

SB0181S01 compared with SB0181

{Omitted text} shows text that was in SB0181 but was omitted in SB0181S01

inserted text shows text that was not in SB0181 but was inserted into SB0181S01

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1

Housing Affordability Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Stephen L. Whyte

2

3 LONG TITLE

4 General Description:

5 This bill enacts and amends provisions related to housing {and affordable housing funding}
6 affordability.

6 Highlighted Provisions:

7 This bill:

- 8 ▶ defines and amends terms;
- 9 ▶ enacts provisions of {municipal} certain land use {regulation} regulations with regard to certain types of parking spaces;
- 11 ▶ {repeals the Olene Walker Housing Loan Fund;}
- 12 ▶ {repeals the private activity bond program;}
- 13 ▶ {creates the Olene Walker State Housing Fund from the Olene Walker Housing Loan Fund and private activity bond program to consolidate administration of funds allocated for affordable housing across the state;}
- 16 ▶ provides certain exceptions; and
- 17 ▶ makes technical and conforming changes.

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13 **Money Appropriated in this Bill:**

14 None

15 **Other Special Clauses:**

16 None

18 AMENDS:

24 ~~{10-9a-408 , as last amended by Laws of Utah 2024, Chapters 413, 438 , as last amended by
Laws of Utah 2024, Chapters 413, 438}~~

19 **10-9a-534** , as last amended by Laws of Utah 2024, Chapter 415 , as last amended by Laws of Utah
2024, Chapter 415

26 ~~{17-27a-408 , as last amended by Laws of Utah 2024, Chapters 381, 413 , as last amended by
Laws of Utah 2024, Chapters 381, 413}~~

20 **17-27a-530** , as last amended by Laws of Utah 2024, Chapter 415 , as last amended by Laws
of Utah 2024, Chapter 415

27 ~~{17C-1-102 , as last amended by Laws of Utah 2024, Chapter 158 , as last amended by Laws
of Utah 2024, Chapter 158}~~

28 ~~{17C-1-412 , as last amended by Laws of Utah 2024, Chapter 413 , as last amended by Laws
of Utah 2024, Chapter 413}~~

29 ~~{35A-8-803 , as last amended by Laws of Utah 2022, Chapter 406 , as last amended by Laws
of Utah 2022, Chapter 406}~~

30 ~~{35A-8-2401 , as last amended by Laws of Utah 2024, Chapter 413 , as last amended by
Laws of Utah 2024, Chapter 413}~~

21 **59-2-1101** , as last amended by Laws of Utah 2024, Chapter 254 , as last amended by Laws of Utah
2024, Chapter 254

32 ~~{63B-1b-202 , as last amended by Laws of Utah 2022, Chapters 362, 451 , as last amended by
Laws of Utah 2022, Chapters 362, 451}~~

ENACTS:

34 ~~{35A-8-2501 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

35 ~~{35A-8-2502 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

36 ~~{35A-8-2503 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

37 ~~{35A-8-2504 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

38 ~~{35A-8-2505 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

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39 ~~{35A-8-2506, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
40 ~~{35A-8-2507, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
41 ~~{35A-8-2508, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
42 ~~{35A-8-2509, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
43 ~~{35A-8-2510, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
44 ~~{35A-8-2511, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
45 ~~{35A-8-2512, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
46 ~~{35A-8-2513, Utah Code Annotated 1953, Utah Code Annotated 1953}~~
47 ~~{38A-8-2514, Utah Code Annotated 1953, Utah Code Annotated 1953}~~

REPEALS:

62 ~~{35A-8-2101, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
63 ~~{35A-8-2102, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
64 ~~{35A-8-2103, as last amended by Laws of Utah 2024, Chapter 529, as last amended by
Laws of Utah 2024, Chapter 529}~~
65 ~~{35A-8-2104, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
66 ~~{35A-8-2105, as last amended by Laws of Utah 2022, Chapters 68, 406, as last amended by
Laws of Utah 2022, Chapters 68, 406}~~
67 ~~{35A-8-2106, as last amended by Laws of Utah 2022, Chapter 406, as last amended by
Laws of Utah 2022, Chapter 406}~~
68 ~~{35A-8-2107, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
69 ~~{35A-8-2108, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
70 ~~{35A-8-2109, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~
71 ~~{35A-8-2110, as renumbered and amended by Laws of Utah 2018, Chapter 182, as
renumbered and amended by Laws of Utah 2018, Chapter 182}~~

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~~{35A-8-501, as last amended by Laws of Utah 2017, Chapter 279, as last amended by Laws of Utah 2017, Chapter 279}~~

50 ~~{35A-8-502, as renumbered and amended by Laws of Utah 2012, Chapter 212, as renumbered and amended by Laws of Utah 2012, Chapter 212}~~

51 ~~{35A-8-503, as last amended by Laws of Utah 2024, Chapter 431, as last amended by Laws of Utah 2024, Chapter 431}~~

52 ~~{35A-8-504, as last amended by Laws of Utah 2024, Chapter 413, as last amended by Laws of Utah 2024, Chapter 413}~~

53 ~~{35A-8-505, as last amended by Laws of Utah 2021, Chapters 102, 333, as last amended by Laws of Utah 2021, Chapters 102, 333}~~

54 ~~{35A-8-506, as last amended by Laws of Utah 2017, Chapter 279, as last amended by Laws of Utah 2017, Chapter 279}~~

55 ~~{35A-8-507, as last amended by Laws of Utah 2016, Chapter 131, as last amended by Laws of Utah 2016, Chapter 131}~~

56 ~~{35A-8-508, as last amended by Laws of Utah 2022, Chapter 406, as last amended by Laws of Utah 2022, Chapter 406}~~

57 ~~{35A-8-509, as last amended by Laws of Utah 2024, Chapter 381, as last amended by Laws of Utah 2024, Chapter 381}~~

58 ~~{35A-8-510, as last amended by Laws of Utah 2022, Chapter 406, as last amended by Laws of Utah 2022, Chapter 406}~~

59 ~~{35A-8-511, as last amended by Laws of Utah 2022, Chapter 406, as last amended by Laws of Utah 2022, Chapter 406}~~

60 ~~{35A-8-512, as last amended by Laws of Utah 2022, Chapter 406, as last amended by Laws of Utah 2022, Chapter 406}~~

61 ~~{35A-8-513, as last amended by Laws of Utah 2022, Chapter 406, as last amended by Laws of Utah 2022, Chapter 406}~~

22

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

74 ~~{Section 1. Section 10-9a-408 is amended to read: }~~

75 **10-9a-408. Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

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- 77 (1) As used in this section:
- 78 (a) "Division" means the Housing and Community Development Division within the Department of
Workforce Services.
- 80 (b) "Implementation plan" means the implementation plan adopted as part of the moderate income
housing element of a specified municipality's general plan as provided in [~~Subsection 10-9a-403(2)~~
(e)] Section 10-9a-403.
- 83 (c) "Initial report" or "initial moderate income housing report" means the one-time report described in
Subsection (2).
- 85 (d) "Moderate income housing strategy" means a strategy described in [~~Subsection 10-9a-403(2)(b)~~
(iii)] Section 10-9a-403.
- 87 (e) "Report" means an initial report or a subsequent progress report.
- 88 (f) "Specified municipality" means:
- 89 (i) a city of the first, second, third, or fourth class; or
- 90 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located within a county of
the first, second, or third class.
- 92 (g) "Subsequent progress report" means the annual report described in Subsection (3).
- 93 (2)
- (a) The legislative body of a specified municipality shall submit an initial report to the division.
- 95 (b)
- (i) This Subsection (2)(b) applies to a municipality that is not a specified municipality as of January 1,
2023.
- 97 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from one class to
another or grows in population to qualify as a specified municipality, the municipality shall submit
an initial plan to the division on or before August 1 of the first calendar year beginning on January 1
in which the municipality qualifies as a specified municipality.
- 102 (c) The initial report shall:
- 103 (i) identify each moderate income housing strategy selected by the specified municipality for continued,
ongoing, or one-time implementation, restating the exact language used to describe the moderate
income housing strategy in [~~Subsection 10-9a-403(2)(b)(iii)~~] Section 10-9a-403; and
- 107 (ii) include an implementation plan.
- 108 (3)

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- (a) After the division approves a specified municipality's initial report under this section, the specified municipality shall, as an administrative act, annually submit to the division a subsequent progress report on or before August 1 of each year after the year in which the specified municipality is required to submit the initial report.
- 112 (b) The subsequent progress report shall include:
- 113 (i) subject to Subsection (3)(c), a description of each action, whether one-time or ongoing, taken by the specified municipality during the previous 12-month period to implement the moderate income housing strategies identified in the initial report for implementation;
- 117 (ii) a description of each land use regulation or land use decision made by the specified municipality during the previous 12-month period to implement the moderate income housing strategies, including an explanation of how the land use regulation or land use decision supports the specified municipality's efforts to implement the moderate income housing strategies;
- 122 (iii) a description of any barriers encountered by the specified municipality in the previous 12-month period in implementing the moderate income housing strategies;
- 125 (iv) information regarding the number of internal and external or detached accessory dwelling units located within the specified municipality for which the specified municipality:
- 128 (A) issued a building permit to construct; or
- 129 (B) issued a business license or comparable license or permit to rent;
- 130 (v) the number of residential dwelling units that have been entitled that have not received a building permit as of the submission date of the progress report;
- 132 (vi) shapefiles, or website links if shapefiles are not available, to current maps and tables related to zoning;
- 134 (vii) a description of how the market has responded to the selected moderate income housing strategies, including the number of entitled moderate income housing units or other relevant data; and
- 137 (viii) any recommendations on how the state can support the specified municipality in implementing the moderate income housing strategies.
- 139 (c) For purposes of describing actions taken by a specified municipality under Subsection (3)(b)(i), the specified municipality may include an ongoing action taken by the specified municipality prior to the 12-month reporting period applicable to the subsequent progress report if the specified municipality:

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- (i) has already adopted an ordinance, approved a land use application, made an investment, or approved an agreement or financing that substantially promotes the implementation of a moderate income housing strategy identified in the initial report; and
- 147 (ii) demonstrates in the subsequent progress report that the action taken under Subsection (3)(c)(i) is relevant to making meaningful progress towards the specified municipality's implementation plan.
- 150 (d) A specified municipality's report shall be in a form:
- 151 (i) approved by the division; and
- 152 (ii) made available by the division on or before May 1 of the year in which the report is required.
- 154 (4) Within 90 days after the day on which the division receives a specified municipality's report, the division shall:
- 156 (a) post the report on the division's website;
- 157 (b) send a copy of the report to the Department of Transportation, the Governor's Office of Planning and Budget, the association of governments in which the specified municipality is located, and, if the specified municipality is located within the boundaries of a metropolitan planning organization, the appropriate metropolitan planning organization; and
- 162 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 163 (5)
- (a) An initial report does not comply with this section unless the report:
- 164 (i) includes the information required under Subsection (2)(c);
- 165 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 167 (A) three or more moderate income housing strategies if the specified municipality does not have a fixed guideway public transit station; or
- 169 (B) subject to [~~Subsection 10-9a-403(2)(b)(iv)] Section 13-9a-403, five or more moderate income housing strategies if the specified municipality has a fixed guideway public transit station; and~~
- 172 (iii) is in a form approved by the division.
- 173 (b) A subsequent progress report does not comply with this section unless the report:
- 174 (i) demonstrates to the division that the specified municipality made plans to implement:
- 176 (A) three or more moderate income housing strategies if the specified municipality does not have a fixed guideway public transit station; or

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- (B) subject to the requirements of [~~Subsection 10-9a-403(2)(a)(iii)(D)~~] Section 10-9a-403, five or more moderate income housing strategies if the specified municipality has a fixed guideway public transit station;
- 181 (ii) is in a form approved by the division; and
- 182 (iii) provides sufficient information for the division to:
- 183 (A) assess the specified municipality's progress in implementing the moderate income housing strategies;
- 185 (B) monitor compliance with the specified municipality's implementation plan;
- 186 (C) identify a clear correlation between the specified municipality's land use regulations and land use decisions and the specified municipality's efforts to implement the moderate income housing strategies;
- 189 (D) identify how the market has responded to the specified municipality's selected moderate income housing strategies; and
- 191 (E) identify any barriers encountered by the specified municipality in implementing the selected moderate income housing strategies.
- 193 (6)
- (a) A specified municipality qualifies for priority consideration under this Subsection (6) if the specified municipality's report:
- 195 (i) complies with this section; and
- 196 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 198 (A) five or more moderate income housing strategies if the specified municipality does not have a fixed guideway public transit station; or
- 200 (B) six or more moderate income housing strategies if the specified municipality has a fixed guideway public transit station.
- 202 (b) The Transportation Commission may, in accordance with [~~Subsection 72-1-304(3)(e)~~] Section 72-1-304, give priority consideration to transportation projects located within the boundaries of a specified municipality described in Subsection (6)(a) until the Department of Transportation receives notice from the division under Subsection (6)(e).
- 207 (c) Upon determining that a specified municipality qualifies for priority consideration under this Subsection (6), the division shall send a notice of prioritization to the legislative body of the specified municipality and the Department of Transportation.

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- 210 (d) The notice described in Subsection (6)(c) shall:
- 211 (i) name the specified municipality that qualifies for priority consideration;
- 212 (ii) describe the funds or projects for which the specified municipality qualifies to receive priority
consideration; and
- 214 (iii) state the basis for the division's determination that the specified municipality qualifies for priority
consideration.
- 216 (e) The division shall notify the legislative body of a specified municipality and the Department of
Transportation in writing if the division determines that the specified municipality no longer
qualifies for priority consideration under this Subsection (6).
- 219 (7)
- (a) If the division, after reviewing a specified municipality's report, determines that the report does not
comply with this section, the division shall send a notice of noncompliance to the legislative body of
the specified municipality.
- 222 (b) A specified municipality that receives a notice of noncompliance may:
- 223 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance
is sent; or
- 225 (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on
which the notice of noncompliance is sent.
- 227 (c) The notice described in Subsection (7)(a) shall:
- 228 (i) describe each deficiency in the report and the actions needed to cure each deficiency;
- 230 (ii) state that the specified municipality has an opportunity to:
- 231 (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after
the day on which the notice of compliance is sent; or
- 233 (B) submit to the division a request for an appeal of the division's determination of noncompliance
within 10 days after the day on which the notice of noncompliance is sent; and
- 236 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the specified municipality's
ineligibility for funds under Subsection (9).
- 238 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the action needed
to cure the deficiency as described by the division requires the specified municipality to make a
legislative change, the specified municipality may cure the deficiency by making that legislative
change within the 90-day cure period.

