

**Tax Increment Amendments**  
**2026 GENERAL SESSION**  
**STATE OF UTAH**  
**Chief Sponsor: Kathleen A. Riebe**  
House Sponsor:

---



---

**LONG TITLE**

**General Description:**

This bill addresses tax increments for a housing and transit reinvestment zone proposal.

**Highlighted Provisions:**

This bill:

▸ amends, for certain housing and transit reinvestment zones proposed by a municipality or county:

- the term of years and period in which a property tax increment may be captured; and
- the period in which the collection of a property tax increment is triggered; and

▸ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63N-3-603**, as last amended by Laws of Utah 2025, First Special Session, Chapter 15

---



---

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

Section 1. Section **63N-3-603** is amended to read:

**63N-3-603 . Applicability, requirements, and limitations on a housing and transit reinvestment zone.**

(1) A housing and transit reinvestment zone proposal created under this part shall demonstrate how the proposal addresses the following objectives:

- (a) higher utilization of public transit;
- (b) increasing availability of housing, including affordable housing, and fulfillment of moderate income housing plans;
- (c) promoting and encouraging development of owner-occupied housing;

- 31 (d) improving efficiencies in parking and transportation, including walkability of  
32 communities near public transit facilities;
- 33 (e) overcoming development impediments and market conditions that render a  
34 development cost prohibitive absent the proposal and incentives;
- 35 (f) conserving water resources through efficient land use;
- 36 (g) improving air quality by reducing fuel consumption and motor vehicle trips;
- 37 (h) encouraging transformative mixed-use development and investment in transportation  
38 and public transit infrastructure in strategic areas;
- 39 (i) strategic land use and municipal planning in major transit investment corridors as  
40 described in Subsection 10-20-404(2);
- 41 (j) increasing access to employment and educational opportunities; and
- 42 (k) increasing access to child care.

43 (2)(a) In order to accomplish the objectives described in Subsection (1), a municipality  
44 or public transit county that initiates the process to create a housing and transit  
45 reinvestment zone as described in this part shall ensure that the proposal for a  
46 housing and transit reinvestment zone includes:

47 (i) except as provided in Subsection (3), at least 12% of the proposed dwelling units  
48 within the housing and transit reinvestment zone are affordable housing units,  
49 with:

50 (A) up to 9% of the proposed dwelling units occupied or reserved for occupancy  
51 by households with a gross household income equal to or less than 80% of the  
52 county median gross income for households of the same size; and

53 (B) at least 3% of the proposed dwelling units occupied or reserved for occupancy  
54 by households with a gross household income equal to or less than 60% of the  
55 county median gross income for households of the same size;

56 (ii) except as provided in Subsection (2)(c), a housing and transit reinvestment zone  
57 shall include:

58 (A) at least 51% of the developable area within a housing and transit reinvestment  
59 zone as residential uses; and

60 (B) an average of at least 50 dwelling units per acre within the acreage of the  
61 housing and transit reinvestment zone dedicated to residential uses;

62 (iii) mixed-use development; and

63 (iv) a mix of dwelling units to ensure that at least 25% of the dwelling units have  
64 more than one bedroom.

- 65 (b)(i) If a housing and transit reinvestment zone is phased, a municipality or public  
66 transit county shall ensure that a housing and transit reinvestment zone is phased  
67 and developed to provide the required 12% of affordable housing units in each  
68 phase of development.
- 69 (ii) A municipality or public transit county may allow a housing and transit  
70 reinvestment zone to be phased and developed in a manner to provide more of the  
71 required affordable housing units in early phases of development.
- 72 (iii) A municipality or public transit county shall include in a housing and transit  
73 reinvestment zone proposal an affordable housing plan, which may include deed  
74 restrictions, to ensure the affordable housing required in the proposal will continue  
75 to meet the definition of affordable housing at least throughout the entire term of  
76 the housing and transit reinvestment zone.
- 77 (c) For a housing and transit reinvestment zone proposed by a public transit county at a  
78 public transit hub, or for a housing and transit reinvestment zone proposed by a  
79 municipality at a bus rapid transit station, the housing and transit reinvestment zone  
80 shall include:
- 81 (i) at least 51% of the developable area within a housing and transit reinvestment  
82 zone as residential uses; and
- 83 (ii) an average of at least 39 dwelling units per acre within the acreage of the housing  
84 and transit reinvestment zone dedicated to residential uses.
- 85 (3) A municipality or public transit county that, at the time the housing and transit  
86 reinvestment zone proposal is approved by the housing and transit reinvestment zone  
87 committee, meets the affordable housing guidelines of the United States Department of  
88 Housing and Urban Development at 60% area median income is exempt from the  
89 requirement described in Subsection (2)(a).
- 90 (4)(a) A municipality may only propose a housing and transit reinvestment zone at a  
91 commuter rail station, and a public transit county may only propose a housing and  
92 transit reinvestment zone at a public transit hub, that:
- 93 (i) subject to Subsection (5)(a):
- 94 (A)(I) except as provided in Subsection (4)(a)(i)(A)(II), for a municipality,  
95 does not exceed a 1/3 mile radius of a commuter rail station;
- 96 (II) for a municipality that is a city of the first or second class that is within a  
97 county of the first or second class, with an opportunity zone created in  
98 accordance with Section 1400Z-1, Internal Revenue Code, does not exceed

