

1 **UTAH INLAND PORT AUTHORITY**

2 2018 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jerry W. Stevenson**

5 House Sponsor: Francis D. Gibson

7 **LONG TITLE**

8 **General Description:**

9 This bill enacts and modifies provisions related to the Utah Inland Port Authority.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ creates the Utah Inland Port Authority;
- 13 ▶ establishes the duties, responsibilities, and powers of the Utah Inland Port
14 Authority;
- 15 ▶ establishes a board to govern the port authority and provides for the board
16 membership, terms, and responsibilities, and provides limits on board members;
- 17 ▶ requires the port authority board to hire an executive director, and provides limits
18 on the executive director;
- 19 ▶ defines land that is under the jurisdiction of the port authority;
- 20 ▶ authorizes the port authority to work to establish an inland port and a foreign trade
21 zone;
- 22 ▶ authorizes the port authority to adopt a project area plan and budget and to issue
23 bonds;
- 24 ▶ authorizes the port authority to receive tax differential funds;
- 25 ▶ requires the port authority to prepare and adopt a budget and provides a process for
26 preparing, adopting, and amending a budget; and
- 27 ▶ requires the port authority to comply with certain audit and reporting requirements.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 ENACTS:

34 **11-58-101**, Utah Code Annotated 1953

35 **11-58-102**, Utah Code Annotated 1953

36 **11-58-201**, Utah Code Annotated 1953

37 **11-58-202**, Utah Code Annotated 1953

38 **11-58-203**, Utah Code Annotated 1953

39 **11-58-204**, Utah Code Annotated 1953

40 **11-58-205**, Utah Code Annotated 1953

41 **11-58-206**, Utah Code Annotated 1953

42 **11-58-207**, Utah Code Annotated 1953

43 **11-58-301**, Utah Code Annotated 1953

44 **11-58-302**, Utah Code Annotated 1953

45 **11-58-303**, Utah Code Annotated 1953

46 **11-58-304**, Utah Code Annotated 1953

47 **11-58-305**, Utah Code Annotated 1953

48 **11-58-401**, Utah Code Annotated 1953

49 **11-58-402**, Utah Code Annotated 1953

50 **11-58-403**, Utah Code Annotated 1953

51 **11-58-404**, Utah Code Annotated 1953

52 **11-58-501**, Utah Code Annotated 1953

53 **11-58-502**, Utah Code Annotated 1953

54 **11-58-503**, Utah Code Annotated 1953

55 **11-58-504**, Utah Code Annotated 1953

56 **11-58-505**, Utah Code Annotated 1953

57 **11-58-601**, Utah Code Annotated 1953

- 58 [11-58-602](#), Utah Code Annotated 1953
- 59 [11-58-701](#), Utah Code Annotated 1953
- 60 [11-58-702](#), Utah Code Annotated 1953
- 61 [11-58-703](#), Utah Code Annotated 1953
- 62 [11-58-704](#), Utah Code Annotated 1953
- 63 [11-58-705](#), Utah Code Annotated 1953
- 64 [11-58-706](#), Utah Code Annotated 1953
- 65 [11-58-801](#), Utah Code Annotated 1953
- 66 [11-58-802](#), Utah Code Annotated 1953
- 67 [11-58-803](#), Utah Code Annotated 1953
- 68 [11-58-804](#), Utah Code Annotated 1953
- 69 [11-58-805](#), Utah Code Annotated 1953
- 70 [11-58-806](#), Utah Code Annotated 1953
- 71 [11-58-901](#), Utah Code Annotated 1953

72

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

74 Section 1. Section **11-58-101** is enacted to read:

75 **CHAPTER 58. UTAH INLAND PORT AUTHORITY ACT**

76 **Part 1. General Provisions**

77 **11-58-101. Title.**

78 This chapter is known as the "Utah Inland Port Authority Act."

79 Section 2. Section **11-58-102** is enacted to read:

80 **11-58-102. Definitions.**

81 As used in this chapter:

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

83 (2) "Authority jurisdictional land":

84 (a) means:

85 (i) land north of I-80 in Salt Lake City that has:

- 86 (A) a northern boundary defined by the northern boundary of Salt Lake City;
- 87 (B) an eastern boundary defined by I-215;
- 88 (C) a southern boundary defined by I-80; and
- 89 (D) a western boundary defined by the western boundary of Salt Lake City's Northwest
90 Quadrant Master Plan Area as of January 1, 2018; and
- 91 (ii) land south of I-80 that has:
- 92 (A) a northern boundary defined by I-80;
- 93 (B) an eastern boundary that begins at the intersection of I-80 and Bangerter Highway
94 and follows Bangerter Highway south to SR 201 and turns west to follow SR 201 to 5600 West
95 and turns south to follow 5600 West to the Riter Canal;
- 96 (C) a southern boundary that begins at the intersection of 5600 West and the Riter
97 Canal and follows the Riter Canal west to 7600 West and turns south along 7600 West to the
98 northern boundary of developed property and turns west to run along the northern edge of
99 developed property, jutting north to follow the northern boundary of developed properties
100 straddling 8000 West, and continuing west along the northern boundary of developed
101 properties to the western edge of developed property and turns north to SR 201 and turns east
102 along SR 201 to the eastern edge of the tailings property; and
- 103 (D) a western boundary defined by the eastern edge of the tailings property; and
- 104 (b) excludes:
- 105 (i) the Salt Lake City airport; and
- 106 (ii) an area north of I-80 in Salt Lake City and west of the Salt Lake City airport,
107 commonly known as the International Center, that has:
- 108 (A) a northern boundary defined by the north boundary of properties on the north side
109 of and fronting Harold Gatty Drive;
- 110 (B) an eastern boundary defined by the eastern boundary of Salt Lake City's Northwest
111 Quadrant Master Plan Area as of January 1, 2018;
- 112 (C) a southern boundary defined by I-80; and
- 113 (D) a western boundary defined by a north-south line that aligns with John Glenn

