

# SB0262S01 compared with SB0262

~~{Omitted text}~~ shows text that was in SB0262 but was omitted in SB0262S01

inserted text shows text that was not in SB0262 but was inserted into SB0262S01

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## Housing Affordability Modifications

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor:

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### LONG TITLE

#### General Description:

This bill amends provisions related to affordable housing.

#### Highlighted Provisions:

This bill:

- defines terms;

- ~~{ enacts }~~ amends provisions ~~{ related }~~ allowing revenue from a home ownership promotion zone to ~~{ residential overlay }~~ be used for ~~{ the development of }~~ certain ~~{ types of dwellings on certain sized lots }~~ purposes;

- allows a county and municipality to use home ownership promotion zone funds for all or part of water exaction, street lighting, and environmental remediation costs;

- requires a county to comply with land use provisions beginning May 7, 2025;

- directs the Utah Housing Corporation to make rules regarding procedures, qualifications, and requirements for private financial institutions that offer certain mortgage loans to first-time homebuyers;

- provides that first-time home buyers may use certain mortgage loans for specified purposes; ~~{ and }~~

SB0262

## SB0262 compared with SB0262S01

19       ▸ creates a subordinate shared appreciation mortgage loan program to be administered by  
the Department of Workforce Services to assist first-time homebuyers in relation to the first-time  
homebuyer assistance program; and

16       ▸ makes technical and conforming changes.

### 23 Money Appropriated in this Bill:

24       None

### 25 Other Special Clauses:

26       None

### 28 AMENDS:

23       ~~{10-9a-103 , as last amended by Laws of Utah 2024, Chapter 464 , as last amended by Laws~~  
~~of Utah 2024, Chapter 464}~~

24       ~~{10-9a-403 , as last amended by Laws of Utah 2024, Chapters 431, 537 , as last amended by~~  
~~Laws of Utah 2024, Chapters 431, 537}~~

25       ~~{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}~~

26       ~~{10-9a-535 , as enacted by Laws of Utah 2022, Chapter 355 , as enacted by Laws of Utah~~  
~~2022, Chapter 355}~~

29       **10-9a-1005 , as enacted by Laws of Utah 2024, Chapter 431 , as enacted by Laws of Utah**  
**2024, Chapter 431**

27       ~~{17-27a-103 , as last amended by Laws of Utah 2024, Chapter 464 , as last amended by Laws~~  
~~of Utah 2024, Chapter 464}~~

28       ~~{17-27a-403 , as last amended by Laws of Utah 2024, Chapters 381, 431 , as last amended by~~  
~~Laws of Utah 2024, Chapters 381, 431}~~

29       ~~{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}~~

30       **17-27a-508 , as last amended by Laws of Utah 2024, Chapter 415 , as last amended by Laws**  
**of Utah 2024, Chapter 415**

30       ~~{17-27a-531 , as enacted by Laws of Utah 2022, Chapter 355 , as enacted by Laws of Utah~~  
~~2022, Chapter 355}~~

31       **17-27a-1205 , as enacted by Laws of Utah 2024, Chapter 431 , as enacted by Laws of Utah**  
**2024, Chapter 431**

## SB0262 compared with SB0262S01

**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**

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**51-12-101** , as enacted by Laws of Utah 2024, Chapter 510 , as enacted by Laws of Utah 2024, Chapter 510

**63H-8-501** , as last amended by Laws of Utah 2024, Chapter 431 , as last amended by Laws of Utah 2024, Chapter 431

**63H-8-502** , as last amended by Laws of Utah 2024, Chapter 431 , as last amended by Laws of Utah 2024, Chapter 431

ENACTS:

~~{10-9a-403.2 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

~~{10-9a-403.3 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

~~{10-9a-408.1 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

~~{17-27a-403.1 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

~~{17-27a-403.2 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

~~{17-27a-408.1 , Utah Code Annotated 1953 , Utah Code Annotated 1953}~~

**35A-8-504.6 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

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

~~{Section 1. Section 10-9a-103 is amended to read: }~~

### **10-9a-103. Definitions.**

As used in this chapter:

