



House of Representatives *State of Utah*

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL
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March 2, 2026

Mr. Speaker:

The Revenue and Taxation Committee reports a favorable recommendation on **3rd Sub. S.B. 206, TAX AMENDMENTS**, by Senator W. A. Harper, with the following amendments:

Amendment 1

1 *Line 477 through 487:*

477 (b) The county auditor shall send a copy of each report under Subsection (1)(a) to the
478 agency that is the subject of the report, the State Tax Commission, the State Board of
479 Education, and each taxing entity from which the agency receives tax increment.

480 { ~~(e) On or before March 31 of each year, the county auditor shall submit a copy of
each~~

481 ~~report under Subsection (1)(a) to the~~ } [Governor's Office of Economic Opportunity]

482 { ~~program manager, as defined in Section 59-2-1601, for inclusion in the database~~

483 ~~described in~~ } [Section 17C-1-603] { ~~Title 59, Chapter 35, Tax Increment Financing~~ }

484 { ~~Reporting~~ : }

(c) On or before March 31 of each year, the county auditor shall submit a copy of each report under Subsection (1)(a) to the program manager, as defined in Section 59-2-1601, for inclusion in the database described in Title 59, Chapter 35, Tax Increment Financing Reporting.

485 (2) Each report under Subsection (1)(a) shall report:

486 (a) the total assessed property value within each project area for the previous tax year;

487 (b) the base taxable value of each project area for the previous tax year;

Bill Number
SB0206S03

Action Class
H

Action Code
HCRAMD

2 *Line 1520 through 1532:*

1520 (b) for property tax increment, the county auditor, county assessor, and county treasurer
1521 of each county in which the TIF entity intends to use tax increment.

1522 (6) "Collection time period" means the maximum amount of time a TIF entity may collect
1523 tax increment after { beginning the process to trigger tax increment } engaging in a
specified event .

1524 (7) "Database" means a collection of electronic data to track the information that:

1525 (a) each TIF entity is required to submit in accordance with this chapter; and

1526 (b) the program manager collects in accordance with Section 59-35-301.

1527 (8) "Disclosure" means a written acknowledgment, made in a form and in a manner the
1528 program manager establishes, that a TIF entity intending to { begin the process to trigger
}

1529 { tax increment } engage in a specified event submits.

1530 (9) "Established base year" means the year designated in a project area plan, a project area
1531 budget, or an interlocal agreement for the purpose of calculating tax increment.

1532 (10) "Governing body" means:

3 *Line 1544 through 1560:*

1544 (c) a county;

1545 (d) a public infrastructure district; or

1546 (e) a special district.

1547 { ~~(12)~~ "Maximum tax increment" means the total amount of revenue a local entity
seeks to }

1548 { generate through the use of tax increment. }

1549 { ~~(13)~~ (12) "Post-designation parcel" means:

- 1550 (a) except as provided in Subsection {~~(13)~~(b)} ~~(12)~~(b), the same as that term is defined in
Section
- 1551 11-58-601; or
- 1552 (b) for a project area created by the Military Installation Development Authority, a
1553 parcel within the project area.
- 1554 {~~(14)~~} ~~(13)~~ "Program manager" means the same as that term is defined in Section
59-2-1601.
- 1555 {~~(15)~~} ~~(14)~~ "Project area" means an area created and designated to receive tax increment
according
- 1556 to the terms of an adopted project area plan, project area budget, or interlocal agreement.
- 1557 {~~(16)~~} ~~(15)~~ "Project area budget" means a multi-year projection of annual or cumulative
revenue
- 1558 and expenses and other fiscal matters pertaining to a project area that includes:
- 1559 (a) the start and end date for tax increment collection;
- 1560 (b) the number of years remaining that that the TIF entity collects tax increment from

4 *Line 1569 through 1577:*

- 1569 (d) the amount of tax increment the TIF entity:
- 1570 (i) is authorized to use to pay for the TIF entity's administrative costs; and
- 1571 (ii) uses to pay for the TIF entity's administrative costs.
- 1572 {~~(17)~~} ~~(16)~~ "Project area plan" means a written plan that, after the plan's effective date,
guides and
- 1573 controls the development within a project area.
- 1574 {~~(18)~~} ~~(17)~~ (a) "Property tax increment" means the amount of revenue a project area
generates
- 1575 from property tax that exceeds the amount of revenue from the property tax that was

1576 generated in the project area:

1577 (i) in the year before the project area is created; or

5 *Line 1583 through 1588:*

1583 (iv) property tax differential;

1584 (v) property tax increment; and

1585 (vi) tax increment revenue.