114 Road.

115 (3) "Base taxable value" means the taxable value of property within any portion of a
116 project area, as designated by board resolution, from which the property tax differential will be
117 collected, as shown upon the assessment roll last equalized before the year in which the
118 authority adopts a project area plan for that area.

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

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

123 (6) "Development" means:

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

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

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

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

133 (a) contain multimodal transportation assets and the ability to allow global trade to be
134 processed and altered by value-added services as goods move through the supply chain; and

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

138 (9) "Project area" means the authority jurisdictional land, whether consisting of a single
139 contiguous area or multiple noncontiguous areas, described in a project area plan or draft
140 project area plan, where the development project set forth in the project area plan or draft
141 project area plan takes place or is proposed to take place.

142 (10) "Project area budget" means a multiyear projection of annual or cumulative
143 revenues and expenses and other fiscal matters pertaining to a project area.

144 (11) "Project area plan" means a written plan that, after its effective date, guides and
145 controls the development within a project area.

146 (12) "Property tax" includes a privilege tax and each levy on an ad valorem basis on
147 tangible or intangible personal or real property.

148 (13) "Property tax differential" means the difference between:

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

151 (b) the amount of property tax revenues that would be generated from that same area
152 using the base taxable value of the property.

153 (14) "Public entity" means:

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

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

158 (15) "Publicly owned infrastructure and improvements":

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

160 (i) benefit the public; and

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

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

163 (b) includes:

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

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

166 (B) sewer, storm drainage, natural gas, electricity, or telecommunications service; and

167 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
168 facilities, and public transportation facilities.

169 (16) "Taxable value" means the value of property as shown on the last equalized

170 assessment roll as certified by the county assessor.

171 (17) "Taxing entity" means a public entity that levies a tax on property within a project
172 area.

173 Section 3. Section **11-58-201** is enacted to read:

174 **Part 2. Utah Inland Port Authority**

175 **11-58-201. Creation of Utah Inland Port Authority -- Status and purposes.**

176 (1) Under the authority of Article XI, Section 8 of the Utah Constitution, there is
177 created the Utah Inland Port Authority.

178 (2) The authority is:

179 (a) an independent, nonprofit, separate body corporate and politic, with perpetual
180 succession;

181 (b) a political subdivision of the state; and

182 (c) a public corporation, as defined in Section [63E-1-102](#).

183 (3) (a) The purpose of the authority is to fulfill the statewide public purpose of working
184 in concert with applicable state and local government entities, property owners and other
185 private parties, and other stakeholders to encourage and facilitate development of the authority
186 jurisdictional land to maximize the long-term economic and other benefit for the state,
187 consistent with the strategies, policies, and objectives described in this chapter, including:

188 (i) the development of inland port uses on the authority jurisdictional land;

189 (ii) the development of infrastructure to support inland port uses and associated uses on
190 the authority jurisdictional land; and

191 (iii) other development on the authority jurisdictional land.

192 (b) The duties and responsibilities of the authority under this chapter are beyond the
193 scope and capacity of a municipality, which has many other responsibilities and functions that
194 appropriately command the attention and resources of the municipality, and are not municipal
195 functions of purely local concern but are matters of regional and statewide concern,
196 importance, interest, and impact, due to multiple factors, including:

197 (i) the strategic location of the authority jurisdictional land in proximity to significant

198 existing and potential transportation infrastructure, including infrastructure provided and
199 maintained by the state, conducive to facilitating regional, national, and international trade and
200 the businesses and facilities that promote and complement that trade;

201 (ii) the enormous potential for regional and statewide economic and other benefit that
202 can come from the appropriate development of the authority jurisdictional land, including the
203 establishment of a thriving inland port;

204 (iii) the regional and statewide impact that the development of the authority
205 jurisdictional land will have; and

206 (iv) the considerable investment the state is making in connection with the
207 development of the new correctional facility and associated infrastructure located on the
208 authority jurisdictional land.

209 (c) The authority is the mechanism the state chooses to focus resources and efforts on
210 behalf of the state to ensure that the regional and statewide interests, concerns, and purposes
211 described in this Subsection (3) are properly addressed from more of a statewide perspective
212 than any municipality can provide.