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- 242 (e)
- (i) If a specified municipality submits to the division a corrected report in accordance with Subsection (7)(b)(i) and the division determines that the corrected report does not comply with this section, the division shall send a second notice of noncompliance to the legislative body of the specified municipality within 30 days after the day on which the corrected report is submitted.
- 248 (ii) A specified municipality that receives a second notice of noncompliance may submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent.
- 252 (iii) The notice described in Subsection (7)(e)(i) shall:
- 253 (A) state that the specified municipality has an opportunity to submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; and
- 257 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the specified municipality's ineligibility for funds under Subsection (9).
- 259 (8)
- (a) A specified municipality that receives a notice of noncompliance under Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- 263 (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:
- 266 (i) one individual appointed by the Utah League of Cities and Towns;
- 267 (ii) one individual appointed by the Utah Homebuilders Association; and
- 268 (iii) one individual appointed by the presiding member of the association of governments, established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a member.
- 272 (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- 274 (d) The appeal board's written decision on the appeal is final.
- 275 (9)
- (a) A specified municipality is ineligible for funds under this Subsection (9) if:
- 276 (i) the specified municipality fails to submit a report to the division;

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- 277 (ii) after submitting a report to the division, the division determines that the report does not comply
with this section and the specified municipality fails to:
- 279 (A) cure each deficiency in the report within 90 days after the day on which the notice of
noncompliance is sent; or
- 281 (B) request an appeal of the division's determination of noncompliance within 10 days after the day on
which the notice of noncompliance is sent;
- 283 (iii) after submitting to the division a corrected report to cure the deficiencies in a previously
submitted report, the division determines that the corrected report does not comply with this
section and the specified municipality fails to request an appeal of the division's determination
of noncompliance within 10 days after the day on which the second notice of noncompliance is
sent; or
- 288 (iv) after submitting a request for an appeal under Subsection (8), the appeal board issues a written
decision upholding the division's determination of noncompliance.
- 290 (b) The following apply to a specified municipality described in Subsection (9)(a) until the division
provides notice under Subsection (9)(e):
- 292 (i) the executive director of the Department of Transportation may not program funds from the
Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to
projects located within the boundaries of the specified municipality in accordance with Subsection
72-2-124(5);
- 296 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a fee to the [~~Olene
Walker Housing Loan Fund~~] Olene Walker State Housing Fund in the amount of \$250 per day that
the specified municipality:
- 299 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or
- 301 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection (7); and
- 304 (iii) beginning with the report submitted in 2025, the specified municipality shall pay a fee to the [~~Olene
Walker Housing Loan Fund~~] Olene Walker State Housing Fund in the amount of \$500 per day that
the specified municipality, in a consecutive year:
- 308 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or

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- 310 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection (7).
- 313 (c) Upon determining that a specified municipality is ineligible for funds under this Subsection (9), and
is required to pay a fee under Subsection (9)(b), if applicable, the division shall send a notice of
ineligibility to the legislative body of the specified municipality, the Department of Transportation,
the State Tax Commission, and the Governor's Office of Planning and Budget.
- 318 (d) The notice described in Subsection (9)(c) shall:
- 319 (i) name the specified municipality that is ineligible for funds;
- 320 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 321 (iii) describe the fee the specified municipality is required to pay under Subsection (9)(b), if applicable;
and
- 323 (iv) state the basis for the division's determination that the specified municipality is ineligible for funds.
- 325 (e) The division shall notify the legislative body of a specified municipality and the Department of
Transportation in writing if the division determines that the provisions of this Subsection (9) no
longer apply to the specified municipality.
- 328 (f) The division may not determine that a specified municipality that is required to pay a fee under
Subsection (9)(b) is in compliance with the reporting requirements of this section until the specified
municipality pays all outstanding fees required under Subsection (9)(b) to the [~~Olene Walker
Housing Loan Fund, created under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan
Fund~~] Olene Walker State Housing Fund, created in Section 35A-8-2502.
- 334 (10) In a civil action seeking enforcement or claiming a violation of this section or of Subsection
10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded only injunctive or other
equitable relief.

24 Section 1. Section **10-9a-534** is amended to read:

25 **10-9a-534. Regulation of building design elements prohibited -- Regulation of parking spaces
prohibited -- Exceptions.**

340 (1) As used in this section[;] :

341 (a) "Affordable housing" means housing occupied or reserved for occupancy{; } **that is priced at 80% of
the county median home price.**

342 {(i)} (b) {by households with a gross income equal to or less than 80% of the area median income; and

344 {(ii)} {that are deed restricted to require owner occupancy for at least five years.}

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- 345 {~~(b)~~} [~~"building~~] "Building design element" means:
- 346 [~~(a)~~] (i) exterior color;
- 347 [~~(b)~~] (ii) type or style of exterior cladding material;
- 348 [~~(c)~~] (iii) style, dimensions, or materials of a roof structure, roof pitch, or porch;
- 349 [~~(d)~~] (iv) exterior nonstructural architectural ornamentation;
- 350 [~~(e)~~] (v) location, design, placement, or architectural styling of a window or door;
- 351 [~~(f)~~] (vi) location, design, placement, or architectural styling of a garage door, not including a rear-
loading garage door;
- 353 [~~(g)~~] (vii) number or type of rooms;
- 354 [~~(h)~~] (viii) interior layout of a room;
- 355 [~~(i)~~] (ix) minimum square footage over 1,000 square feet, not including a garage;
- 356 [~~(j)~~] (x) rear yard landscaping requirements;
- 357 [~~(k)~~] (xi) minimum building dimensions; or
- 358 [~~(l)~~] (xii) a requirement to install front yard fencing.
- 44 (c) "Owner-occupied" means a housing unit in which the individual who owns the housing unit, solely
or jointly, lives as the individual's primary residence for no less than five years.
- 47 (d) "Specified municipality" means the same as that term is defined in Section 10-9a-408.
- 48 (e) "Unobstructed" means a parking space that has no permanent barriers that would unreasonably
reduce the size of an available parking space described in Subsection (4).
- 359 (2) Except as provided in Subsection (3), a municipality may not impose a requirement for a building
design element on a one- or two-family dwelling.
- 361 (3) Subsection (2) does not apply to:
- 362 (a) a dwelling located within an area designated as a historic district in:
- 363 (i) the National Register of Historic Places;
- 364 (ii) the state register as defined in Section 9-8a-402; or
- 365 (iii) a local historic district or area, or a site designated as a local landmark, created by ordinance before
January 1, 2021, except as provided under Subsection (3)(b);
- 367 (b) an ordinance enacted as a condition for participation in the National Flood Insurance Program
administered by the Federal Emergency Management Agency;
- 369 (c) an ordinance enacted to implement the requirements of the Utah Wildland Urban Interface Code
adopted under Section 15A-2-103;

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- 371 (d) building design elements agreed to under a development agreement;
- 372 (e) a dwelling located within an area that:
- 373 (i) is zoned primarily for residential use; and
- 374 (ii) was substantially developed before calendar year 1950;
- 375 (f) an ordinance enacted to implement water efficient landscaping in a rear yard;
- 376 (g) an ordinance enacted to regulate type of cladding, in response to findings or evidence from the construction industry of:
- 378 (i) defects in the material of existing cladding; or
- 379 (ii) consistent defects in the installation of existing cladding;
- 380 (h) a land use regulation, including a planned unit development or overlay zone, that a property owner requests:
- 382 (i) the municipality to apply to the owner's property; and
- 383 (ii) in exchange for an increase in density or other benefit not otherwise available as a permitted use in the zoning area or district; or
- 385 (i) an ordinance enacted to mitigate the impacts of an accidental explosion:
- 386 (i) in excess of 20,000 pounds of trinitrotoluene equivalent;
- 387 (ii) that would create overpressure waves greater than .2 pounds per square inch; and
- 388 (iii) that would pose a risk of damage to a window, garage door, or carport of a facility located within the vicinity of the regulated area.
- 390 (4) A municipality that is a specified municipality may not:
- 391 (a) require that the dimensions of a single parking space for a one- or two-family dwelling or town home be:
- 392 (i) for unobstructed, enclosed, or covered parking:
- 393 (A) more than 10 feet wide; or
- 394 (B) more than 20 feet long; or
- 395 (ii) for uncovered parking:
- 396 (A) more than nine feet wide; or
- 397 (B) more than {18} 20 feet long;
- 398 (b) restrict an unobstructed tandem parking {spaces} space from satisfying two parking spaces as part of a minimum parking space requirement; and
- 399

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- (c) ~~{except as provided in Subsection (5);}~~ restrict ~~{the placement}~~ a two-car garage from satisfying two parking spaces as part of a minimum parking space {or detached garage on a lot shared by a single-family dwelling;} requirement.
- 401 ~~{(d)}~~ (5) {except as provided in Subsection (6), require that a parking space be:} A municipality may not require a garage for a single-family attached or detached dwelling that is owner occupied affordable housing.
- 402 ~~{(i)}~~ (6) {in-} If a municipality requires garage, a municipality requires garage, ~~{whether attached or detached from the single-family dwelling or two-family dwelling; or}~~ the municipality shall count each parking space within the garage as part of the municipality's minimum parking space requirement as described in Section 10-9a-530.
- 404 ~~{(ii)}~~ (7) {covered by} Nothing in this section prohibits a ~~{permanent structure; or}~~ municipality from requiring on-site parking the owner-occupied affordable housing.
- 405 ~~{(e)}~~ ~~{include in a development agreement or in any other approval of a land use application a condition which would violate a provision in Subsections (4)(a) through (d) unless the applicant first requests the condition in exchange for:}~~
- 408 ~~{(i)}~~ ~~{an increase in density; or}~~
- 409 ~~{(ii)}~~ ~~{another benefit to the community not otherwise available as a permitted use in the zoned area or district.}~~
- 411 ~~{(5)}~~ ~~{A municipality may adopt an ordinance restricting the placement of a parking space or detached garage on a lot shared by a single-family dwelling:}~~
- 413 ~~{(a)}~~ ~~{to ensure standard setbacks in the zoned area or district;}~~
- 414 ~~{(b)}~~ ~~{to protect an easement utilized by the municipality or another political subdivision;}~~
- 415 ~~{(c)}~~ ~~{for fire prevention in a wildland-urban interface, as defined in Section 65A-8-215; or}~~
- 416 ~~{(d)}~~ ~~{for ground water runoff control.}~~
- 417 ~~{(6)}~~ ~~{A municipality may adopt an ordinance to require on-site paved parking on a lot shared by a single-family dwelling:}~~
- 419 ~~{Section 3. Section 17-27a-408 is amended to read: }~~
- 420 **17-27a-408. Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**
- 422 (1) As used in this section:
- 423

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- (a) "Division" means the Housing and Community Development Division within the Department of Workforce Services.
- 425 (b) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified county's general plan as provided in [~~Subsection 17-27a-403(2)(g)~~] Section 17-27a-403.
- 428 (c) "Initial report" means the one-time moderate income housing report described in Subsection (2).
- 430 (d) "Moderate income housing strategy" means a strategy described in [~~Subsection 17-27a-403(2)(b)(ii)~~] Section 17-37a-403.
- 432 (e) "Report" means an initial report or a subsequent report.
- 433 (f) "Specified county" means a county of the first, second, or third class, which has a population of more than 5,000 in the county's unincorporated areas.
- 435 (g) "Subsequent progress report" means the annual moderate income housing report described in Subsection (3).
- 437 (2)
- (a) The legislative body of a specified county shall annually submit an initial report to the division.
- 439 (b)
- (i) This Subsection (2)(b) applies to a county that is not a specified county as of January 1, 2023.
- 441 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one class to another or grows in population to qualify as a specified county, the county shall submit an initial plan to the division on or before August 1 of the first calendar year beginning on January 1 in which the county qualifies as a specified county.
- 446 (c) The initial report shall:
- 447 (i) identify each moderate income housing strategy selected by the specified county for continued, ongoing, or one-time implementation, using the exact language used to describe the moderate income housing strategy in [~~Subsection 17-27a-403(2)(b)(ii)~~] Section 17-27a-403; and
- 451 (ii) include an implementation plan.
- 452 (3)
- (a) After the division approves a specified county's initial report under this section, the specified county shall, as an administrative act, annually submit to the division a subsequent progress report on or before August 1 of each year after the year in which the specified county is required to submit the initial report.

