	Live	Ogden City Redevelopment Agency	▾
8	2022 - RDA #4	2022	1300 - 1700 West 9000 South Neighborhood Development Plan	Live	West Jordan City Redevelopment Agency	▾
9	2023 - Spratling	2023	1300 - 1700 West 9000 South Neighborhood Development Plan	Live	West Jordan City Redevelopment Agency	▾

SB 206 Tax Amendments

Sen. Harper

Reporting Requirements (Receipt Reporting)

- Change in taxable value from the base year
- Estimated current assessed value
- Percentage change from base year
- Comparison of actual TIF collected compared to forecasted amount
- Historical receipts and expenditures for TIF area budget
- List of and benefits provided to taxing entities in the area
- Amount of TIF paid to a taxing entity
- Outstanding bonds
- Current and anticipated development
- Summary of project area budget
- Description of how TIF has been used to further project area goals
- Project area map, plan, etc.

Begins January 2027, reports due each subsequent January

HB 535 Disposition of Public Property Modifications

Rep. Walter

Before disposing of real property, local governments must:

- Disposal includes permanent transfers, leases >10 years
- Post a physical sign at the property stating it is for sale and that offers may be made to the local government.

Before disposing of a significant parcel (> \$500k), must also:

- Publish an announcement of intent to dispose of the property on the local government's website OR a real estate offering website for at least 45 days.
- Announce the intent to dispose of public property during a public meeting.

Disposal of property must be approved by majority vote, UNLESS ordinance/resolution states different approval process.

- Inform public of disposal action & terms (public meeting minutes, posting record of action on website, etc.)

Exempts easements, cemetery plots, road vacation, exchanges of property w/ similar value

HB 492 S6 Transportation, Infrastructure, & Housing Amendments

Rep. Roberts

State Housing Infrastructure Partnership (SHIP)

- a) \$100 million revolving **loan** fund
 - +/- 1.5% Fed Funds Target Rate (3.5% - 3.75%), board determines actual rate
- b) System infrastructure: drinking & secondary water, wastewater, sewer, stormwater, drainage, road part of general, regional plan
- c) 5-member state board to approve projects
- d) Will establish criteria (e.g. MIHP 2.0) that includes:
 - a) builder will meet timelines
 - b) repayment plan
 - c) number of units
 - d) ownership
 - e) affordability
- e) Preference for owner-occupied single-family homes.

HB 492 S6 Transportation, Infrastructure, & Housing Amendments

Rep. Roberts

- SL County specific infrastructure funding
 - Increases Affordable Housing Infrastructure Grant Program bonding capacity from \$70m to \$150m
 - Requires one affordable unit for every \$20k in grant funding
 - Program administered by GOED and UDOT
- Funding for convention center restricted account
- State surplus land
 - rulemaking authority to sell land at pre-entitlement appraisal value & defer payment until after owner-occupied housing built
- Point of the Mountain: \$18m for infrastructure (from SHIP)

Questions?

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Thank you!