213 Section 4. Section **11-58-202** is enacted to read:

214 **11-58-202. Port authority powers and duties.**

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

218 (a) develop and implement a business plan for the authority jurisdictional land;

219 (b) plan and facilitate the development of inland port uses on authority jurisdictional
220 land;

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

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

224 (2) The authority may:

225 (a) facilitate and bring about the development of inland port uses on land that is part of

226 the authority jurisdictional land, including engaging in marketing and business recruitment
227 activities and efforts to encourage and facilitate:

228 (i) the development of an inland port on the authority jurisdictional land; and
229 (ii) other development of the authority jurisdictional land consistent with the strategies,
230 policies, and objectives described in Subsection [11-58-203\(1\)](#);

231 (b) facilitate and provide funding for the development of the authority jurisdictional
232 land, including the development of publicly owned infrastructure and improvements and other
233 infrastructure and improvements on or related to the authority jurisdictional land;

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

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

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

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

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

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

246 (f) sue and be sued;

247 (g) enter into contracts generally;

248 (h) provide funding for the development of publicly owned infrastructure and
249 improvements or other infrastructure and improvements on or related to the authority
250 jurisdictional land;

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

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

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

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

260 (m) issue bonds to finance the undertaking of any development objectives of the
261 authority, including bonds under Title 11, Chapter 17, Utah Industrial Facilities and
262 Development Act, and bonds under Title 11, Chapter 42, Assessment Area Act;

263 (n) hire employees, including contract employees;

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

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

267 (q) exercise powers and perform functions that the authority is authorized by statute to
268 exercise or perform.

269 Section 5. Section **11-58-203** is enacted to read:

270 **11-58-203. Strategies, policies, and objectives to be pursued by the port authority**
271 **-- Additional duties of the port authority.**

272 In fulfilling its duties and responsibilities relating to the development of the authority
273 jurisdictional land, the authority shall:

274 (1) pursue development strategies, policies, and objectives designed to:

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

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

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

279 (d) improve air quality and minimize resource use;

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

282 (f) promote and encourage development and uses that are compatible with or
283 complement uses in areas in proximity to the authority jurisdictional land; and
284 (g) take advantage of the authority jurisdictional land's strategic location and other
285 features, including the proximity to transportation and other infrastructure and facilities, that
286 make the authority jurisdictional land attractive to:

287 (i) businesses that engage in regional, national, or international trade; and
288 (ii) businesses that complement businesses engaged in regional, national, or
289 international trade;

290 (2) work to identify funding sources, including federal, state, and local government
291 funding and private funding, for capital improvement projects in and around the authority
292 jurisdictional land and for an inland port;

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

296 (a) the strategies, policies, and objectives stated in Subsection (1); and
297 (b) the mutual goals of the state and local governments that have authority
298 jurisdictional land with their boundaries with respect to the authority jurisdictional land; and

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

303 Section 6. Section **11-58-204** is enacted to read:

304 **11-58-204. Existing development line.**

305 (1) As used in this section, "development line" means a line:

306 (a) dividing authority jurisdictional land areas for which development is permitted
307 from authority jurisdictional land areas that are protected from development; and

308 (b) that has been established by municipal ordinance, policy, master plan, agreement,
309 or other means before March 1, 2018.

310 (2) The authority shall:

311 (a) acknowledge and respect any development line involving authority jurisdictional
312 land; and

313 (b) incorporate any development line into a business plan or development plan that the
314 authority adopts or pursues.

315 Section 7. Section **11-58-205** is enacted to read:

316 **11-58-205. Applicability of other law -- Cooperation of state and local**
317 **governments -- Municipality to consider board input -- Prohibition relating to natural**
318 **resources.**

319 (1) Except as provided in Part 4, Appeals to Appeals Panel, the authority does not have
320 and may not exercise any powers relating to the regulation of land uses on the authority
321 jurisdictional land.

322 (2) The authority is subject to and governed by Sections [63E-2-106](#), [63E-2-107](#),
323 [63E-2-108](#), [63E-2-109](#), [63E-2-110](#), and [63E-2-111](#), but is not otherwise subject to or governed
324 by Title 63E, Independent Entities Code.

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

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

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

334 Section 8. Section **11-58-206** is enacted to read:

335 **11-58-206. Port authority funds.**

336 The authority may use authority funds for any purpose authorized under this chapter,
337 including:

- 338 (1) promoting, facilitating, and advancing inland port uses; and
- 339 (2) paying any consulting fees and staff salaries and other administrative, overhead,
- 340 legal, and operating expenses of the authority.

341 Section 9. Section **11-58-207** is enacted to read:

342 **11-58-207. Projects benefitting authority jurisdictional land.**

343 To foster economic development within and enhance the uses of the authority
344 jurisdictional land:

345 (1) the Department of Transportation shall fund, from money designated in the
346 Transportation Investment Fund for that purpose, the completion of 2550 South from 5600
347 West to 8000 West, with matching funds from the county in which the road is located; and

348 (2) the county in which the proposed connection is located shall study a connection of
349 7200 West between SR 201 and I-80.

350 Section 10. Section **11-58-301** is enacted to read:

351 **Part 3. Port Authority Board**

352 **11-58-301. Port authority board -- Delegation of power.**

353 (1) The authority shall be governed by a board which shall manage and conduct the
354 business and affairs of the authority and shall determine all questions of authority policy.