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- 456 (b) The subsequent progress report shall include:
- 457 (i) subject to Subsection (3)(c), a description of each action, whether one-time or ongoing, taken by the
specified county during the previous 12-month period to implement the moderate income housing
strategies identified in the initial report for implementation;
- 461 (ii) a description of each land use regulation or land use decision made by the specified county during
the previous 12-month period to implement the moderate income housing strategies, including an
explanation of how the land use regulation or land use decision supports the specified county's
efforts to implement the moderate income housing strategies;
- 466 (iii) a description of any barriers encountered by the specified county in the previous 12-month period
in implementing the moderate income housing strategies;
- 468 (iv) the number of residential dwelling units that have been entitled that have not received a building
permit as of the submission date of the progress report;
- 470 (v) shapefiles, or website links if shapefiles are not available, to current maps and tables related to
zoning;
- 472 (vi) information regarding the number of internal and external or detached accessory dwelling units
located within the specified county for which the specified county:
- 474 (A) issued a building permit to construct; or
- 475 (B) issued a business license or comparable license or permit to rent;
- 476 (vii) a description of how the market has responded to the selected moderate income housing strategies,
including the number of entitled moderate income housing units or other relevant data; and
- 479 (viii) any recommendations on how the state can support the specified county in implementing the
moderate income housing strategies.
- 481 (c) For purposes of describing actions taken by a specified county under Subsection (3)(b)(i), the
specified county may include an ongoing action taken by the specified county prior to the 12-month
reporting period applicable to the subsequent progress report if the specified county:
- 485 (i) has already adopted an ordinance, approved a land use application, made an investment, or approved
an agreement or financing that substantially promotes the implementation of a moderate income
housing strategy identified in the initial report; and
- 489 (ii) demonstrates in the subsequent progress report that the action taken under Subsection (3)(c)(i) is
relevant to making meaningful progress towards the specified county's implementation plan.
- 492 (d) A specified county's report shall be in a form:

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- 493 (i) approved by the division; and
494 (ii) made available by the division on or before May 1 of the year in which the report is required.
496 (4) Within 90 days after the day on which the division receives a specified county's report, the division shall:
- 498 (a) post the report on the division's website;
499 (b) send a copy of the report to the Department of Transportation, the Governor's Office of Planning and Budget, the association of governments in which the specified county is located, and, if the unincorporated area of the specified county is located within the boundaries of a metropolitan planning organization, the appropriate metropolitan planning organization; and
504 (c) subject to Subsection (5), review the report to determine compliance with this section.
505 (5)
- (a) An initial report does not comply with this section unless the report:
506 (i) includes the information required under Subsection (2)(c);
507 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county made plans to implement three or more moderate income housing strategies; and
509 (iii) is in a form approved by the division.
- (b) A subsequent progress report does not comply with this section unless the report:
510 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county made plans to implement three or more moderate income housing strategies;
511 (ii) is in a form approved by the division; and
513 (iii) provides sufficient information for the division to:
514 (A) assess the specified county's progress in implementing the moderate income housing strategies;
515 (B) monitor compliance with the specified county's implementation plan;
517 (C) identify a clear correlation between the specified county's land use decisions and efforts to implement the moderate income housing strategies;
518 (D) identify how the market has responded to the specified county's selected moderate income housing strategies; and
520 (E) identify any barriers encountered by the specified county in implementing the selected moderate income housing strategies.
522 (c)
524

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- (i) This Subsection (5)(c) applies to a specified county that has created a small public transit district, as defined in Section 17B-2a-802, on or before January 1, 2022.
- 527 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a specified county described in Subsection (5)(c)(i) does not comply with this section unless the report demonstrates to the division that the specified county:
- 530 (A) made plans to implement the moderate income housing strategy described in [~~Subsection 17-27a-403(2)(b)(ii)(Q)~~] Section 17-27a-403; and
- 532 (B) is in compliance with [~~Subsection 63N-3-603(8)~~] Section 63N-3-603.
- 533 (6)
- (a) A specified county qualifies for priority consideration under this Subsection (6) if the specified county's report:
- 535 (i) complies with this section; and
- 536 (ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.
- 538 (b) The Transportation Commission may, in accordance with [~~Subsection 72-1-304(3)(e)~~] Section 72-1-304, give priority consideration to transportation projects located within the unincorporated areas of a specified county described in Subsection (6)(a) until the Department of Transportation receives notice from the division under Subsection (6)(e).
- 543 (c) Upon determining that a specified county qualifies for priority consideration under this Subsection (6), the division shall send a notice of prioritization to the legislative body of the specified county and the Department of Transportation.
- 546 (d) The notice described in Subsection (6)(c) shall:
- 547 (i) name the specified county that qualifies for priority consideration;
- 548 (ii) describe the funds or projects for which the specified county qualifies to receive priority consideration; and
- 550 (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.
- 552 (e) The division shall notify the legislative body of a specified county and the Department of Transportation in writing if the division determines that the specified county no longer qualifies for priority consideration under this Subsection (6).
- 555 (7)

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- (a) If the division, after reviewing a specified county's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified county.
- 558 (b) A specified county that receives a notice of noncompliance may:
- 559 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 561 (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- 563 (c) The notice described in Subsection (7)(a) shall:
- 564 (i) describe each deficiency in the report and the actions needed to cure each deficiency;
- 566 (ii) state that the specified county has an opportunity to:
- 567 (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 570 (B) submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent; and
- 573 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the specified county's ineligibility for funds and fees owed under Subsection (9).
- 575 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the action needed to cure the deficiency as described by the division requires the specified county to make a legislative change, the specified county may cure the deficiency by making that legislative change within the 90-day cure period.
- 579 (e)
- (i) If a specified county submits to the division a corrected report in accordance with Subsection (7)(b)(i), and the division determines that the corrected report does not comply with this section, the division shall send a second notice of noncompliance to the legislative body of the specified county.
- 583 (ii) A specified county that receives a second notice of noncompliance may request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent.
- 586 (iii) The notice described in Subsection (7)(e)(i) shall:
- 587

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- (A) state that the specified county has an opportunity to submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; and
- 590 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the specified county's
ineligibility for funds under Subsection (9).
- 592 (8)
- (a) A specified county that receives a notice of noncompliance under Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- 596 (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:
- 599 (i) one individual appointed by the Utah Association of Counties;
- 600 (ii) one individual appointed by the Utah Homebuilders Association; and
- 601 (iii) one individual appointed by the presiding member of the association of governments, established pursuant to an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 604 (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- 606 (d) The appeal board's written decision on the appeal is final.
- 607 (9)
- (a) A specified county is ineligible for funds and owes a fee under this Subsection (9) if:
- 609 (i) the specified county fails to submit a report to the division;
- 610 (ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified county fails to:
- 612 (A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 614 (B) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent;
- 616 (iii) after submitting to the division a corrected report to cure the deficiencies in a previously submitted report, the division determines that the corrected report does not comply with this section and the specified county fails to request an appeal of the division's determination of

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- noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or
- 621 (iv) after submitting a request for an appeal under Subsection (8), the appeal board issues a written decision upholding the division's determination of noncompliance.
- 623 (b) The following apply to a specified county described in Subsection (9)(a) until the division provides notice under Subsection (9)(e):
- 625 (i) the executive director of the Department of Transportation may not program funds from the Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to projects located within the unincorporated areas of the specified county in accordance with [~~Subsection 72-2-124(6)~~] Section 72-2-124;
- 630 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund in the amount of \$250 per day that the specified county:
- 633 (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or
- 635 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (7); and
- 638 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund in the amount of \$500 per day that the specified county, for a consecutive year:
- 641 (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or
- 643 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (7).
- 646 (c) Upon determining that a specified county is ineligible for funds under this Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the division shall send a notice of ineligibility to the legislative body of the specified county, the Department of Transportation, the State Tax Commission, and the Governor's Office of Planning and Budget.
- 651 (d) The notice described in Subsection (9)(c) shall:
- 652 (i) name the specified county that is ineligible for funds;
- 653 (ii) describe the funds for which the specified county is ineligible to receive;

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- 654 (iii) describe the fee the specified county is required to pay under Subsection (9)(b), if applicable; and
656 (iv) state the basis for the division's determination that the specified county is ineligible for funds.
658 (e) The division shall notify the legislative body of a specified county and the Department of
Transportation in writing if the division determines that the provisions of this Subsection (9) no
longer apply to the specified county.
- 661 (f) The division may not determine that a specified county that is required to pay a fee under Subsection
(9)(b) is in compliance with the reporting requirements of this section until the specified county
pays all outstanding fees required under Subsection (9)(b) to the [~~Olene Walker Housing Loan
Fund, created under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] Olene Walker
State Housing Fund, created in Section 35A-8-2502.
- 667 (10) In a civil action seeking enforcement or claiming a violation of this section or of [~~Subsection
17-27a-404(5)(e)~~] Section 17-27a-404, a plaintiff may not recover damages but may be awarded
only injunctive or other equitable relief.

101 Section 2. Section 17-27a-530 is amended to read:

102 **17-27a-530. Regulation of building design elements prohibited -- Regulation of parking
spaces prohibited -- Exceptions.**

- 104 (1) As used in this section[;] :
- 105 (a) "Affordable housing" means housing occupied or reserved for occupancy that is priced at 80% of the
county median home price.
- 107 (b) [~~"building"~~] "Building design element" means:
- 108 [(a)] (i) exterior color;
- 109 [(b)] (ii) type or style of exterior cladding material;
- 110 [(c)] (iii) style, dimensions, or materials of a roof structure, roof pitch, or porch;
- 111 [(d)] (iv) exterior nonstructural architectural ornamentation;
- 112 [(e)] (v) location, design, placement, or architectural styling of a window or door;
- 113 [(f)] (vi) location, design, placement, or architectural styling of a garage door, not including a rear-
loading garage door;
- 115 [(g)] (vii) number or type of rooms;
- 116 [(h)] (viii) interior layout of a room;
- 117 [(i)] (ix) minimum square footage over 1,000 square feet, not including a garage;
- 118 [(j)] (x) rear yard landscaping requirements;

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- 119 [~~(k)~~] (xi) minimum building dimensions; or
- 120 [(H)] (xii) a requirement to install front yard fencing.
- 121 (c) "Owner-occupied" means a housing unit in which the individual who owns the housing unit, solely or jointly, lives as the individual's primary residence for no less than five years.
- 124 (d) "Specified county" means the same as that term is defined in Section 17-27a-408.
- 125 (e) "Unobstructed" means a parking space that has no permanent barriers that would unreasonably reduce the size of an available parking space described in Subsection (4).
- 128 (2) Except as provided in Subsection (3), a county may not impose a requirement for a building design element on a one- or two-family dwelling.
- 130 (3) Subsection (2) does not apply to:
- 131 (a) a dwelling located within an area designated as a historic district in:
- 132 (i) the National Register of Historic Places;
- 133 (ii) the state register as defined in Section 9-8a-402; or
- 134 (iii) a local historic district or area, or a site designated as a local landmark, created by ordinance before January 1, 2021, except as provided under Subsection (3)(b);
- 136 (b) an ordinance enacted as a condition for participation in the National Flood Insurance Program administered by the Federal Emergency Management Agency;
- 138 (c) an ordinance enacted to implement the requirements of the Utah Wildland Urban Interface Code adopted under Section 15A-2-103;
- 140 (d) building design elements agreed to under a development agreement;
- 141 (e) a dwelling located within an area that:
- 142 (i) is zoned primarily for residential use; and
- 143 (ii) was substantially developed before calendar year 1950;
- 144 (f) an ordinance enacted to implement water efficient landscaping in a rear yard;
- 145 (g) an ordinance enacted to regulate type of cladding, in response to findings or evidence from the construction industry of:
- 147 (i) defects in the material of existing cladding; or
- 148 (ii) consistent defects in the installation of existing cladding;
- 149 (h) a land use regulation, including a planned unit development or overlay zone, that a property owner requests:
- 151 (i) the county to apply to the owner's property; and

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- 152 (ii) in exchange for an increase in density or other benefit not otherwise available as a permitted use in
the zoning area or district; or
- 154 (i) an ordinance enacted to mitigate the impacts of an accidental explosion:
- 155 (i) in excess of 20,000 pounds of trinitrotoluene equivalent;
- 156 (ii) that would create overpressure waves greater than .2 pounds per square inch; and
- 157 (iii) that would pose a risk of damage to a window, garage door, or carport of a facility located within
the vicinity of the regulated area.
- 159 (4) A county that is a specified county may not:
- 160 (a) require that the dimensions of a single parking space for a one- or two-family dwelling or town
home be:
- 162 (i) for unobstructed, enclosed, or covered parking:
- 163 (A) more than 10 feet wide; or
- 164 (B) more than 20 feet long; or
- 165 (ii) for uncovered parking:
- 166 (A) more than nine feet wide; or
- 167 (B) more than 20 feet long;
- 168 (b) restrict an unobstructed tandem parking space from satisfying two parking spaces as part of a
minimum parking space requirement; and
- 170 (c) restrict a two-car garage from satisfying two parking spaces as part of a minimum parking space
requirement.
- 172 (5) A county may not require a garage for a single-family attached or detached dwelling that is owner
occupied affordable housing.
- 174 (6) If a county requires a garage, the county shall count each parking space within the garage as part of
the county's minimum parking space requirement as described in Section 17-27a-526.
- 177 (7) Nothing in this section prohibits a county from requiring on-site parking for owner-occupied
affordable housing.

670 ~~{Section 4. Section 17C-1-102 is amended to read: }~~

671 **17C-1-102. Definitions.**

As used in this title:

- 673 (1) "Active project area" means a project area that has not been dissolved in accordance with Section
17C-1-702.

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- 675 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency
is authorized to receive:
- 677 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax increment under
Subsection 17C-1-403(3);
- 679 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax increment under
Section 17C-1-406;
- 681 (c) under a project area budget approved by a taxing entity committee; or
- 682 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's tax increment.
- 684 (3) "Affordable housing" means housing owned or occupied by a low or moderate income family, as
determined by resolution of the agency.
- 686 (4) "Agency" or "community reinvestment agency" means a separate body corporate and politic, created
under Section 17C-1-201.5 or as a redevelopment agency or community development and renewal
agency under previous law:
- 689 (a) that is a political subdivision of the state;
- 690 (b) that is created to undertake or promote project area development as provided in this title; and
- 692 (c) whose geographic boundaries are coterminous with:
- 693 (i) for an agency created by a county, the unincorporated area of the county; and
- 694 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 695 (5) "Agency funds" means money that an agency collects or receives for agency operations,
implementing a project area plan or an implementation plan as defined in Section 17C-1-1001, or
other agency purposes, including:
- 698 (a) project area funds;
- 699 (b) income, proceeds, revenue, or property derived from or held in connection with the agency's
undertaking and implementation of project area development or agency-wide project development
as defined in Section 17C-1-1001;
- 702 (c) a contribution, loan, grant, or other financial assistance from any public or private source;
- 704 (d) project area incremental revenue as defined in Section 17C-1-1001; or
- 705 (e) property tax revenue as defined in Section 17C-1-1001.
- 706 (6) "Annual income" means the same as that term is defined in regulations of the United States
Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as amended or as
superseded by replacement regulations.