- 99 a 1/2 mile radius of a commuter rail station located within the opportunity  
 100 zone; or
- 101 (III) for a public transit county, does not exceed a 1/3 mile radius of a public  
 102 transit hub; and
- 103 (B) has a total area of no more than 125 noncontiguous acres;
- 104 (ii) subject to Section 63N-3-607, proposes the capture of a maximum of ~~80%~~  
 104a 50% of each  
 105 taxing entity's property tax increment above the base year for a term of no more  
 106 than ~~25~~ 15 consecutive years on each parcel within a ~~45-year~~ 30-year period not  
 107 to exceed the property tax increment amount approved in the housing and transit  
 108 reinvestment zone proposal; and
- 109 (iii) the commencement of collection of property tax increment, for all or a portion of  
 110 the housing and transit reinvestment zone project area, shall be triggered by  
 111 providing notice as described in Subsection (6)~~[- but a housing and transit~~  
 112 ~~reinvestment zone proposal may not propose or include triggering more than three~~  
 113 ~~property tax increment collection periods for the same project during the~~  
 114 ~~applicable 45-year period].~~
- 115 (b) A municipality or public transit county may only propose a housing and transit  
 116 reinvestment zone at a light rail station or bus rapid transit station that:
- 117 (i) subject to Subsection (5):
- 118 (A) does not exceed:
- 119 (I) except as provided in Subsection (4)(b)(i)(A)(II), (III), or (4)(e), a 1/4 mile  
 120 radius of a bus rapid transit station or light rail station;
- 121 (II) for a municipality that is a city of the first class with a population greater  
 122 than 150,000 that is within a county of the first class, a 1/2 mile radius of a  
 123 light rail station located in an opportunity zone created in accordance with  
 124 Section 1400Z-1, Internal Revenue Code; or
- 125 (III) a 1/2 mile radius of a light rail station located within a master-planned  
 126 development of 500 acres or more; and
- 127 (B) has a total area of no more than 100 noncontiguous acres;
- 128 (ii) subject to Subsection (4)(c) and Section 63N-3-607, proposes the capture of a  
 129 maximum of 80% of each taxing entity's property tax increment above the base  
 130 year for a term of no more than 15 consecutive years on each parcel within a  
 131 30-year period not to exceed the property tax increment amount approved in the

- 132 housing and transit reinvestment zone proposal; and
- 133 (iii) the commencement of collection of property tax increment, for all or a portion of
- 134 the housing and transit reinvestment zone project area, shall be triggered by
- 135 providing notice as described in Subsection (6), but a housing and transit
- 136 reinvestment zone proposal may not propose or include triggering more than three
- 137 property tax increment collection periods for the same project during the
- 138 applicable 30-year period.
- 139 (c) For a housing and transit reinvestment zone proposed by a public transit county at a
- 140 public transit hub, or for a housing and transit reinvestment zone proposed by a
- 141 municipality at a bus rapid transit station, if the proposed housing density within the
- 142 housing and transit reinvestment zone is between 39 and 49 dwelling units per acre,
- 143 the maximum capture of each taxing entity's property tax increment above the base
- 144 year is 60%.
- 145 (d) A municipality that is a city of the first class with a population greater than 150,000
- 146 in a county of the first class as described in Subsections (4)(a)(i)(A)(II) and
- 147 (4)(b)(i)(A)(II) may only propose one housing and transit reinvestment zone within
- 148 an opportunity zone.
- 149 (e)(i) Subject to Subsection (4)(e)(ii), the radius restrictions described in Subsection
- 150 (4)(b)(i) do not apply, and a housing and transit reinvestment zone may extend to
- 151 an area between two light rail stations located within a city of the third class if the
- 152 two light rail stations are within a .95 mile distance on the same light rail line.
- 153 (ii) If a housing and transit reinvestment zone is extended to accommodate two light
- 154 rail stations as described in Subsection (4)(e)(i):
- 155 (A) the housing and transit reinvestment zone is limited to a total area not to
- 156 exceed 100 noncontiguous acres; and
- 157 (B) the housing and transit reinvestment zone may not exceed a 1/4 mile radius
- 158 from the light rail stations or any point on the light rail line between the two
- 159 stations.
- 160 (f) If a parcel within the housing and transit reinvestment zone is included as an area that
- 161 is part of a project area, as that term is defined in Section 17C-1-102, and created
- 162 under Title 17C, Chapter 1, Agency Operations, that parcel may not be triggered for
- 163 collection unless the project area funds collection period, as that term is defined in
- 164 Section 17C-1-102, has expired.
- 165 (5)(a) For a housing and transit reinvestment zone for a commuter rail station, if a parcel