355 (2) All powers of the authority are exercised through the board.

356 (3) The board may by resolution delegate powers to authority staff.

357 Section 11. Section **11-58-302** is enacted to read:

358 **11-58-302. Number of board members -- Appointment -- Vacancies.**

359 (1) The authority's board shall consist of 11 members, as provided in Subsection (2).

360 (2) (a) The governor shall appoint two board members, one of whom shall be an
361 employee or officer of the Governor's Office of Economic Development, created in Section
362 [63N-1-201](#).

363 (b) The president of the Senate shall appoint one board member.

364 (c) The speaker of the House of Representatives shall appoint one board member.

365 (d) The Salt Lake County mayor shall appoint one board member.

366 (e) The chair of the Permanent Community Impact Fund Board, created in Section
367 35A-8-304, shall appoint one board member from among the members of the Permanent
368 Community Impact Fund Board.

369 (f) The chair of the Salt Lake Airport Advisory Board, or the chair's designee, shall
370 serve as a board member.

371 (g) The member of the Salt Lake City council who is elected by district and whose
372 district includes authority jurisdictional land shall serve as a board member.

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

375 (i) The executive director of the Department of Transportation, appointed under
376 Section 72-1-202, shall serve as a board member.

377 (j) The director of the Salt Lake County office of Regional Economic Development
378 shall serve as a board member.

379 (3) An individual required under Subsection (2) to appoint a board member shall
380 appoint each initial board member the individual is required to appoint no later than June 1,
381 2018.

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

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

386 (5) A member of the board appointed by the governor, president of the Senate, or
387 speaker of the House of Representatives serves at the pleasure of and may be removed and
388 replaced at any time, with or without cause, by the governor, president of the Senate, or speaker
389 of the House of Representatives, respectively.

390 (6) The authority may:

391 (a) appoint nonvoting members of the board; and

392 (b) set terms for nonvoting members appointed under Subsection (6)(a).

393 Section 12. Section 11-58-303 is enacted to read:

394 **11-58-303. Term of board members -- Quorum -- Compensation.**

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

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

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

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

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

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

408 (ii) rules made by the Division of Finance according to Sections 63A-3-106 and
409 63A-3-107.

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

412 Section 13. Section **11-58-304** is enacted to read:

413 **11-58-304. Limitations on board members and executive director.**

414 (1) As used in this section:

415 (a) "Direct financial benefit":

416 (i) means any form of financial benefit that accrues to an individual directly as a result
417 of the development of the authority jurisdictional land, including:

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

419 and

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

421 (ii) does not include a financial benefit that accrues to the public generally as a result of

422 the development of the authority jurisdictional state land.

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

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

425 (a) the individual owns real property, other than a personal residence in which the
426 individual resides, on or within five miles of the authority jurisdictional land, whether or not
427 the ownership interest is a recorded interest;

428 (b) a family member of the individual owns an interest in real property, other than a
429 personal residence in which the family member resides, located on or within one-half mile of
430 the authority jurisdictional land; or

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

434 (i) participate in or receive compensation or other direct financial benefit from the
435 development of the authority jurisdictional land; or

436 (ii) acquire an interest in or locate a facility on the authority jurisdictional land.

437 (3) Before taking office as a board member or accepting employment as executive
438 director, an individual shall submit to the authority a statement verifying that the individual's
439 service as a board member or employment as executive director does not violate Subsection
440 (2).

441 (4) An individual may not, at any time during the individual's service as a board
442 member or employment as executive director, take any action to initiate, negotiate, or
443 otherwise arrange for the acquisition of an interest in real property located on or within five
444 miles of the authority jurisdictional state land.

445 Section 14. Section **11-58-305** is enacted to read:

446 **11-58-305. Executive director.**

447 (1) On or before November 1, 2018, the board shall hire a full-time executive director
448 to manage and oversee the day-to-day operations of the authority and to perform other
449 functions, as directed by the board.

450 (2) The executive director shall have the education, experience, and training necessary
451 to perform the executive director's duties in a way that maximizes the potential for successfully
452 achieving and implementing the strategies, policies, and objectives stated in Subsection
453 11-58-203(1).

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

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

458 Section 15. Section **11-58-401** is enacted to read:

459 **Part 4. Appeals to Appeals Panel**

460 **11-58-401. Definitions.**

461 As used in this part:

462 (1) "Adversely affected person" means an owner of land within the authority
463 jurisdictional land who has been adversely affected by a land use decision.

464 (2) "Appeals panel" means the panel established under Section 11-58-402 to hear and
465 decide appeals under this part.

466 (3) "Land use decision" means the same as that term is defined in Section 10-9a-103.

467 Section 16. Section **11-58-402** is enacted to read:

468 **11-58-402. Appeals panel.**

469 (1) The board shall establish an appeals panel to hear and decide appeals under this
470 part.

471 (2) The appeals panel consists of:

472 (a) the board; or

473 (b) one or more individuals designated by the board.

474 Section 17. Section **11-58-403** is enacted to read:

475 **11-58-403. Appeals process.**

476 (1) An adversely affected person may appeal a land use decision to the appeals panel.