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- 709 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 710 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of this title, a
property's taxable value as shown upon the assessment roll last equalized during the base year.
- 713 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during which the
assessment roll is last equalized:
- 715 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan, before the project
area plan's effective date;
- 717 (b) for a post-June 30, 1993, urban renewal or economic development project area plan, or a community
reinvestment project area plan that is subject to a taxing entity committee:
- 720 (i) before the date on which the taxing entity committee approves the project area budget; or
- 722 (ii) if taxing entity committee approval is not required for the project area budget, before the date on
which the community legislative body adopts the project area plan;
- 725 (c) for a project on an inactive airport site, after the later of:
- 726 (i) the date on which the inactive airport site is sold for remediation and development; or
- 728 (ii) the date on which the airport that operated on the inactive airport site ceased operations; or
- 730 (d) for a community development project area plan or a community reinvestment project area plan that
is subject to an interlocal agreement, as described in the interlocal agreement.
- 733 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum basic levy
under Section 59-2-902.
- 735 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 736 (12) "Budget hearing" means the public hearing on a proposed project area budget required under
Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection 17C-3-201(2)(d)
for an economic development project area budget, or Subsection 17C-5-302(2)(e) for a community
reinvestment project area budget.
- 740 (13) "Closed military base" means land within a former military base that the Defense Base Closure and
Realignment Commission has voted to close or realign when that action has been sustained by the
president of the United States and Congress.
- 743 (14) "Combined incremental value" means the combined total of all incremental values from all project
areas, except project areas that contain some or all of a military installation or inactive industrial
site, within the agency's boundaries under project area plans and project area budgets at the time that
a project area budget for a new project area is being considered.

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- 748 (15) "Community" means a county or municipality.
- 749 (16) "Community development project area plan" means a project area plan adopted under Chapter 4,
Part 1, Community Development Project Area Plan.
- 751 (17) "Community legislative body" means the legislative body of the community that created the
agency.
- 753 (18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5,
Part 1, Community Reinvestment Project Area Plan.
- 755 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title 78A, Judiciary
and Judicial Administration, and in a county in which the agency is located if the action is filed in
the district court.
- 758 (20) "Development impediment" means a condition of an area that meets the requirements described
in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community
reinvestment project area.
- 761 (21) "Development impediment hearing" means a public hearing regarding whether a development
impediment exists within a proposed:
- 763 (a) urban renewal project area under [~~Subsection 17C-2-102(1)(a)(i)(C) and Section~~
~~17C-2-302~~] Sections 17C-2-102 and 17C-2-302; or
- 765 (b) community reinvestment project area under Section 17C-5-404.
- 766 (22) "Development impediment study" means a study to determine whether a development impediment
exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or
Section 17C-5-403 for a community reinvestment project area.
- 769 (23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part
1, Economic Development Project Area Plan.
- 771 (24) "Fair share ratio" means the ratio derived by:
- 772 (a) for a municipality, comparing the percentage of all housing units within the municipality that are
publicly subsidized income targeted housing units to the percentage of all housing units within the
county in which the municipality is located that are publicly subsidized income targeted housing
units; or
- 776 (b) for the unincorporated part of a county, comparing the percentage of all housing units within the
unincorporated county that are publicly subsidized income targeted housing units to the percentage

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- of all housing units within the whole county that are publicly subsidized income targeted housing units.
- 780 (25) "Family" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended or as superseded by replacement regulations.
- 783 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 784 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or toxic substance, or identified as hazardous to human health or the environment, under state or federal law or regulation.
- 788 (28) "Housing allocation" means project area funds allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 790 (29) "Housing fund" means a fund created by an agency for purposes described in Section 17C-1-411 or 17C-1-412 that is comprised of:
- 792 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001, or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes described in Section 17C-1-411; or
- 795 (b) an agency's housing allocation.
- 796 (30)
- (a) "Inactive airport site" means land that:
- 797 (i) consists of at least 100 acres;
- 798 (ii) is occupied by an airport:
- 799 (A)
- (I) that is no longer in operation as an airport; or
- 800 (II)
- (Aa) that is scheduled to be decommissioned; and
- 801 (Bb) for which a replacement commercial service airport is under construction; and
- 803 (B) that is owned or was formerly owned and operated by a public entity; and
- 804 (iii) requires remediation because:
- 805 (A) of the presence of hazardous waste or solid waste; or
- 806 (B) the site lacks sufficient public infrastructure and facilities, including public roads, electric service, water system, and sewer system, needed to support development of the site.

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- 809 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land described in
Subsection (30)(a).
- 811 (31)
- (a) "Inactive industrial site" means land that:
- 812 (i) consists of at least 1,000 acres;
- 813 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and
- 815 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 816 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in
Subsection (31)(a).
- 818 (32) "Income targeted housing" means housing that is:
- 819 (a) owned and occupied by a family whose annual income is at or below 120% of the median annual
income for a family within the county in which the housing is located; or
- 822 (b) occupied by a family whose annual income is at or below 80% of the median annual income for a
family within the county in which the housing is located.
- 824 (33) "Incremental value" means a figure derived by multiplying the marginal value of the property
located within a project area on which tax increment is collected by a number that represents the
adjusted tax increment from that project area that is paid to the agency.
- 828 (34) "Loan fund board" means the [~~Olene Walker Housing Loan Fund Board, established under Title
35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.~~] Olene Walker State Housing Fund
Board, created in Section 35A-8-2503.
- 831 (35)
- (a) "Local government building" means a building owned and operated by a community for the
primary purpose of providing one or more primary community functions, including:
- 834 (i) a fire station;
- 835 (ii) a police station;
- 836 (iii) a city hall; or
- 837 (iv) a court or other judicial building.
- 838 (b) "Local government building" does not include a building the primary purpose of which is cultural
or recreational in nature.
- 840 (36) "Major transit investment corridor" means the same as that term is defined in Section 10-9a-103.
- 842 (37) "Marginal value" means the difference between actual taxable value and base taxable value.

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- 844 (38) "Military installation project area" means a project area or a portion of a project area located within
a federal military installation ordered closed by the federal Defense Base Realignment and Closure
Commission.
- 847 (39) "Municipality" means a city_or town.
- 848 (40) "Participant" means one or more persons that enter into a participation agreement with an agency.
- 850 (41) "Participation agreement" means a written agreement between a person and an agency under
[Subsection 17C-1-202(5)] Section 17C-1-202.
- 852 (42) "Plan hearing" means the public hearing on a proposed project area plan required under Subsection
17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection 17C-3-102(1)(d) for
an economic development project area plan, Subsection 17C-4-102(1)(d) for a community
development project area plan, or Subsection 17C-5-104(3)(e) for a community reinvestment project
area plan.
- 857 (43) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after July 1, 1993,
and before May 10, 2016, whether or not amended subsequent to the project area plan's adoption.
- 860 (44) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1, 1993,
whether or not amended subsequent to the project area plan's adoption.
- 862 (45) "Private," with respect to real property, means property not owned by a public entity or any other
governmental entity.
- 864 (46) "Project area" means the geographic area described in a project area plan within which the project
area development described in the project area plan takes place or is proposed to take place.
- 867 (47) "Project area budget" means a multiyear projection of annual or cumulative revenues and expenses
and other fiscal matters pertaining to a project area prepared in accordance with:
- 870 (a) for an urban renewal project area, Section 17C-2-201;
- 871 (b) for an economic development project area, Section 17C-3-201;
- 872 (c) for a community development project area, Section 17C-4-204; or
- 873 (d) for a community reinvestment project area, Section 17C-5-302.
- 874 (48) "Project area development" means activity within a project area that, as determined by the board,
encourages, promotes, or provides development or redevelopment for the purpose of implementing a
project area plan, including:
- 877 (a) promoting, creating, or retaining public or private jobs within the state or a community;
- 879

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- (b) providing office, manufacturing, warehousing, distribution, parking, or other facilities or improvements;
- 881 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or remediating environmental issues;
- 883 (d) providing residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to the structures or spaces;
- 886 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating existing structures;
- 888 (f) providing open space, including streets or other public grounds or space around buildings;
- 890 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 891 (h) relocating a business;
- 892 (i) improving public or private recreation areas or other public grounds;
- 893 (j) eliminating a development impediment or the causes of a development impediment;
- 894 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 895 (l) any activity described in this Subsection (48) outside of a project area that the board determines to be a benefit to the project area.
- 897 (49) "Project area funds" means tax increment or sales and use tax revenue that an agency receives under a project area budget adopted by a taxing entity committee or an interlocal agreement.
- 900 (50) "Project area funds collection period" means the period of time that:
- 901 (a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement; and
- 904 (b) ends the day on which the last payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement.
- 907 (51) "Project area plan" means an urban renewal project area plan, an economic development project area plan, a community development project area plan, or a community reinvestment project area plan that, after the project area plan's effective date, guides and controls the project area development.
- 911 (52)
- (a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.
- 913 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.
- 915 (53) "Public entity" means:

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- 916 (a) the United States, including an agency of the United States;
- 917 (b) the state, including any of the state's departments or agencies; or
- 918 (c) a political subdivision of the state, including a county, municipality, school district, special district, special service district, community reinvestment agency, or interlocal cooperation entity.
- 921 (54) "Publicly owned infrastructure and improvements" means water, sewer, storm drainage, electrical, natural gas, telecommunication, or other similar systems and lines, streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation facilities, or other facilities, infrastructure, and improvements benefitting the public and to be publicly owned or publicly maintained or operated.
- 926 (55) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to whom the property's tax notice is sent.
- 929 (56) "Sales and use tax revenue" means revenue that is:
- 930 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
- 931 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.
- 932 (57) "Superfund site":
- 933 (a) means an area included in the National Priorities List under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec. 9605; and
- 936 (b) includes an area formerly included in the National Priorities List, as described in Subsection (57)(a), but removed from the list following remediation that leaves on site the waste that caused the area to be included in the National Priorities List.
- 939 (58) "Survey area" means a geographic area designated for study by a survey area resolution to determine whether:
- 941 (a) one or more project areas within the survey area are feasible; or
- 942 (b) a development impediment exists within the survey area.
- 943 (59) "Survey area resolution" means a resolution adopted by a board that designates a survey area.
- 945 (60) "Taxable value" means:
- 946 (a) the taxable value of all real property a county assessor assesses in accordance with Title 59, Chapter 2, Part 3, County Assessment, for the current year;
- 948 (b) the taxable value of all real and personal property the commission assesses in accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current year; and

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- 951 (c) the year end taxable value of all personal property a county assessor assesses in accordance with
Title 59, Chapter 2, Part 3, County Assessment, contained on the prior year's tax rolls of the taxing
entity.
- 954 (61)
- (a) "Tax increment" means the difference between:
- 955 (i) the amount of property tax revenue generated each tax year by a taxing entity from the area
within a project area designated in the project area plan as the area from which tax increment is
to be collected, using the current assessed value of the property and each taxing entity's current
certified tax rate as defined in Section 59-2-924; and
- 960 (ii) the amount of property tax revenue that would be generated from that same area using the base
taxable value of the property and each taxing entity's current certified tax rate as defined in
Section 59-2-924.
- 963 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602 on or after
January 1, 1994, upon the taxable property in the project area unless:
- 965 (i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was
subsequently amended; and
- 967 (ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.
- 969 (62) "Taxing entity" means a public entity that:
- 970 (a) levies a tax on property located within a project area; or
- 971 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 972 (63) "Taxing entity committee" means a committee representing the interests of taxing entities, created
in accordance with Section 17C-1-402.
- 974 (64) "Unincorporated" means not within a municipality.
- 975 (65) "Urban renewal project area plan" means a project area plan adopted under Chapter 2, Part 1,
Urban Renewal Project Area Plan.
- 977 ~~{Section 5. Section 17C-1-412 is amended to read: }~~
- 978 **17C-1-412. Use of housing allocation -- Separate accounting required -- Issuance of bonds
for housing -- Action to compel agency to provide housing allocation.**
- 980 (1)
- (a) An agency shall use the agency's housing allocation to:
- 981

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- (i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;
- 984 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;
- 986 (iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency;
- 989 (iv) plan or otherwise promote income targeted housing within the boundary of the agency;
- 991 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where a board has determined that a development impediment exists;
- 995 (vi) replace housing units lost as a result of the project area development;
- 996 (vii) make payments on or establish a reserve fund for bonds:
- 997 (A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
- 999 (B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1001 (viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:
- 1003 (A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
- 1005 (B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1007 (ix) relocate mobile home park residents displaced by project area development;
- 1008 (x) subject to Subsection (7), transfer funds to a community that created the agency; or
- 1010 (xi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of housing that:
- 1012 (A) is located in the same county as the agency;
- 1013 (B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit college or university; and

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- 1015 (C) only students of the relevant college or university, including the students' immediate families, occupy.
- 1017 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of the agency's housing allocation to:
- 1019 (i) the community for use as described in Subsection (1)(a);
- 1020 (ii) a housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community;
- 1022 (iii) a housing authority established by the county in which the agency is located for providing:
- 1024 (A) income targeted housing within the county;
- 1025 (B) permanent housing, permanent supportive housing, or a transitional facility, as defined in Section 35A-5-302, within the county; or
- 1027 (C) homeless assistance within the county;
- 1028 (iv) ~~[the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund]~~ the Olene Walker State Housing Fund, created in Section 35A-8-2502, for use in providing income targeted housing within the community;
- 1032 (v) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the community if the housing is located along or near a major transit investment corridor that services the community and the related project has been approved by the community in which the housing is or will be located;
- 1037 (vi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the community if there is an interlocal agreement between the agency and the receiving community; or
- 1040 (vii) pay for or make a contribution toward the expansion of child care facilities within the boundary of the agency, provided that any recipient of funds from the agency's housing allocation reports annually to the agency on how the funds were used.
- 1044 (2)
- (a) An agency may combine all or any portion of the agency's housing allocation with all or any portion of one or more additional agency's housing allocations if the agencies execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

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- (b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.
- 1052 (3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.
- 1055 (4) An agency may:
- 1056 (a) issue bonds to finance a housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and
- 1059 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a) previously issued by the agency.
- 1061 (5)
- (a) Except as provided in Subsection (5)(b), an agency shall allocate money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget.
- 1064 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.
- 1065 (6)
- (a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing allocation in accordance with the project area budget and the housing plan adopted under [~~Subsection 17C-2-204(2)~~] Section 17C-2-204, the loan fund board may bring legal action to compel the agency to provide the housing allocation.
- 1069 (b) In an action under Subsection (6)(a), the court:
- 1070 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that the action was frivolous; and
- 1072 (ii) may not award the agency the agency's attorney fees, unless the court finds that the action was frivolous.
- 1074 (7) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in Subsection 59-12-205(4).