1586 ~~{(19)}~~ **(18)** "Regional economic development authority" means:

1587 (a) the Utah Inland Port Authority created in Section 11-58-201;

1588 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;

6 *Line 1589 through 1597:*

1589 (c) the Utah Fairpark Area Investment and Restoration District created in Section

1590 11-70-201; or

1591 (d) the Military Installation Development Authority created in Section 63H-1-201.

1592 ~~{(20)}~~ **(19)** "Sales and use tax increment" means the amount of revenue a project area
generates

1593 from sales and use tax that exceeds the amount of revenue from the sales and use tax

1594 that was generated in the project area for the established base year.

(20) "Specified event" means:

(a) for a local entity, triggering tax increment; or

(b) for a regional economic development authority, entering into a tax increment
agreement or approving a bond authorization.

1595 (21) "STATS" means the Statewide Tax Administration and Technology Solutions

1596 program, created in Section 59-1-1902.

1597 (22) "Tax increment" means property tax increment and sales and use tax increment.

7 *Line 1600 through 1607:*

1600 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act,
1601 within a project area.

1602 (24) "TIF entity" means a political subdivision of the state that:

1603 (a) for purposes of Part 2, Pre-increment Disclosure and Reporting, { [seeks to trigger tax](#)
}

1604 { [increment](#) } [intends to engage in a specified event](#) ; and

1605 (b) for purposes of Part 3, Tax Increment Receipt Reporting, receives or is authorized to
1606 receive tax increment for an approved project area.

1607 (25) "Trigger date" means:

8 *Line 1615 through 1620:*

1615 **PART 2. Pre-increment Disclosure and Reporting**

1616 **59-35-201 (Effective 05/06/26)** Advance disclosure for use of tax increment.

1617 (1) Beginning July 1, 2026, a TIF entity intending to use tax increment shall, before

1618 { [beginning the process to trigger tax increment](#) } [each specified event](#) :

1619 (a) conduct an authorization meeting; and

1620 (b) submit the disclosure described in Subsection (3).

9 *Line 1621 through 1627:*

1621 (2) An authorization meeting may be part of another public meeting of the TIF entity's
1622 governing body if the disclosure and agenda for the public meeting clearly describe the
1623 authorization meeting portion of the public meeting.

1624 (3) { Before triggering tax increment } Within 30 days after the day on which a TIF
entity holds an authorization meeting , a TIF entity shall submit a disclosure to the program

1625 manager that includes:

1626 (a) a copy of the notice for and the minutes from the TIF entity's authorization meeting;

1627 (b) the public good to be addressed through the use of tax increment, including a

10 *Line 1628 through 1636:*

1628 description of each project the TIF entity intends to pursue with the use of tax

1629 increment;

1630 (c) the type of tax increment sought for use;

1631 (d) { the maximum tax increment a local entity that is a TIF entity seeks to collect and
use } the amount of tax increment that a TIF entity is authorized to use as a result of a
specified event :

1632 (i) in total; and

1633 (ii) separately for property tax increment and sales and use tax increment, if the
{local} TIF

1634 entity seeks to use more than one type of tax increment;

1635 (e) a cost analysis reflecting the administrative costs imposed on the commission and the
1636 county to administer the collection, calculation, and distribution of the proposed tax

11 *Line 1641 through 1644:*

1641 proportionate to the benefit to any party benefiting from the TIF entity's use of tax
1642 increment, as described in Section 59-35-202.

1643 (4) A TIF entity shall comply with the requirements of this part every time the TIF entity

1644 { seeks to begin the process to trigger tax increment } intends to engage in a specified event .

12 Line 1655 through 1662:

1655 Section **59-35-203** . is enacted to read:

1656 **59-35-203 (Effective 05/06/26)** Notifications -- Redisclosure -- Use of excess tax
1657 increment -- Termination of tax increment.