477 (2) (a) Notwithstanding the provisions of Title 10, Chapter 9a, Municipal Land Use,

478 Development, and Management Act, an appeal under Subsection (1) is the exclusive appeal of
479 a land use decision available to an adversely affected person.

480 (b) An appeal of a land use decision under this section may not be considered unless it
481 is submitted to the appeals panel in writing within 10 calendar days after the date of the land
482 use decision being appealed.

483 (3) In deciding an appeal of a land use decision, an appeals panel may hold an informal
484 hearing to receive information and hear arguments from the parties.

485 (4) An appeals panel shall decide and issue a written decision on an appeal of a land
486 use decision within 21 days after the appeal is filed.

487 (5) (a) A person aggrieved by an appeals panel decision may seek judicial review of the
488 decision in district court by filing a petition with the court within 30 days after the appeals
489 panel decision.

490 (b) The court shall uphold the appeals panel decision unless the court determines that
491 the decision is:

492 (i) arbitrary and capricious; or

493 (ii) illegal.

494 Section 18. Section **11-58-404** is enacted to read:

495 **11-58-404. Standards governing appeals.**

496 The appeals panel may decide an appeal in favor of the adversely affected person if the
497 appeals panel concludes that the land use decision that is the subject of the appeal:

498 (1) is detrimental to achieving or implementing the strategies, policies, and objectives
499 stated in Subsection [11-58-203\(1\)](#); or

500 (2) substantially impedes, interferes with, or impairs authority jurisdictional land
501 development that is consistent with the strategies, policies, and objectives stated in Subsection
502 [11-58-203\(1\)](#).

503 Section 19. Section **11-58-501** is enacted to read:

504 **Part 5. Project Area Plan and Budget**

505 **11-58-501. Preparation of project area plan -- Required contents of project area**

506 **plan.**

507 (1) (a) The board may adopt a project area plan as provided in this part.

508 (b) In order to adopt a project area plan, the board shall:

509 (i) prepare a draft project area plan;

510 (ii) give notice as required under Subsection [11-58-502\(2\)](#);

511 (iii) hold at least one public meeting, as required under Subsection [11-58-502\(1\)](#); and

512 (iv) after holding at least one public meeting and subject to Subsection (1)(c), adopt the
513 draft project area plan as the project area plan.

514 (c) Before adopting a draft project area plan as the project area plan, the board may
515 make modifications to the draft project area plan that the board considers necessary or
516 appropriate.

517 (2) Each project area plan and draft project area plan shall contain:

518 (a) a legal description of the boundary of the project area;

519 (b) the authority's purposes and intent with respect to the project area; and

520 (c) the board's findings and determination that:

521 (i) there is a need to effectuate a public purpose;

522 (ii) there is a public benefit to the proposed development project;

523 (iii) it is economically sound and feasible to adopt and carry out the project area plan;

524 and

525 (iv) carrying out the project area plan will promote the goals and objectives stated in
526 Subsection [11-58-203\(1\)](#).

527 Section 20. Section **11-58-502** is enacted to read:

528 **11-58-502. Public meeting to consider and discuss draft project area plan -- Notice**
529 **-- Adoption of plan.**

530 (1) The board shall hold at least one public meeting to consider and discuss a draft
531 project area plan.

532 (2) At least 10 days before holding a public meeting under Subsection (1), the board
533 shall give notice of the public meeting:

- 534 (a) to each taxing entity;
- 535 (b) to a municipality in which the proposed project area is located or that is located
- 536 within one-half mile of the proposed project area; and
- 537 (c) on the Utah Public Notice Website created in Section [63F-1-701](#).
- 538 (3) Following consideration and discussion of the draft project area plan, and any
- 539 modification of the project area plan under Subsection [11-58-501\(1\)\(c\)](#), the board may adopt
- 540 the draft project area plan or modified draft project area plan as the project area plan.

541 Section 21. Section **11-58-503** is enacted to read:

542 **11-58-503. Notice of project area plan adoption -- Effective date of plan.**

543 (1) Upon the board's adoption of a project area plan, the board shall provide notice as

544 provided in Subsection (2) by publishing or causing to be published legal notice:

- 545 (a) in a newspaper of general circulation within or near the project area; and
- 546 (b) as required by Section [45-1-101](#).

547 (2) Each notice under Subsection (1) shall include:

- 548 (a) the board resolution adopting the project area plan or a summary of the resolution;
- 549 and
- 550 (b) a statement that the project area plan is available for general public inspection and
- 551 the hours for inspection.

552 (3) The project area plan shall become effective on the date of publication of the

553 notice.

554 (4) The authority shall make the adopted project area plan available to the general

555 public at its offices during normal business hours.

556 (5) Within 10 days after the day on which a project area plan is adopted that establishes

557 a project area, or after an amendment to a project area plan is adopted under which the

558 boundary of a project area is modified, the authority shall send notice of the establishment or

559 modification of the project area and an accurate map or plat of the project area to:

- 560 (a) the State Tax Commission;
- 561 (b) the Automated Geographic Reference Center created in Section [63F-1-506](#); and

562 (c) the assessor and recorder of each county where the project area is located.