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(8) An agency shall spend, encumber, or allot the money contributed to the housing fund under Subsection (5)(a) within six years from the day on which the agency first receives the money.

1082 ~~{Section 6. Section 35A-8-803 is amended to read: }~~

1083 **35A-8-803. Division -- Functions.**

1084 (1) In addition to any other functions the governor or Legislature may assign:

1085 (a) the division shall:

1086 (i) provide a clearinghouse of information for federal, state, and local housing assistance programs;

1088 (ii) establish, in cooperation with political subdivisions, model plans and management methods to encourage or provide for the development of affordable housing that may be adopted by political subdivisions by reference;

1091 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of problems relating to housing needs, such as:

1093 (A) inadequate supply of dwellings;

1094 (B) substandard dwellings; and

1095 (C) inability of medium and low income families to obtain adequate housing;

1096 (iv) provide the information obtained under Subsection (1)(a)(iii) to:

1097 (A) political subdivisions;

1098 (B) real estate developers;

1099 (C) builders;

1100 (D) lending institutions;

1101 (E) affordable housing advocates; and

1102 (F) others having use for the information;

1103 (v) advise political subdivisions of serious housing problems existing within their jurisdiction that require concerted public action for solution;

1105 (vi) assist political subdivisions in defining housing objectives and in preparing for adoption a plan of action covering a five-year period designed to accomplish housing objectives within their jurisdiction;

1108 (vii) for municipalities or counties required to submit an annual moderate income housing report to the department as described in Section 10-9a-408 or 17-27a-408:

1110 (A) assist in the creation of the reports; and

1111 (B) review the reports to meet the requirements of Sections 10-9a-408 and 17-27a-408;

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- 1113 (viii) establish and maintain a database of moderate income housing units located within the state; and
- 1115 (ix) on or before December 1, 2022, develop and submit to the Commission on Housing Affordability a methodology for determining whether a municipality or county is taking sufficient measures to protect and promote moderate income housing in accordance with the provisions of Sections 10-9a-403 and 17-27a-403; and
- 1120 (b) within legislative appropriations, the division may accept for and on behalf of, and bind the state to, any federal housing or homeless program in which the state is invited, permitted, or authorized to participate in the distribution, disbursement, or administration of any funds or service advanced, offered, or contributed in whole or in part by the federal government.
- 1125 (2) The administration of any federal housing program in which the state is invited, permitted, or authorized to participate in distribution, disbursement, or administration of funds or services, except those administered by the Utah Housing Corporation, is governed by ~~[Sections 35A-8-501 through 35A-8-508]~~ Sections 35A-8-2501 through 35A-8-2514.
- 1130 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules describing the review process for moderate income housing reports described in Subsection (1)(a)(vii).
- 1133 ~~{Section 7. Section 35A-8-2401 is amended to read: }~~
- 1134 **35A-8-2401. Pass-through funding agreements -- Accounting for expenditures of a housing organization.**
- 1136 (1) As used in this section:
- 1137 (a) "Housing organization" means an entity that:
- 1138 (i) manages a portfolio of investments;
- 1139 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of affordable housing through property investment; and
- 1141 (iii) is controlled by a registered nonprofit.
- 1142 (b) "Pass-through funding" means state money appropriated by the Legislature to the department with the intent that the department grant or otherwise disburse the state money to a third party.
- 1145 (c) "Rural" means the same as that term is defined in ~~[Section 35A-8-501]~~ Section 35A-8-2501.
- 1147 (2)
- (a) This section applies to funds appropriated by the Legislature to the department for pass-through to a housing organization.

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- 1149 (b) The department shall ensure that pass-through funding granted or distributed before May 1, 2024
to a housing organization is subject to an agreement as described in this section, either through
amending existing agreements or canceling existing agreements and issuing new agreements.
- 1153 (3)
- (a) The department shall create agreements governing the use of pass-through funding as described in
this section.
- 1155 (b) Before a housing organization may accept pass-through funding pursuant to this section, the entity
shall enter into an agreement with the department governing the use of pass-through funding.
- 1158 (4) An agreement for pass-through funding shall require, at a minimum:
- 1159 (a) the housing organization match pass-through funding with private funding at no less than a 70%
private, 30% state split;
- 1161 (b) all pass-through funding be used by the housing organization to invest in housing units that are
rented at rates affordable to households with an annual income at or below 80% of the area median
income for a family within the county in which the housing is located;
- 1165 (c) that 50% of pass-through funding be used by the housing organization to invest in housing units
that are rented at rates affordable to households with an annual income at or below 50% of the area
median income for a family within the county in which the housing is located;
- 1169 (d) that at least 30% of pass-through funding be used by the housing organization to invest in housing
units that are located in a rural county;
- 1171 (e) that any property purchased with pass-through funding be subject to a deed restriction for a
minimum of 40 years to ensure the property remains a rental property affordable to households as
described in Subsection (4)(b);
- 1174 (f) that returns on investment generated by pass-through funding shall be reinvested by the housing
organization the same as if the returns on investment are pass-through funding; and
- 1177 (g) that the housing organization shall provide the division with the following information at the end of
each fiscal year:
- 1179 (i) the housing organization's annual audit, including:
- 1180 (A) a third-party independent auditor's findings on the housing organization's compliance with this
section and the terms of the housing organization's agreement for pass-through funding; and
- 1183 (B) the audited financial statements for a legal entity used by the housing organization to carry out
activities authorized by this section;

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- 1185 (ii) allocation of pass-through funds by county and housing type;
1186 (iii) progress and status of funded projects; and
1187 (iv) impact of pass-through funds on the availability of affordable housing across the state and by region.
1189 (5) The department shall include in the annual written report described in Section 35A-1-109 a report accounting for the expenditures authorized by a housing organization pursuant to an agreement with the department.

1192 Section 8. Section 8 is enacted to read:

1193

Part 25. Olene Walker State Housing Fund

1194 **35A-8-2501. Definitions.**

As used in this part:

- 1196 (1) "Affordable housing" means housing occupied or reserved for occupancy by households whose incomes are at or below certain income requirements as defined by a funding source or rule approved by the board.
- 1199 (2) "Allocated volume cap" means a volume cap for which:
1200 (a) a certificate of allocation is in effect; or
1201 (b) bonds have been issued.
- 1202 (3) "Allotment accounts" means the accounts created under Section 35A-8-2509.
- 1203 (4) "Board" means the Olene Walker State Housing Fund Board created under Section 35A-8-2503.
- 1205 (5) "Bond" means any obligation for which an allocation of volume cap is required by the code.
- 1207 (6) "Code" means the Internal Revenue Code of 1986, as amended, and related Internal Revenue Service regulations.
- 1209 (7) "Division" means the Housing and Community Development Division within the Department of Workforce Services.
- 1211 (8) "Fiscal year" means the state's fiscal year.
- 1212 (9) "Form 8038" means the Department of the Treasury tax for 8038 (OMB No. 1545-0720) or any other federal tax for or other method of reporting required by the Department of the Treasury under Section 149(e) of the code.
- 1215 (10) "Fund" means the Olene Walker State Housing Fund created under Section 35A-8-2502.
- 1217 (11)

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- (a) "Housing sponsor" means a person that constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part, affordable housing.
- 1221 (b) "Housing sponsor" may include:
- 1222 (i) a local public body;
- 1223 (ii) a nonprofit, limited profit, or for-profit corporation;
- 1224 (iii) a limited partnership;
- 1225 (iv) a limited liability company;
- 1226 (v) a joint venture;
- 1227 (vi) a subsidiary of the Utah Housing Corporation;
- 1228 (vii) a cooperative;
- 1229 (viii) a mutual housing organization;
- 1230 (ix) a local government;
- 1231 (x) a local housing authority;
- 1232 (xi) a regional or statewide nonprofit housing or assistance organization; or
- 1233 (xii) any other entity that helps provide affordable housing.
- 1234 (c) "Issuing authority" means, for private activity bonds:
- 1235 (i) a county, city, or town in the state;
- 1236 (ii) a nonprofit corporation or joint agency, or other entity acting on behalf of one or more county, city, or town, or a combination of a county, city, or town;
- 1238 (iii) the state; or
- 1239 (iv) any other entity authorized by state law to issue bonds.
- 1240 (d) "Income targeted housing" means the same as that term is defined in Section 17C-1-102.
- 1242 (12) "Low-income individual" means an individual whose household income is:
- 1243 (a) equal to or less than 80% of the area median income; or
- 1244 (b) as defined by a funding source.
- 1245 (13) "Rural" means:
- 1246 (a) a county of the third, fourth, fifth, or sixth class;
- 1247 (b) a municipality within a county of the second class if the municipality has a population of 10,000 or less; or
- 1249

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(c) as defined by the United States Department of Agriculture or the United States Department of Housing and Urban Development.

1251 (14) "State" means the state of Utah, including any state agency, department, or institution.

1252 (15) "Volume cap" means the private activity bond volume cap for the state as computed in accordance with Section 146 of the code.

1254 Section 9. Section **9** is enacted to read:

1255 **35A-8-2502. Olene Walker State Housing Fund -- Creation.**

1256 (1) There is created an enterprise fund known as the Olene Walker State Housing Fund, administered by the department.

1258 (2) The fund shall consist of:

1259 (a) grants, paybacks, bonuses, entitlements, and other money received by the department from the federal government to preserve, rehabilitate, build, restore, or renew housing or for other activities authorized by the fund;

1262 (b) transfers, grants, gifts, bequests, and money made available from any source to implement this part; and

1264 (c) money appropriated to the fund by the Legislature.

1265 (3) The money in the fund shall be invested by the state treasurer in accordance with Title 51, Chapter 7, State Money Management Act, except that all interest or other earnings derived from money in the fund shall be deposited into the fund.

1268 Section 10. Section **10** is enacted to read:

1269 **35A-8-2503. Olene Walker State Housing Fund Board -- Creation -- Expenses.**

1270 (1) There is created the Olene Walker State Housing Fund Board.

1271 (2) The board comprises 15 members as follows:

1272 (a) one senator appointed by the president of the Senate;

1273 (b) one member appointed by the speaker of the House of Representatives;

1274 (c) the director of the department or the director's designee;

1275 (d) five members appointed by the governor with the advice and consent of the Senate, and in accordance with Title 63G, Chapter 24, Part 2, Vacancies as follows:

1277 (i) one member from the governor's office;

1278 (ii) one member from the Department of Financial Institutions, nominated by the commissioner of the Department of Financial Institutions;

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- 1280 (iii) two members from the Association of Governments, nominated by the Board of Directors of the
Associations of Governments to represent rural communities; and
- 1282 (iv) one member to represent the Utah Board of Higher Education, nominated by the Utah Board of
Higher Education; and
- 1284 (e) seven members appointed by the executive director of the department as follows:
- 1285 (i) one member to represent housing advocacy organizations;
- 1286 (ii) one member with municipal bond experience;
- 1287 (iii) one municipal bond attorney;
- 1288 (iv) two members to represent home builder interests, of which;
- 1289 (A) one member shall have expertise in single-family residential construction; and
- 1290 (B) one member shall have expertise in multi-family residential construction; and
- 1291 (v) two members from the mortgage lending community, of which:
- 1292 (A) one member shall have expertise in single-family mortgage lending; and
- 1293 (B) one member shall have expertise in multi-family mortgage lending.
- 1294 (3)
- (a) The executive director of the department shall select a board member to serve as the chair of the
board for a two-year term.
- 1296 (b) The chair is nonvoting except in the case of a tie vote.
- 1297 (c) The chair shall serve as the state official designated to make certifications required to be made under
Section 146 of the code, including the certification required by Section 149(e)(2)(F) of the code.
- 1300 (4) The members of the board shall annually elect a vice-chair from among the voting members.
- 1302 (5)
- (a) The board may establish one or more subcommittees to assist and advise the board on specified
topics or issues relevant to the board's duties described in Section 35A-8-2504, including:
- 1305 (i) modular housing;
- 1306 (ii) municipal bonds;
- 1307 (iii) rental housing;
- 1308 (iv) manufactured housing; or
- 1309 (v) transit-oriented developments.
- 1310 (b) Each subcommittee established under Subsection (5)(a):
- 1311 (i) serves under the direction of the board;

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- 1312 (ii) shall assist the board in fulfilling the board's duties under this part; and
1313 (iii) shall comprise of members that represent a range of views and expertise in the topics or issues
described in Subsection (5)(a).
- 1315 (6)
(a) Except as provided in Subsection (6)(b), a board member shall serve a term of four years.
1317 (b) At the time of appointment or reappointment, the appointing authority may adjust the length of
terms to ensure that the terms of board members are staggered so that approximately half of the
appointed board members are appointed every two years.
- 1320 (c) When a vacancy occurs in the appointed membership for any reason, the replacement is appointed
for the unexpired term.
- 1322 (d) A board member may not serve more than two terms.
- 1323 (7)
(a) The board shall:
1324 (i) meet at least once per quarter to conduct business of the board on dates fixed by the board;
1326 (ii) meet twice per year to provide information to and receive input from the public regarding the
state's housing policies and needs;
1328 (iii) hold at least one meeting required under Subsection (7)(a)(ii) in a rural area of the state; and
1330 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and Public
Meetings Act.
- 1332 (b) Eight members of the board constitute a quorum.
1333 (c) The governor, the chair, or a majority of the board may call a meeting of the board.
1334 (d) Formal action by the board requires a majority vote of a quorum.
- 1335 (8) A member may not receive compensation or benefits for the member's service, but may receive per
diem and travel expenses in accordance with:
1337 (a) Section 63A-3-106;
1338 (b) Section 63A-3-107; and
1339 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- 1341 (9) The department shall provide staff to the board.
1342 Section 11. Section 11 is enacted to read:
1343 **35A-8-2504. Duties of the board -- Private activity bond allocation of volume cap and**
carryover.