- 166 is intersected by the relevant radius limitation, the full parcel may be included as part  
167 of the housing and transit reinvestment zone area and will not count against the  
168 limitations described in Subsection (4)(a)(i).
- 169 (b) For a housing and transit reinvestment zone for a light rail or bus rapid transit  
170 station, if a parcel is intersected by the relevant radius limitation, the full parcel may  
171 be included as part of the housing and transit reinvestment zone area and will not  
172 count against the limitations described in Subsection (4)(b)(i).
- 173 (c) A housing and transit reinvestment zone may not be smaller than 10 acres.
- 174 (6)(a) The notice of commencement of collection of property tax increment required in  
175 Subsection (4)(a)(iii) or (4)(b)(iii) shall be sent by mail or electronically to the  
176 following entities no later than December 31 of the year before the year for which the  
177 property tax increment collection is proposed to commence:
- 178 (i) the State Tax Commission;
  - 179 (ii) the State Board of Education;
  - 180 (iii) the state auditor;
  - 181 (iv) the auditor of the county in which the housing and transit reinvestment zone is  
182 located;
  - 183 (v) each taxing entity affected by the collection of property tax increment from the  
184 housing and transit reinvestment zone; and
  - 185 (vi) the Governor's Office of Economic Opportunity.
- 186 (b) The notice described in Subsection (4)(a)(iii) or (4)(b)(iii) may not be triggered until  
187 the date on which the housing and transit reinvestment zone proposal is approved by  
188 the housing and transit reinvestment zone committee.
- 189 (7)(a) The maximum number of housing and transit reinvestment zones at light rail  
190 stations, not including a convention center reinvestment zone, is eight in any given  
191 county.
- 192 (b) Within a county of the first class, the maximum number of housing and transit  
193 reinvestment zones at bus rapid transit stations is three.
- 194 (c) Within a county of the first class, the maximum total combined number of housing  
195 and transit reinvestment zones described in Subsections (7)(a) and (b) and first home  
196 investment zones created under Part 16, First Home Investment Zone Act, is 11.
- 197 (8)(a) For purposes of this Subsection (8), "entitlement agreement" means:
- 198 (i) a land use application;
  - 199 (ii) a rezone petition; or

- 200 (iii) a request, petition, or application to:
- 201 (A) enact or approve a development agreement; or
- 202 (B) to amend or modify a development agreement.
- 203 (b) This Subsection (8) applies to a specified county, as defined in Section 17-80-101,
- 204 that has created a small public transit district on or before January 1, 2022.
- 205 (c) To accomplish the objectives described in Subsection (1), an owner of undeveloped
- 206 property within an unincorporated county shall have the right to develop and build a
- 207 mixed-use development if:
- 208 (i) the owner has submitted an entitlement agreement to the county on or before
- 209 December 31, 2022, and is within a 1/3 mile radius of a public transit hub in a
- 210 county described in Subsection (8)(b), including parcels that are intersected by the
- 211 1/3 mile radius; and
- 212 (ii) the county described in Subsection (8)(b) has failed to approve the entitlement
- 213 agreement described in Subsection (8)(c)(i) by ordinance before December 31,
- 214 2022.
- 215 (d) The mixed use development described in Subsection (8)(c) shall include the
- 216 following:
- 217 (i)(A)(I) a maximum number of dwelling units equal to 30 multiplied by the
- 218 total acres of developable area within the mixed-use development dedicated
- 219 exclusively to residential use; or
- 220 (II) a maximum number of dwelling units equal to 15 multiplied by the total
- 221 acres of the mixed-use development; and
- 222 (B) at least 33% of the dwelling units as affordable housing;
- 223 (ii) commercial uses, including office, retail, educational, and healthcare in support of
- 224 the mixed-use development constituting no more than 1/3 of the total planned
- 225 gross building square footage of the subject parcels; and
- 226 (iii) any other infrastructure element necessary or reasonable to support the
- 227 mixed-use development, including:
- 228 (A) parking infrastructure;
- 229 (B) streets;
- 230 (C) sidewalks;
- 231 (D) parks; and
- 232 (E) trails.
- 233 (e)(i) The mixed-use development described in this Subsection (8) may qualify for a

- 234 housing and transit reinvestment zone described in Subsection (4)(a).
- 235 (ii) The county described in Subsection (8)(b) may propose a housing and transit  
236 reinvestment zone in accordance with this part, if the housing and transit  
237 reinvestment zone includes:
- 238 (A)(I) an average of at least 30 dwelling units per acre within the acreage of the  
239 housing and transit reinvestment zone dedicated to residential use; or  
240 (II) a minimum number of 14 dwelling units per acre on average within the  
241 acreage of the housing and transit reinvestment zone; and
- 242 (B) at least 33% of the dwelling units as affordable housing units.
- 243 (f) A county may not take an action or enforce an agreement, ordinance, regulation, or  
244 requirement that prevents or creates development impediments to the development of  
245 a mixed-use development as described in this Subsection (8).
- 246 (g) A county action to approve or implement the development of a mixed-use  
247 development as described in this Subsection (8) shall constitute an administrative  
248 action taken by the county and does not require county legislative action.

249 **Section 2. Effective Date.**

250 This bill takes effect on May 6, 2026.