563 Section 22. Section **11-58-504** is enacted to read:

564 **11-58-504. Amendment to a project area plan.**

565 (1) The authority may amend a project area plan by following the same procedure
566 under this part as applies to the adoption of a project area plan.

567 (2) The provisions of this part apply to the authority's adoption of an amendment to a
568 project area plan to the same extent as they apply to the adoption of a project area plan.

569 Section 23. Section **11-58-505** is enacted to read:

570 **11-58-505. Project area budget.**

571 (1) Before the authority may receive or use the property tax differential, the board shall
572 prepare and adopt a project area budget.

573 (2) A project area budget shall include:

574 (a) the base taxable value of property in the project area;

575 (b) the projected property tax differential expected to be generated within the project
576 area;

577 (c) the amount of the property tax differential expected to be shared with other taxing
578 entities;

579 (d) the amount of the property tax differential expected to be used to implement the
580 project area plan, including the estimated amount of the property tax differential to be used for
581 land acquisition, public improvements, infrastructure improvements, and loans, grants, or other
582 incentives to private and public entities;

583 (e) the property tax differential expected to be used to cover the cost of administering
584 the project area plan;

585 (f) if the property tax differential is to be collected at different times or from different
586 portions of the project area, or both:

587 (i) (A) the tax identification numbers of the parcels from which the property tax
588 differential will be collected; or

589 (B) a legal description of the portion of the project area from which the property tax

590 differential will be collected; and

591 (ii) an estimate of when other portions of the project area will become subject to
592 collection of the property tax differential; and

593 (g) for property that the authority owns or leases and expects to sell or sublease, the
594 expected total cost of the property to the authority and the expected selling price or lease
595 payments.

596 (3) The board may amend an adopted project area budget as and when the board
597 considers it appropriate.

598 (4) If a project area plan defines the project area as all the authority jurisdictional land,
599 the budget requirements of this part are met by the authority complying with the budget
600 requirements of Part 8, Port Authority Budget, Reporting, and Audits.

601 Section 24. Section **11-58-601** is enacted to read:

602 **Part 6. Property Tax Differential**

603 **11-58-601. Port authority receipt and use of property tax differential --**

604 **Distribution of property tax differential.**

605 (1) (a) The authority may:

606 (i) subject to Subsections (1)(b) and (c), receive up to 100% of the property tax
607 differential for up to 25 years, as determined by the board and as provided in this part; and

608 (ii) use the property tax differential during and after the period described in Subsection
609 (1)(a)(i).

610 (b) With respect to a parcel located within a project area, the 25-year period described
611 in Subsection (1)(a)(i) begins on the day on which the authority receives the first property tax
612 differential from that parcel.

613 (c) The authority may not receive property tax differential from an area included within
614 a community reinvestment project area, as defined in Section [17C-1-102](#), under a community
615 reinvestment project area plan, as defined in Section [17C-1-102](#), adopted before March 1, 2018
616 from a taxing entity that has, before March 1, 2018, entered into a fully executed, legally
617 binding agreement under which the taxing entity agrees to the use of its tax increment, as

618 defined in Section 17C-1-102, under the community reinvestment project area plan.

619 (2) Improvements on a parcel within a project area become subject to property tax on
620 January 1 immediately following the day on which the authority or an entity designated by the
621 authority issues a certificate of occupancy with respect to those improvements.

622 (3) A county that collects property tax on property within a project area shall pay and
623 distribute to the authority the property tax differential that the authority is entitled to collect
624 under this title, in the manner and at the time provided in Section 59-2-1365.

625 (4) (a) The board shall determine by resolution when the entire project area or an
626 individual parcel within a project area is subject to property tax differential.

627 (b) The board shall amend the project area budget to reflect whether a parcel within a
628 project area is subject to property tax differential.

629 Section 25. Section **11-58-602** is enacted to read:

630 **11-58-602. Allowable uses of property tax differential and other funds.**

631 (1) The authority may use the property tax differential, money the authority receives
632 from the state, authority services revenue, and other funds available to the authority:

633 (a) for any purpose authorized under this chapter;

634 (b) for administrative, overhead, legal, consulting, and other operating expenses of the
635 authority;

636 (c) to pay for, including financing or refinancing, all or part of the development of land
637 within the project area from which the property tax differential or other funds were collected,
638 including assisting the ongoing operation of a development or facility within the project area;

639 (d) to pay the cost of the installation and construction of publicly owned infrastructure
640 and improvements within the project area from which the property tax differential funds were
641 collected;

642 (e) to pay the cost of the installation of publicly owned infrastructure and
643 improvements outside the project area if the board determines by resolution that the
644 infrastructure and improvements are of benefit to the project area; and

645 (f) to pay the principal and interest on bonds issued by the authority.

674 that contains the information described in Subsection 11-14-316(2).

675 (5) For a period of 30 days after the publication, any person in interest may contest:

676 (a) the legality of the resolution or proceeding;

677 (b) any bonds that may be authorized by the resolution or proceeding; or

678 (c) any provisions made for the security and payment of the bonds.

679 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified

680 written complaint, within 30 days of the publication under Subsection (5), in the district court

681 of the county in which the person resides.