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- 1345 (1) The board shall:
- 1346 (a) review the housing needs in the state;
- 1347 (b) determine the relevant operational aspects of any grant, loan, private activity bond allocation, or
revenue collection program established in accordance with this chapter;
- 1349 (c) determine the means to implement the policies and goals of this chapter;
- 1350 (d) elect specific projects to receive grant or loan money;
- 1351 (e) determine the amount of volume cap to be allocated with respect to approved applications;
- 1353 (f) subject to the code, make allocations of volume cap to issuing authorities;
- 1354 (g) maintain a record of all certificates of allocation issued under Section 35A-8-2510 and all
applications filed by private activity bond issuing authorities under Section 35A-8-2511;
- 1357 (h) maintain a record of all private activity bonds issued by issuing authorities during each calendar
year;
- 1359 (i) determine the amount of volume cap to be treated as a carryforward under Section 146(f) of the code
and allocate the carryforward to one or more qualified carryover purposes;
- 1362 (j) determine how all funds and sources under this part shall be allocated and distributed;
- 1363 (k) review and approve rules proposed by the division or the executive director of the department or the
executive director's designee;
- 1365 (l) charge reasonable fees for the performance of duties described in this part, including:
- 1366 (i) application fees;
- 1367 (ii) filing fees; and
- 1368 (iii) processing fees;
- 1369 (m) make available upon reasonable request a certified copy or summary of records relating to private
activity bonds, including information relating to the volume cap for each year and any amounts
available for volume cap allocation;
- 1372 (n) account for expenditures authorized by the board; and
- 1373 (o) evaluate the effectiveness of the program.
- 1374 (2)
- (a) The board shall approve a qualified allocation plan, as defined in Section 59-10-1010, developed by
the Utah Housing Corporation in accordance with Title 63H, Chapter 8, Utah Housing Corporation
Act.

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- 1380 (b) The board shall approve the plan described in Subsection (2)(a) before the review and approval of the plan by the governor and the submission of the plan to the Legislature.
- 1382 (3) The volume cap for each year shall be distributed by the board to the allotment accounts as described in Section 35A-8-2509.
- 1384 (4) The board shall provide evidence of an allocation of volume cap by issuing a certificate in accordance with Section 35A-8-2510.
- (5)
- 1387 (a) Subject to Subsection (5)(c), beginning on January 1 and ending on June 30 of each year, the board shall set aside at least 50% of the Small Issue Bond Account that may only be allocated to manufacturing projects.
- 1390 (b) Subject to Subsection (5)(c), beginning on July 1 and ending on August 15 of each year, the board shall set aside at least 50% of the Pool Account that may only be allocated to manufacturing projects.
- 1392 (c) The board is not required to set aside any unused volume cap under Section 35A-8-2510 to satisfy the requirements of Subsection (5)(a) or (b).
- 1394 (6) The board shall allocate the Carryover Account established in Section 35A-8-2509 to projects or programs qualifying under Section 146(f) of the code.
- (7) On or before August 1 of each year, the board shall submit a written report to the department on how the board fulfilled the board's statutory duties for inclusion in the annual written report described in Section 35A-1-109.

1397 Section 12. Section 12 is enacted to read:

1398 **35A-8-2505. Fund distribution.**

- 1399 (1) As used in this section, "community" means the same as that term is defined in Section 17C-1-102.
- 1401 (2) The department shall:
- 1402 (a) as directed by the board, make grants and loans from the fund for any of the activities authorized by Section 35A-8-2506;
- 1404 (b) with the approval of the board, establish the criteria by which loans and grants will be made;
- 1406 (c) with the approval of the board, determine the order in which projects will be funded;
- 1407 (d) as directed by the board, distribute any federal money contained in the fund according to the procedures, conditions, and restrictions placed upon the use of the money by the federal government;

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- 1410 (e) as directed by the board, distribute any funds received under Section 17C-1-412 to pay the costs of providing income targeted housing within the community that created the community reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act; and
- 1414 (f) with the approval of the board, enact rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 1416 (i) addressing the distribution of the money in the fund to benefit persons whose annual income is at or below certain median family income thresholds for the state; and
- 1419 (ii) addressing the allocation of volume cap under this part.
- 1420 (3)
- (a) Except for federal money, money received under Section 17C-1-412, and money appropriated for use in accordance with Section 35A-8-2506, the department shall distribute, as directed by the board, money in the fund in accordance with the rules created under Subsection (2)(f).
- 1424 (b) The executive director may use up to 6% of the revenues of the fund, including any appropriation to the fund, to offset department or board administrative expenses.
- 1426 (c) If the department makes a loan in accordance with this section, the interest rate of the loan shall be based on the borrower's ability to pay.
- 1428 (4) The department may, with the approval of the board:
- 1429 (a) enact policies and procedures for the distribution of the funds described in this part; and
- 1431 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the servicing of loans made by the fund.
- 1433 Section 13. Section 13 is enacted to read:
- 1434 **35A-8-2506. Fund application process and priorities -- Carryover allocation -- Private activity bond volume cap.**
- 1436 (1)
- (a) In each fiscal year that fund money is available for distribution, the division shall, under the direction of the board and at least once in that fiscal year, announce a grant and loan application period by posting notice on the department's website.
- 1439 (b) The division shall accept fund grant and loan applications that are received in a timely manner.
- 1441 (2) The division may, with the advice of the board, give preference to fund grant and loan applications that demonstrate the following:

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- 1443 (a) a high degree of leverage with other sources of financing;
- 1444 (b) high recipient contributions to total project costs, including allied contributions from other sources such as professional, craft, and trade services and lender interest rate subsidies;
- 1447 (c) high local government project contributions in the form of infrastructure improvements, or other assistance;
- 1449 (d) projects that encourage ownership, management, and other project-related responsibility opportunities;
- 1451 (e) projects that demonstrate a strong probability of serving the original target group or income level for at least 15 years;
- 1453 (f) projects where the applicant has demonstrated the ability, stability, and resources to complete the project;
- 1455 (g) projects that appear to serve the greatest need;
- 1456 (h) projects that provide housing for individuals and families with the lowest income;
- 1457 (i) projects that promote economic development benefits;
- 1458 (j) projects that align with a local government plan to address housing and homeless services; and
- 1460 (k) projects that would mitigate or correct existing health, safety, or welfare problems.
- 1461 (3) The division may give consideration to projects that increase the supply of accessible housing.
- 1463 (4)
- (a) In each calendar year that volume cap or carryover is available for allocation, the division shall, at least once in that year, announce a private activity bond application period by posting notice on the department's website.
- 1466 (b) To obtain an allocation of volume cap or carryover, an issuing authority shall submit to the division an application containing information required by the board.
- 1468 (5)
- (a) The board shall establish criteria for making allocations of volume cap or carryover that are consistent with the purposes of the code and this part.
- 1470 (b) In making an allocation of volume cap or carryover the board shall consider the following:
- 1472 (i) the principal amount of the bonds proposed to be issued;
- 1473 (ii) the nature and the location of the project or the type of program;
- 1474 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- 1475

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- (iv) whether the project or program could obtain adequate financing without an allocation of volume cap;
- 1477 (v) the degree to which an allocation of volume cap or carryover is required for the project or program to proceed or continue;
- 1479 (vi) the social, health, economic, and educational effects of the project or program on the local community and the state as a whole;
- 1481 (vii) the anticipated economic development created or retained within the local community and the state as a whole;
- 1483 (viii) the anticipated number of jobs, both temporary and permanent, created or retained within the local community and the state as a whole;
- 1485 (ix) if the project is a residential rental project, the degree to which the residential rental project:
- 1487 (A) targets certain area median family income thresholds; and
- 1488 (B) is accessible housing; and
- 1489 (x) any conditions or requirements found in the code for the type of proposed project or program.
- 1491 (6)
- (a) The division shall review the project applications described in Sections 35A-8-2513 and 35A-8-2514.
- 1493 (b) The division shall give preference to projects:
- 1494 (i) that include significant additional or matching funds from an individual, private organization, or local government entity;
- 1496 (ii) that include significant contributions by the applicant to total project costs, including contributions secured by the applicant from other sources such as professional, craft, and trade services and lender interest rate subsidies;
- 1499 (iii) with significant local government contributions in the form of infrastructure, improvements, or other assistance;
- 1501 (iv) where the applicant has demonstrated the ability, stability, and resources to complete the project;
- 1503 (v) that will serve the greatest need;
- 1504 (vi) that promote economic development benefits;
- 1505 (vii) that allow integration into a local government housing plan;
- 1506 (viii) that will mitigate or correct existing health, safety, or welfare concerns; or
- 1507 (ix) that remedy a gap in the supply of and demand for affordable housing.

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- 1508 (c) The board may approve a project that meets the requirements of Section 35A-8-2513 to receive funds from the Rural Housing Fund.
- 1510 (d) The board may approve a project that meets the requirements of Section 35A-8-2514 to receive funds from the Economic Revitalization and Investment Fund.
- 1512 Section 14. Section 14 is enacted to read:
- 1513 **35A-8-2507. Activities authorized to receive fund money -- Issuing bonds -- Department powers.**
- 1515 (1) At the direction of the board, the department may:
- 1516 (a) provide fund money for the following activities:
- 1517 (i) the acquisition, rehabilitation, or new construction of affordable housing units;
- 1518 (ii) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;
- 1520 (iii) the development and construction of accessible housing designed for low-income individuals;
- 1522 (iv) the construction or improvement of a shelter or transitional housing facility that provides services intended to prevent or minimize homelessness among members of a specific homeless subpopulation;
- 1525 (v) the purchase of an existing facility to provide temporary or transitional housing for the homeless in an area that does not require rezoning before providing the temporary or transitional housing;
- 1528 (vi) the purchase of land that will be used as the site of affordable housing units;
- 1529 (vii) the preservation of existing affordable housing units;
- 1530 (viii) providing loan guarantees under the program established in Section 35A-8-2512;
- 1531 (ix) the award of predevelopment grants in accordance with Section 35A-8-2508;
- 1532 (x) the creation or financial support of a mediation program for landlords and tenants designed to minimize the loss of housing for low-income individuals, which program may include:
- 1535 (A) funding for the hiring or training of mediators;
- 1536 (B) connecting landlords and tenants with mediation services; and
- 1537 (C) providing a limited amount of gap funding to assist a tenant in making a good faith payment towards attorney fees, damages, or other costs associated with eviction proceedings or avoiding eviction proceedings;
- 1540 (xi) other activities to assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income individuals; and

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- 1542 (xii) other housing purposes as directed by the Legislature; and
- 1543 (b) do all things necessary or convenient to the exercise of the powers granted by this part, including:
- 1545 (i) making or executing contracts and other instruments necessary or convenient for the performance of the department and board's duties and the exercise of the department and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;
- 1549 (ii) procuring insurance against a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers the department determines appropriate;
- 1552 (iii) entering into agreements with a department, agency, or instrumentality of the United States or the state and with mortgagors and mortgage lenders for the purpose of planning and regulating and providing for the financing and refinancing, purchase, construction, reconstruction, rehabilitation, leasing, management, maintenance, operation, sale, or other disposition of residential housing undertaken with the assistance of the department under this part;
- 1558 (iv) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or personal property obtained by the fund as a result of a default on a mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of the department's duties under this part;
- 1565 (v) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund; and
- 1567 (vi) granting or lending fund money to a housing sponsor.
- 1568 (2) The department is recognized as an issuing authority, as defined in Section 35A-8-2501 and is entitled to issue bonds from the Small Issue Bond Account created in Section 35A-8-2509 as a part of the state's private activity bond volume cap authorized by the code and computed under Section 146 of the code.
- 1572 (3) To promote and encourage the issuance of bonds from the Small Issue Bond Account for manufacturing projects, the department may:
- 1574 (a) develop campaigns and materials that inform qualified small manufacturing businesses about the existence of the program and the application process;
- 1576 (b) assist small businesses in applying for and qualifying for bonds; and

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- 1577 (c) develop strategies to lower the cost to small businesses of applying for and qualifying for bonds, including making arrangements with financial advisors, underwriters, bond counsel, and other professionals involved in the issuance process to provide services at a reduced rate when the department is able to provide such service providers with a high volume of applicants or issues.
- 1582 (4) The department may distribute funds from the Economic Revitalization and Investment Fund and the Rural Housing Fund for any of the following activities undertaken as part of an approved project:
- 1585 (a) the acquisition, rehabilitation, or new construction of a building that includes moderate income housing units;
- 1587 (b) the purchase of land for the construction of a building that will include moderate income housing units; or
- 1589 (c) predevelopment work, including planning, studies, design, and site work for a building that will include moderate income housing units.
- 1591 (5) The department shall monitor the activities of recipients of grants and loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the department with the approval of the board or by this part.
- 1594 (6) On or before July 1, 2027, an entity that receives money from the fund under this part shall provide the department with an annual accounting of how the funds received are spent.
- 1597 (7) The division shall make an annual report to the board accounting for the expenditures authorized by the board under this section.