1658 (1) A TIF entity that submits the required information under Section 59-35-201 may
{ trigger }

1659 { tax increment } engage in a specified event according to:

1660 (a) the statutory requirements governing the TIF entity; and

1661 (b) this section.

1662 (2) (a) Except as provided in Subsection (2)(b), a TIF entity described in Subsection (1)

13 Line 1673 through 1678:

1673 (b) If the TIF entity is required to comply with a different notification time period than
1674 the time periods described in Subsection (2)(a), the TIF entity shall comply with the
1675 notification period that provides the greater amount of time for notification.

1676 (3) (a) If a TIF entity does not { complete the process to trigger tax increment } engage
in a specified event within five

1677 years after the day on which the TIF entity submits the information required by

1678 Section 59-35-201, the TIF entity shall:

14 Line 1679 through 1685:

1679 (i) hold a new authorization meeting, with updated information if applicable; and

1680 (ii) submit the information required by Section 59-35-201.

- 1681 (b) (i) If a TIF entity's disclosure includes all the information required by this
1682 Subsection (3), the TIF entity may {trigger tax increment} **engage in a specified event**.
1683 (ii) If the program manager notifies the TIF entity of a deficiency in the disclosure,
1684 the TIF entity shall provide the requested additional disclosure information.
1685 (iii) A TIF entity that receives a request from the program manager under Subsection

15 *Line 1691 through 1700:*

- 1691 debt repayment.
1692 (b) A TIF entity may not use tax increment for any purpose other than the purpose
1693 described in the disclosure.
1694 (c) (i) A {local} **TIF** entity is responsible for monitoring the {local} **TIF** entity's
receipt of tax
1695 increment and notifying taxing entities and collecting entities when the {local} **TIF**
1696 entity is approaching, has met, or has exceeded the {maximum tax increment} **amount of**
tax increment stated in the disclosure.
1697 (ii) A {local} **TIF** entity that receives more than the {maximum tax
increment} **amount of tax increment stated in the disclosure** :
1698 (A) shall immediately inform the county auditor, the county assessor, and the
1699 commission;
1700 (B) shall be responsible for ensuring the excess tax increment is returned to the

16 *Line 1701 through 1707:*

- 1701 appropriate taxing entities; and
1702 (C) may request assistance from the county and the commission in fulfilling the
1703 duty described in Subsection (4)(c)(ii)(B).

1704 (5) At the end of a collection time period, or upon receipt of the { **maximum** } **amount of**
tax increment
1705 stated in a disclosure, the TIF entity may not receive tax increment.
1706 (6) A TIF entity shall comply with the requirements of this part for any additional or
1707 subsequent { **triggering of tax increment** } **specified event** .

17 Line 1709 through 1714:

1709 **59-35-204 (Effective 05/06/26)** Transparency.
1710 The program manager shall coordinate with the collecting entities to recommend
1711 processes for the responsible and transparent receipt of property tax increment, sales and use
1712 tax increment, and tax increment, including by implementing processes to ensure a
{ **local** } **TIF** entity
1713 stops receiving tax increment once the { **local** } **TIF** entity receives the
{ **maximum** } **amount of** tax increment stated
1714 in the { **local entity's** } **the** disclosure under Section 59-35-201.

18 Line 1837 through 1845:

1837 entity is entitled to receive.
1838 (c) (i) Subject to Subsection (2)(c)(ii), the county treasurer may not withhold funds as
1839 described in Subsection (2)(b)(ii) if the disbursement of tax increment is necessary
1840 to meet **contractual or** debt service obligations.
1841 (ii) The TIF entity shall submit to the county treasurer evidence of the **contractual or** debt
service
1842 obligation and the need for tax increment to serve the **contract or** debt.
1843 (d) If, after having funds withheld under Subsection (2)(b)(ii), a TIF entity complies
1844 with Section 59-35-301:

1845 (i) the program manager shall notify the county auditor and the county treasurer that

Respectfully,

Steve Eliason
Chair

Voting: 9-0-2

SB0206.HC2.WPD 3/2/26 4:36 PM CS3/cstitt avarthur/