682 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,

683 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for

684 contesting provided in Subsection (6)(a).

685 Section 27. Section **11-58-702** is enacted to read:

686 **11-58-702. Sources from which bonds may be made payable -- Port authority**

687 **powers regarding bonds.**

688 (1) The principal and interest on bonds issued by the authority may be made payable

689 from:

690 (a) the income and revenues of the projects financed with the proceeds of the bonds;

691 (b) the income and revenues of certain designated projects whether or not they were

692 financed in whole or in part with the proceeds of the bonds;

693 (c) the income, proceeds, revenues, property, and funds the authority derives from or

694 holds in connection with its undertaking and carrying out development of authority

695 jurisdictional land;

696 (d) property tax differential funds;

697 (e) authority revenues generally;

698 (f) a contribution, loan, grant, or other financial assistance from the federal government

699 or a public entity in aid of the development of military land; or

700 (g) funds derived from any combination of the methods listed in Subsections (1)(a)

701 through (f).

- 702 (2) In connection with the issuance of authority bonds, the authority may:
703 (a) pledge all or any part of its gross or net rents, fees, or revenues to which its right
704 then exists or may thereafter come into existence;
705 (b) encumber by mortgage, deed of trust, or otherwise all or any part of its real or
706 personal property, then owned or thereafter acquired; and
707 (c) make the covenants and take the action that may be necessary, convenient, or
708 desirable to secure its bonds, or, except as otherwise provided in this chapter, that will tend to
709 make the bonds more marketable, even though such covenants or actions are not specifically
710 enumerated in this chapter.

711 Section 28. Section **11-58-703** is enacted to read:

712 **11-58-703. Purchase of port authority bonds.**

- 713 (1) Any person, firm, corporation, association, political subdivision of the state, or
714 other entity or public or private officer may purchase bonds issued by an authority under this
715 part with funds owned or controlled by the purchaser.

- 716 (2) Nothing in this section may be construed to relieve a purchaser of authority bonds
717 of any duty to exercise reasonable care in selecting securities.

718 Section 29. Section **11-58-704** is enacted to read:

719 **11-58-704. Those executing bonds not personally liable -- Limitation of**
720 **obligations under bonds -- Negotiability.**

- 721 (1) A member of the board or other person executing an authority bond is not liable
722 personally on the bond.

- 723 (2) (a) A bond issued by the authority is not a general obligation or liability of the state
724 or any of its political subdivisions and does not constitute a charge against their general credit
725 or taxing powers.

- 726 (b) A bond issued by the authority is not payable out of any funds or properties other
727 than those of the authority.

- 728 (c) The state and its political subdivisions are not and may not be held liable on a bond
729 issued by the authority.

730 (d) A bond issued by the authority does not constitute indebtedness within the meaning
731 of any constitutional or statutory debt limitation.

732 (3) A bond issued by the authority under this part is fully negotiable.

733 Section 30. Section **11-58-705** is enacted to read:

734 **11-58-705. Obligee rights -- Board may confer other rights.**

735 (1) In addition to all other rights that are conferred on an obligee of a bond issued by
736 the authority under this part and subject to contractual restrictions binding on the obligee, an
737 obligee may:

738 (a) by mandamus, suit, action, or other proceeding, compel an authority and its board,
739 officers, agents, or employees to perform every term, provision, and covenant contained in any
740 contract of the authority with or for the benefit of the obligee, and require the authority to carry
741 out the covenants and agreements of the authority and to fulfill all duties imposed on the
742 authority by this part; and

743 (b) by suit, action, or proceeding in equity, enjoin any acts or things that may be
744 unlawful or violate the rights of the obligee.

745 (2) (a) In a board resolution authorizing the issuance of bonds or in a trust indenture,
746 mortgage, lease, or other contract, the board may confer upon an obligee holding or
747 representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue
748 upon the happening of an event or default prescribed in the resolution, indenture, mortgage,
749 lease, or other contract, and to be exercised by suit, action, or proceeding in any court of
750 competent jurisdiction.

751 (b) (i) The rights that the board may confer under Subsection (2)(a) are the rights to:

752 (A) cause possession of all or part of a development project to be surrendered to an
753 obligee;

754 (B) obtain the appointment of a receiver of all or part of an authority's development
755 project and of the rents and profits from it; and

756 (C) require the authority and its board and employees to account as if the authority and
757 the board and employees were the trustees of an express trust.

758 (ii) If a receiver is appointed through the exercise of a right granted under Subsection
759 (2)(b)(i)(B), the receiver:

760 (A) may enter and take possession of the development project or any part of it, operate
761 and maintain it, and collect and receive all fees, rents, revenues, or other charges arising from it
762 after the receiver's appointment; and

763 (B) shall keep money collected as receiver for the authority in separate accounts and
764 apply it pursuant to the authority obligations as the court directs.

765 Section 31. Section **11-58-706** is enacted to read:

766 **11-58-706. Bonds exempt from taxes -- Port authority may purchase its own**
767 **bonds.**

768 (1) A bond issued by the authority under this part is issued for an essential public and
769 governmental purpose and is, together with interest on the bond and income from it, exempt
770 from all state taxes except the corporate franchise tax.