1599 Section 15. Section **15** is enacted to read:

1600 **35A-8-2508. Predevelopment grants.**

- 1601 (1) The department may, under the direction of the board, award one or more predevelopment grants to a nonprofit or for-profit entity:
- 1603 (a) in preparation for a project that:
- 1604 (i) involves the construction of moderate income housing units; and
- 1605 (ii) is located within:
- 1606 (A) a city of the fifth or sixth class or a town in a rural area of the state; or
- 1607 (B) a municipality or unincorporated area in a county of the fourth, fifth, or sixth class; and
- 1609 (b) in an amount of no more than \$50,000 per project.

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- (2) The department shall, under the direction of the board, award each predevelopment grant in accordance with this section and the requirements of this part regarding grant applications, grant awards, and reporting.
- 1613 (3) The recipient of a predevelopment grant:
- 1614 (a) may use grant funds to offset the predevelopment funds needed to prepare for the construction of low-income housing units, including market studies, surveys, environmental and impact studies, technical assistance, and preliminary architecture, engineering, or legal work; and
- 1618 (b) may not use grant funds to pay for staff salaries or construction costs.
- 1619 (4) The department shall, under the direction of the board, prioritize the award of a predevelopment grant for a project that is located within:
- 1621 (a) a county of the fifth or sixth class; and
- 1622 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the following conditions:
- 1624 (i) limited or no availability of natural gas;
- 1625 (ii) limited or no availability of a sewer system;
- 1626 (iii) limited or no availability of broadband Internet;
- 1627 (iv) unpaved residential streets; or
- 1628 (v) limited local construction professionals, vendors, or services.
- 1629 Section 16. Section **16** is enacted to read:
- 1630 **35A-8-2509. Private activity bond allotment accounts -- Creation.**
- 1631 (1) The following private activity bond allotment accounts are created in this section:
- 1632 (a) the Single Family Housing Account, for which eligible issuing authorities are authorized under the code and state statute to issue qualified mortgage bonds under Section 143 of the code;
- 1635 (b) the Student Loan Account, for which eligible issuing authorities are authorized under the code and state statute to issue qualified student loan bonds under Section 144(b) of the code; and
- 1638 (c) the Small Issue Bond Account, for which eligible issuing authorities are authorized under the code and state statute to issue:
- 1640 (i) qualified small issue bonds under Section 144(a) of the code;
- 1641 (ii) qualified exempt facility bonds for qualified residential rental projects under Section 142(d) of the code; and
- 1643 (iii) qualified redevelopment bonds under Section 144(c) of the code;

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- 1644 (d) the Exempt Facilities Account, for which eligible issuing authorities are authorized under the code and state statute to issue bonds requiring an allocation of volume cap other than for purposes described in Subsections (1)(a) through (c);
- 1647 (e) the Pool Account, for which eligible issuing authorities are authorized under the code and state statute to issue bonds requiring an allocation of volume cap; and
- 1649 (f) the Carryforward Account, for which eligible issuing authorities are those with projects or programs that qualify under Section 146(f) of the code.
- 1651 (2)
- 1653 (a) The volume cap shall be distributed to the allotment accounts on January 1 of each year as follows:
- 1654 (i) 42% to the Single Family Housing Account;
- 1655 (ii) 33% to the Student Loan Account;
- 1656 (iii) 1% to the Exempt Facilities Account; and
- 1657 (iv) 24% to the Small Issue Bond Account.
- 1657 (b) Beginning on July 1 and ending on September 30 of each year, the board may transfer any unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account to the Pool Account.
- 1660 (c) Upon written notification to the board by the issuing authority that all or a portion of the eligible volume cap allocation from the Single Family Housing Account or the Student Loan Account distributed into the allotment account may not be used, the board may transfer the unused volume cap to any other allotment account.
- 1664 (d) Beginning on October 1 and ending on the third Friday of December of each year, the board shall transfer all unallocated volume cap into the Pool Account.
- 1666 (e) On the third Saturday of December of each year, the board shall transfer uncollected volume cap, or allocated volume cap for which bonds have not been issued prior to the third Saturday in December, into the Carryforward Account.
- 1669 (f) If the authority to issue bonds designated in an allotment account is rescinded by amendment to the code, the board may transfer any unallocated volume cap from the allotment account that is rescinded to another allotment account.

1672 Section 17. Section 17 is enacted to read:

1673 **35A-8-2510. Private activity bond certificates of allocation.**

1674 (1)

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- (a) After an allocation of volume cap for a project or program is approved by the board, the board shall issue a numbered certificate of allocation containing:
- 1676 (i) the amount of the allocation;
- 1677 (ii) the allotment account from which the allocation is being made; and
- 1678 (iii) the expiration date of the allocation.
- 1679 (b) A certificate of allocation shall be mailed to the issuing authority no later than 10 business days from the day the certificate of allocation is approved.
- 1681 (c) A bond is not entitled to an allocation of the volume cap unless the issuing authority receives a certificate of allocation.
- 1683 (d)
- (i) A certificate of allocation shall remain in effect for no more than 100 days from earliest of the day on which the certificate is approved or on the day of the next regularly scheduled board meeting.
- 1686 (ii) If bonds for which a certificate is approved are not issued within the period described in Subsection (1)(d)(i), the certificate of allocation is void and volume cap shall be returned to the applicable allotment account for reallocation by the board.
- 1690 (2)
- (a) An issuing authority receiving an allocation of volume cap from the Carryforward Account shall receive a certificate of allocation as described in Subsection (1).
- 1692 (b)
- (i) If an issuing authority or person responsible for a project or program receiving an allocation from the Carryforward Account does not provide for the issuance of bonds for the project or program, and because of a lack of diligence, the volume cap cannot be used, the board may exclude from consideration an application of the issuing authority for a period determined by the board.
- 1697 (ii) The board may review and modify the board's decision relating to the exclusion described in Subsection (2)(b)(i).
- 1699 Section 18. Section **18** is enacted to read:
- 1700 **35A-8-2511. Private activity bond issuing authorities -- Limitations.**
- 1701 (1)
- (a) Notwithstanding any other provision of law, an issuing authority that issues a bond under Section 35A-8-2510 without a certificate of allocation or after the expiration of a certificate of allocation may not receive an allocation of the volume cap for the bond.

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- 1705 (b) An issuing authority that issues a bond in excess of the amount provided for in the bond certificate of allocation may not receive an allocation of the volume cap for the excess amount.
- 1708 (2) Each issuing authority shall advise the board of:
- 1709 (a) no later than 15 business days from the day on which a bond is issued:
- 1710 (i) the principal amount of bonds issued under each certificate of allocation; and
- 1711 (ii) a copy of Form 8038;
- 1712 (b) if all or a stated portion of the bonds for which a certificate of allocation was received is not issued, no later than 15 business days from the earliest of the day on which the following occurs:
- 1715 (i) the final decision not to issue all or a stated portion of the bond; or
- 1716 (ii) the expiration of the certificate of allocation.
- 1717 (c) If an issuing authority fails to notify the board of the requirements described in this Subsection (2), the board may, in the discretion of the board, deny consideration of future applications from the issuing authority.
- 1720 Section 19. Section **19** is enacted to read:
- 1721 **35A-8-2512. Low-income accessory dwelling unit guarantee program.**
- 1722 (1) As used in this section:
- 1723 (a) "Accessory dwelling unit" or "ADU" means the same as that term is defined in Section 10-9a-103.
- 1725 (b) "Borrower" means a residential property owner who receives a low-income ADU loan from a lender.
- 1727 (c) "Lender" means a trust company, savings bank, savings and loan association, bank, credit union, or any other entity that provides low-income ADU loans directly to borrowers.
- 1730 (d) "Low-income ADU loan" means a loan made by a lender to a borrower for the purpose of financing the construction of an accessory dwelling unit that is:
- 1732 (i) located on the borrower's residential property; and
- 1733 (ii) rented to a low-income individual.
- 1734 (2) Subject to available funding, the division may establish a program to provide loan guarantees on behalf of borrowers for the purpose of ensuring the repayment of low-income ADU loans.
- 1737 (3) The department may not provide a loan guarantee for a low-income ADU loan under the program unless:
- 1739 (a) the lender:
- 1740 (i) agrees in writing to participate in the program;

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- 1741 (ii) makes available to prospective borrowers the option of receiving a low-income ADU loan that:
1743 (A) has a term of no less than 15 years; and
1744 (B) charges interest at a fixed rate;
1745 (iii) monitors the activities of the borrower on a yearly basis during the term of the loan to ensure the
borrower's compliance with:
1747 (A) Subsection (3)(c); and
1748 (B) any other term or condition of the loan; and
1749 (iv) promptly notifies the department in writing if the borrower fails to comply with:
1750 (A) Subsection (3)(c); or
1751 (B) any other term or condition of the loan;
1752 (b) the loan terms of the low-income ADU loan:
1753 (i) are consistent with the loan terms described in Subsection (3)(a)(ii); or
1754 (ii) if different from the loan terms described in Subsection (3)(a)(ii), mutually agreed upon by the
lender and the borrower; and
1756 (c) the borrower:
1757 (i) agrees in writing to participate in the program;
1758 (ii) constructs an accessory dwelling unit on the borrower's residential property within one year from
the date on which the borrower receives funding for the loan;
1760 (iii) occupies the primary residence to which the accessory dwelling unit is associated:
1761 (A) on the day that the accessory dwelling unit is completed; and
1762 (B) for the remainder of the term of the loan; and
1763 (iv) rents the accessory dwelling unit to a low-income individual:
1764 (A) on the day that the accessory dwelling unit is completed; and
1765 (B) for the remainder of the term of the loan.
1766 (4) At the direction of the board, the department shall make rules in accordance with Title 63G, Chapter
3, Utah Administrative Rulemaking Act, to establish:
1768 (a) the minimum criteria for lenders and borrowers to participate in the program;
1769 (b) the terms and conditions for loan guarantees under the loan program as described under Subsection
(3); and
1771 (c) procedures for the program's loan guarantee process.
1772

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(5) The division shall prepare a report on the program for inclusion in the annual written report described in Section 35A-1-109.

1774 Section 20. Section **20** is enacted to read:

1775 **35A-8-2513. Rural housing fund -- Creation -- Requirements -- Repayment.**

1776 (1) There is created an enterprise fund known as the "Rural Housing Fund."

1777 (2) The Rural Housing Fund consists of money from the following:

1778 (a) money appropriated to the account by the Legislature;

1779 (b) private contributions;

1780 (c) donations or grants from public or private entities; and

1781 (d) money returned to the department under Subsection (7).

1782 (3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural Housing Fund.

1784 (4) Subject to appropriation and funding availability, the department may expend funds in the Rural Housing Fund to provide loans for projects that:

1786 (a) are located within:

1787 (i) a county of the third, fourth, fifth, or sixth class;

1788 (ii) a municipality in a county of the second class with a total population of no more than 10,000; or

1790 (iii) a rural area as defined by the United States Department of Agriculture or the United States Department of Housing and Urban Development;

1792 (b) include moderate income housing units; and

1793 (c) have been approved by the board in accordance with Section 35A-8-2506.

1794 (5)

(a) A housing sponsor may apply to the department to receive a loan under this section.

1796 (b) An application under Subsection (5)(a) shall specify:

1797 (i) the location of the project;

1798 (ii) the number, size, and income requirements of moderate income housing units that will be included in the project; and

1800 (iii) a written commitment to enter into a deed restriction that reserves for a period of no less than 50 years the moderate income housing units described in Subsection (5)(b)(ii).

1803 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing unit is occupied by a household that met the income requirement for moderate income housing when the household originally entered into the lease agreement for the housing unit.

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- 1807 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules establishing procedures and requirements for housing sponsors to apply for and receive loans under this section.
- 1810 (6) The executive director may expend no more than 3% of the revenues of the Rural Housing Fund, including any appropriation to the Rural Housing Fund, to offset department or board administrative expenses.
- 1813 (7) Upon the earlier of no more than 30 years from the day on which an approved project is placed in service or the sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as part of an approved project funded under Section 35A-8-2507, the housing sponsor shall remit to the department:
- 1817 (a) the total amount of money distributed by the department to the housing sponsor for the project; and
- 1819 (b) an additional amount of money determined by contract with the department before the initial disbursement of money is made.
- 1821 (8) A claim arising under Subsection (7) is a lien against the real property funded under this chapter.
- 1823 (9) Money returned to the department under Subsection (7) from a housing sponsor that received funds from the Rural Housing Fund shall be deposited into the Rural Housing Fund.

1826 Section 21. Section 21 is enacted to read:

1827 **38A-8-2514. Economic revitalization and investment fund -- Creation -- Requirements --**

Repayment.