771 (2) The authority may purchase its own bonds at a price that its board determines.

772 (3) Nothing in this section may be construed to limit the right of an obligee to pursue a
773 remedy for the enforcement of a pledge or lien given under this part by the authority on its
774 rents, fees, grants, properties, or revenues.

775 Section 32. Section **11-58-801** is enacted to read:

776 **Part 8. Port Authority Budget, Reporting, and Audits**

777 **11-58-801. Annual port authority budget -- Fiscal year -- Public hearing required**
778 **-- Auditor forms -- Requirement to file annual budget.**

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

781 (2) Each annual authority budget shall be adopted before June 22.

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

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

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

786 publishing notice:

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

789 (ii) on the Utah Public Notice Website created in Section [63F-1-701](#), for at least one
790 week immediately before the public hearing.

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

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

795 (a) revenues and expenditures for the budget year;

796 (b) legal fees; and

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

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

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

807 Section 33. Section **11-58-802** is enacted to read:

808 **11-58-802. Amending the port authority annual budget.**

809 (1) The board may by resolution amend an annual authority budget.

810 (2) An amendment of the annual authority budget that would increase the total
811 expenditures may be made only after public hearing by notice published as required for initial
812 adoption of the annual budget.

813 (3) The authority may not make expenditures in excess of the total expenditures

814 established in the annual budget as it is adopted or amended.

815 Section 34. Section **11-58-803** is enacted to read:

816 **11-58-803. Port authority report.**

817 (1) (a) On or before November 1 of each year, the authority shall prepare and file a
818 report with the county auditor of each county in which the authority jurisdictional land is
819 located, the State Tax Commission, the State Board of Education, and each taxing entity that
820 levies a tax on property from which the authority collects property tax differential.

821 (b) The requirement of Subsection (1)(a) to file a copy of the report with the state as a
822 taxing entity is met if the authority files a copy with the State Tax Commission and the state
823 auditor.

824 (2) Each report under Subsection (1) shall contain:

825 (a) an estimate of the property tax differential to be paid to the authority for the
826 calendar year ending December 31; and

827 (b) an estimate of the property tax differential to be paid to the authority for the
828 calendar year beginning the next January 1.

829 (3) Before November 30 of each year, the board shall present a report to the Executive
830 Appropriations Committee of the Legislature, as the Executive Appropriations Committee
831 directs, that includes:

832 (a) an accounting of how authority funds have been spent; and

833 (b) an explanation of the authority's progress in achieving the policies and objectives
834 described in Subsection [11-58-203\(1\)](#).

835 Section 35. Section **11-58-804** is enacted to read:

836 **11-58-804. Audit requirements.**

837 The authority shall comply with the audit requirements of Title 51, Chapter 2a,
838 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local
839 Entities Act.

840 Section 36. Section **11-58-805** is enacted to read:

841 **11-58-805. Audit report.**

842 (1) The authority shall, within 180 days after the end of the authority's fiscal year, file a
843 copy of the audit report with the county auditor, the State Tax Commission, the State Board of
844 Education, and each taxing entity that levies a tax on property from which the authority collects
845 property tax differential.

846 (2) Each audit report under Subsection (1) shall include:

847 (a) the property tax differential collected by the authority;

848 (b) the outstanding principal amount of bonds issued or other loans incurred to finance
849 the costs associated with the authority's projects; and

850 (c) the actual amount expended for:

851 (i) acquisition of property;

852 (ii) site improvements or site preparation costs;

853 (iii) installation of public utilities or other public improvements; and

854 (iv) administrative costs of the authority.

855 Section 37. Section **11-58-806** is enacted to read:

856 **11-58-806. Port authority chief financial officer is a public treasurer -- Certain**
857 **port authority funds are public funds.**

858 (1) The authority's chief financial officer:

859 (a) is a public treasurer, as defined in Section [51-7-3](#); and

860 (b) shall invest the authority funds specified in Subsection (2) as provided in that
861 subsection.

862 (2) Notwithstanding Subsection [63E-2-110\(2\)\(a\)](#), property tax differential funds,
863 authority services revenue, and appropriations that the authority receives from the state:

864 (a) are public funds; and

865 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

866 Section 38. Section **11-58-901** is enacted to read:

867 **Part 9. Port Authority Dissolution**

868 **11-58-901. Dissolution of port authority -- Restrictions -- Notice of dissolution --**
869 **Disposition of port authority property -- Port authority records -- Dissolution expenses.**

870 (1) The authority may not be dissolved unless the authority has no outstanding bonded
871 indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual
872 obligations with persons or entities other than the state.

873 (2) Upon the dissolution of the authority:

874 (a) the Governor's Office of Economic Development shall publish a notice of
875 dissolution:

876 (i) in a newspaper of general circulation in the county in which the dissolved authority
877 is located; and

878 (ii) as required in Section [45-1-101](#); and

879 (b) all title to property owned by the authority vests in the state.

880 (3) The books, documents, records, papers, and seal of each dissolved authority shall
881 be deposited for safekeeping and reference with the state auditor.

882 (4) The authority shall pay all expenses of the deactivation and dissolution.

883 Section 39. **Effective date.**

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