- 1829 (1) There is created an enterprise fund known as the "Economic Revitalization and Investment Fund."
- 1831 (2) The Economic Revitalization and Investment Fund consists of money from the following:
- 1833 (a) money appropriated to the account by the Legislature;
- 1834 (b) private contributions;
- 1835 (c) donations or grants from public or private entities; and
- 1836 (d) money returned to the department under Subsection (7).
- 1837 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be deposited into the Economic Revitalization and Investment Fund.
- 1839 (4) The department may distribute money from the Economic Revitalization and Investment Fund to one or more projects that:

1841

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- 1844 (a) include affordable housing units for households whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; and
- 1845 (b) are approved by the board in accordance with Section 35A-8-2506.
- 1846 (5)
- 1847 (a) A housing sponsor may apply to the department to receive a distribution under Subsection (4).
- 1848 (b) The application described in Subsection (5)(a) shall include:
- 1849 (i) the location of the project;
- 1850 (ii) the number, size, and tenant income requirements of affordable housing units described in Subsection (4)(a) that will be included in the project; and
- 1851 (iii)
- 1852 (A) a written commitment to enter into a deed restriction that reserves for a period of no less than 30 years the affordable housing units described in Subsection (5)(b)(ii); or
- 1853 (B) a written commitment to enter into an agreement for occupancy by households that meet the income requirements described in Subsection (5)(b)(ii).
- 1854 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- 1855 (i) occupied or reserved for occupancy by a household whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; or
- 1856 (ii) occupied by a household whose income is no more than 60% of the area median income for households of the same size in the county or municipality where the project is located if that household met the income requirement described in Subsection (4)(a) when the household originally entered into the lease agreement for the housing unit.
- 1857 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make additional rules providing procedures for a person to apply to the department to receive a distribution described in Subsection (4).
- 1858 (6) The executive director may expend no more than 3% of the revenues of the Economic Revitalization and Investment Fund, including any appropriation to the Economic Revitalization and Investment Fund, to offset department or board administrative expenses.
- 1859 (7) Upon the earlier of no more than 30 years from the date on which an approved project is placed in service or the sale or transfer of the affordable housing units acquired, constructed, or rehabilitated

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as part of an approved project funded under Section 35A-8-2507, the housing sponsor shall remit to the department:

- 1876 (a) the total amount of money distributed by the department to the housing sponsor for the project; and
1878 (b) an additional amount of money determined by contract with the department before the initial
disbursement of money is made.
- 1880 (8) A claim arising under Subsection (7) is a lien against the real property funded under this chapter.
1882 (9) Money returned to the department under Subsection (7) from a housing sponsor that received
funds from the Economic Revitalization and Investment Fund shall be deposited into the Economic
Revitalization and Investment Fund.

179 Section 3. Section **59-2-1101** is amended to read:

180 **59-2-1101. Definitions -- Exemption of certain property -- Proportional payments for certain**
property -- Exception -- County legislative body authority to adopt rules or ordinances.

1889 (1) As used in this section:

1890 (a) "Charitable purposes" means:

- 1891 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined in Howell v.
County Board of Cache County ex rel. IHC Hospitals, Inc., 881 P.2d 880 (Utah 1994); and
1894 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift to the community.
1896 (b) "Compliance period" means a period equal to 15 taxable years beginning with the first taxable year
for which the taxpayer claims a tax credit under Section 42, Internal Revenue Code, or Section
59-7-607 or 59-10-1010.

1899 (c)

(i) "Educational purposes" means purposes carried on by an educational organization that normally:

1901 (A) maintains a regular faculty and curriculum; and

1902 (B) has a regularly enrolled body of pupils and students.

1903 (ii) "Educational purposes" includes:

1904 (A) the physical or mental teaching, training, or conditioning of competitive athletes by a national
governing body of sport recognized by the United States Olympic Committee that qualifies as being
tax exempt under Section 501(c)(3), Internal Revenue Code; and

1908 (B) an activity in support of or incidental to the teaching, training, or conditioning described in this
Subsection (1)(c)(ii).

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- (d) "Exclusive use exemption" means a property tax exemption under Subsection (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more of the following purposes:
- 1913 (i) religious purposes;
- 1914 (ii) charitable purposes; or
- 1915 (iii) educational purposes.
- 1916 (e)
- (i) "Farm machinery and equipment" means tractors, milking equipment and storage and cooling facilities, feed handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage tools, scales, combines, spreaders, sprayers, haying equipment, including balers and cubers, and any other machinery or equipment used primarily for agricultural purposes.
- 1921 (ii) "Farm machinery and equipment" does not include vehicles required to be registered with the Motor Vehicle Division or vehicles or other equipment used for business purposes other than farming.
- 1924 (f) "Gift to the community" means:
- 1925 (i) the lessening of a government burden; or
- 1926 (ii)
- (A) the provision of a significant service to others without immediate expectation of material reward;
- 1928 (B) the use of the property is supported to a material degree by donations and gifts including volunteer service;
- 1930 (C) the recipients of the charitable activities provided on the property are not required to pay for the assistance received, in whole or in part, except that if in part, to a material degree;
- 1933 (D) the beneficiaries of the charitable activities provided on the property are unrestricted or, if restricted, the restriction bears a reasonable relationship to the charitable objectives of the nonprofit entity that owns the property; and
- 1936 (E) any commercial activities provided on the property are subordinate or incidental to charitable activities provided on the property.
- 1938 (g) "Government exemption" means a property tax exemption provided under Subsection (3)(a)(i), (ii), or (iii).
- 1940 (h)
- (i) "Nonprofit entity" means an entity:
- 1941

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- (A) that is organized on a nonprofit basis, that dedicates the entity's property to the entity's nonprofit purpose, and that makes no dividend or other form of financial benefit available to a private interest;
- 1944 (B) for which, upon dissolution, the entity's assets are distributable only for exempt purposes under state law or to the government for a public purpose; and
- 1946 (C) for which none of the net earnings or donations made to the entity inure to the benefit of private shareholders or other individuals, as the private inurement standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 1949 (ii) "Nonprofit entity" includes an entity:
- 1950 (A) if the entity is treated as a disregarded entity for federal income tax purposes and wholly owned by, and controlled under the direction of, a nonprofit entity; and
- 1953 (B) for which none of the net earnings and profits of the entity inure to the benefit of any person other than a nonprofit entity.
- 1955 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection (1)(h)(i) if the entity jointly owns a property that:
- 1957 (A) is used for the purpose of providing permanent supportive housing;
- 1958 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a housing authority that operates the permanent supportive housing;
- 1960 (C) has an owner that receives public funding from a federal, state, or local government entity to provide support services and rental subsidies to the permanent supportive housing;
- 1963 (D) is intended to be transferred at or before the end of the compliance period to an entity described in Subsection (1)(h)(i) or a housing authority that will continue to operate the property as permanent supportive housing; and
- 1966 (E) has been certified by the Utah Housing Corporation as meeting the requirements described in Subsections (1)(h)(iii)(A) through (D).
- 1968 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection (1)(h)(i) if:
- 1970 (A) the entity is a housing organization as defined in {~~Subection~~} Subsection 35A-8-2401(1)(a); and
- 1972 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing authority.
- 1974 (i) "Permanent supportive housing" means a housing facility that:
- 1975 (i) provides supportive services;
- 1976

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- (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing facility when the housing facility is placed in service;
- 1978 (iii) receives an allocation of federal low-income housing tax credits in accordance with 26 U.S.C. Sec. 42; and
- 1980 (iv) leases each unit to a tenant:
- 1981 (A) who, immediately before leasing the housing, was homeless as defined in 24 C.F.R. 583.5; and
- 1983 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 1984 (j)
- (i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii) has a legal right to possess.
- 1986 (ii) "Property of" includes a lease of real property if:
- 1987 (A) the property is wholly leased to a state or political subdivision entity listed in Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 1989 (B) the lease is in effect for the entire calendar year.
- 1990 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 1991 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for the real estate taxes, building insurance, and maintenance of the property separate from and in addition to the rental price.
- 1994 (2)
- (a) Except as provided in Subsection (2)(b), an exemption under this part may be allowed only if the claimant is the owner of the property as of January 1 of the year the exemption is claimed.
- 1997 (b) A claimant shall collect and pay a proportional tax based upon the length of time that the property was not owned by the claimant if:
- 1999 (i) the claimant is a federal, state, or political subdivision entity described in Subsection (3)(a)(i), (ii), or (iii); or
- 2001 (ii) pursuant to Subsection (3)(a)(iv):
- 2002 (A) the claimant is a nonprofit entity; and
- 2003 (B) the property is used exclusively for religious, charitable, or educational purposes.
- 2005 (3)
- (a) The following property is exempt from taxation:
- 2006 (i) property exempt under the laws of the United States;

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- 2007 (ii) property of:
- 2008 (A) the state;
- 2009 (B) school districts; and
- 2010 (C) public libraries;
- 2011 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property of:
- 2013 (A) counties;
- 2014 (B) cities;
- 2015 (C) towns;
- 2016 (D) special districts;
- 2017 (E) special service districts; and
- 2018 (F) all other political subdivisions of the state;
- 2019 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity used exclusively for one or more of the following purposes:
- 2021 (A) religious purposes;
- 2022 (B) charitable purposes; or
- 2023 (C) educational purposes;
- 2024 (v) places of burial not held or used for private or corporate benefit;
- 2025 (vi) farm machinery and equipment;
- 2026 (vii) a high tunnel, as defined in Section 10-9a-525;
- 2027 (viii) intangible property; and
- 2028 (ix) the ownership interest of an out-of-state public agency, as defined in Section 11-13-103:
- 2030 (A) if that ownership interest is in property providing additional project capacity, as defined in Section 11-13-103; and
- 2032 (B) on which a fee in lieu of ad valorem property tax is payable under Section 11-13-302.
- 2034 (b) For purposes of a property tax exemption for property of school districts under Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter Schools, is considered to be a school district.
- 2037 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a government exemption ceases to qualify for the exemption because of a change in the ownership of the property:
- 2040 (a) the new owner of the property shall pay a proportional tax based upon the period of time:
- 2042 (i) beginning on the day that the new owner acquired the property; and

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- 2043 (ii) ending on the last day of the calendar year during which the new owner acquired the property; and
2045 (b) the new owner of the property and the person from whom the new owner acquires the property shall
notify the county assessor, in writing, of the change in ownership of the property within 30 days
from the day that the new owner acquires the property.
- 2048 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
2049 (a) is subject to any exclusive use exemption or government exemption that the property is entitled to
under the new ownership of the property; and
2051 (b) applies only to property that is acquired after December 31, 2005.
- 2052 (6)
(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
2053 (i) the nonprofit entity that owns the property participates in or intervenes in any political campaign
on behalf of or in opposition to any candidate for public office, including the publishing or
distribution of statements; or
2056 (ii) a substantial part of the activities of the nonprofit entity that owns the property consists of
carrying on propaganda or otherwise attempting to influence legislation, except as provided
under Subsection 501(h), Internal Revenue Code.
- 2059 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a) shall be
determined using the standards described in Section 501, Internal Revenue Code.
- 2062 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:
2063 (a) the property is used for a purpose that is not religious, charitable, or educational; and
2064 (b) the use for a purpose that is not religious, charitable, or educational is more than de minimis.
- 2066 (8) A county legislative body may adopt rules or ordinances to:
2067 (a) effectuate an exemption under this part; and
2068 (b) designate one or more persons to perform the functions given to the county under this part.
- 2070 (9) If a person is dissatisfied with an exemption decision made under designated decision-making
authority as described in Subsection (8)(b), that person may appeal the decision to the commission
under Section 59-2-1006.

2073 ~~{Section 23. Section 63B-1b-202 is amended to read: }~~

2074 **63B-1b-202. Custodial officer -- Powers and duties.**

2075 (1)

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- (a) There is created within the Division of Finance an officer responsible for the care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust documents, and other evidences of indebtedness:
- 2078 (i) owned or administered by the state or any of its agencies; and
- 2079 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 2080 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not responsible for the care, custody, safekeeping, collection, and accounting of a bond, note, contract, trust document, or other evidence of indebtedness relating to the:
- 2083 (i) Agriculture Resource Development Fund, created in Section 4-18-106;
- 2084 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- 2085 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
- 2086 (iv) [~~Olene Walker Housing Loan Fund, created in Section 35A-8-502~~] Olene Walker State Housing Fund, created in Section 35A-8-2502;
- 2088 (v) Brownfields Fund, created in Section 19-8-120; and
- 2089 (vi) Rural Opportunity Fund, created in Section 63N-4-805.
- 2090 (2)
- (a) Each authorizing agency shall deliver to this officer for the officer's care, custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents, and other evidences of indebtedness:
- 2093 (i) owned or administered by the state or any of its agencies; and
- 2094 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 2095 (b) This officer shall:
- 2096 (i) establish systems, programs, and facilities for the care, custody, safekeeping, collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences of indebtedness submitted to the officer under this Subsection (2); and
- 2100 (ii) shall make available updated reports to each authorizing agency as to the status of loans under their authority.
- 2102 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).

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367 Section 4. **Effective date.**

This bill takes effect on May 7, 2025.

Section 26. **Repealer.**

This Bill Repeals:

- 2128 Section **35A-8-2107, Certificates of allocation.**
- 2116 Section **35A-8-508, Annual accounting.**
- 2119 Section **35A-8-511, Activities authorized to receive account money.**
- 2123 Section **35A-8-2102, Definitions.**
- 2126 Section **35A-8-2105, Allocation of volume cap.**
- 2114 Section **35A-8-506, Authority of the executive director.**
- 2130 Section **35A-8-2109, Procedures -- Adjudicative proceedings.**
- 2111 Section **35A-8-504, Distribution of fund money.**
- 2109 Section **35A-8-502, Creation and administration.**
- 2115 Section **35A-8-507, Application process and priorities.**
- 2127 Section **35A-8-2106, Allotment accounts.**
- 2117 Section **35A-8-509, Economic Revitalization and Investment Fund.**
- 2121 Section **35A-8-513, Annual accounting.**
- 2124 Section **35A-8-2103, Private Activity Bond Review Board.**
- 2118 Section **35A-8-510, Housing loan fund board approval.**
- 2122 Section **35A-8-2101, Title -- Purpose.**
- 2112 Section **35A-8-505, Activities authorized to receive fund money -- Powers of the**
- 2113 **executive director.**
- 2125 Section **35A-8-2104, Powers, functions, and duties of the board of review.**
- 2120 Section **35A-8-512, Repayment of funds.**
- 2131 Section **35A-8-2110, Duties of the department.**
- 2108 Section **35A-8-501, Definitions.**
- 2129 Section **35A-8-2108, Issuing authorities -- Limitations -- Duties.**
- 2110 Section **35A-8-503, Housing loan fund board -- Duties -- Expenses.**

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