- (1) "Accessory dwelling unit" means a habitable living unit added to, created within, or detached from a primary single-family dwelling and contained on one lot.
- (2) "Adversely affected party" means a person other than a land use applicant who:
  - (a) owns real property adjoining the property that is the subject of a land use application or land use decision; or
  - (b) will suffer a damage different in kind than, or an injury distinct from, that of the general community as a result of the land use decision.
- (3) "Affected entity" means a county, municipality, special district, special service district under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation entity

## SB0262 compared with SB0262S01

established under Title 11, Chapter 13, Interlocal Cooperation Act, specified public utility, property owner, property owners association, or the Department of Transportation, if:

- (a) the entity's services or facilities are likely to require expansion or significant modification because of an intended use of land;
  - (b) the entity has filed with the municipality a copy of the entity's general or long-range plan; or
  - (c) the entity has filed with the municipality a request for notice during the same calendar year and before the municipality provides notice to an affected entity in compliance with a requirement imposed under this chapter.
- (4) "Affected owner" means the owner of real property that is:
- (a) a single project;
  - (b) the subject of a land use approval that sponsors of a referendum timely challenged in accordance with ~~[Subsection 20A-7-601(6)]~~ Section 20A-7-601; and
  - (c) determined to be legally referable under Section 20A-7-602.8.
- (5) "Appeal authority" means the person, board, commission, agency, or other body designated by ordinance to decide an appeal of a decision of a land use application or a variance.
- (6) "Billboard" means a freestanding ground sign located on industrial, commercial, or residential property if the sign is designed or intended to direct attention to a business, product, or service that is not sold, offered, or existing on the property where the sign is located.
- (7)
- (a) "Charter school" means:
- (i) an operating charter school;
  - (ii) a charter school applicant that a charter school authorizer approves in accordance with Title 53G, Chapter 5, Part 3, Charter School Authorization; or
  - (iii) an entity that is working on behalf of a charter school or approved charter applicant to develop or construct a charter school building.
- (b) "Charter school" does not include a therapeutic school.
- (8) "Conditional use" means a land use that, because of the unique characteristics or potential impact of the land use on the municipality, surrounding neighbors, or adjacent land uses, may not be compatible in some areas or may be compatible only if certain conditions are required that mitigate or eliminate the detrimental impacts.

## SB0262 compared with SB0262S01

- (9) "Constitutional taking" means a governmental action that results in a taking of private property so that compensation to the owner of the property is required by the:
- (a) Fifth or Fourteenth Amendment of the Constitution of the United States; or
- (b) Utah Constitution Article I, Section 22.
- (10) "Culinary water authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of the culinary water system and sources for the subject property.
- (11) "Development activity" means:
- (a) any construction or expansion of a building, structure, or use that creates additional demand and need for public facilities;
- (b) any change in use of a building or structure that creates additional demand and need for public facilities; or
- (c) any change in the use of land that creates additional demand and need for public facilities.
- (12)
- (a) "Development agreement" means a written agreement or amendment to a written agreement between a municipality and one or more parties that regulates or controls the use or development of a specific area of land.
- (b) "Development agreement" does not include an improvement completion assurance.
- (13)
- (a) "Disability" means a physical or mental impairment that substantially limits one or more of a person's major life activities, including a person having a record of such an impairment or being regarded as having such an impairment.
- (b) "Disability" does not include current illegal use of, or addiction to, any federally controlled substance, as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802.
- (14) "Educational facility":
- (a) means:
- (i) a school district's building at which pupils assemble to receive instruction in a program for any combination of grades from preschool through grade 12, including kindergarten and a program for children with disabilities;
- (ii) a structure or facility:
- (A) located on the same property as a building described in Subsection (14)(a)(i); and
- (B) used in support of the use of that building; and

## SB0262 compared with SB0262S01

- (iii) a building to provide office and related space to a school district's administrative personnel; and
- (b) does not include:
- (i) land or a structure, including land or a structure for inventory storage, equipment storage, food processing or preparing, vehicle storage or maintenance, or similar use that is:
- (A) not located on the same property as a building described in Subsection (14)(a)(i); and
- (B) used in support of the purposes of a building described in Subsection (14)(a)(i); or
- (ii) a therapeutic school.
- (15) "Fire authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of fire protection and suppression services for the subject property.
- (16) "Flood plain" means land that:
- (a) is within the 100-year flood plain designated by the Federal Emergency Management Agency; or
- (b) has not been studied or designated by the Federal Emergency Management Agency but presents a likelihood of experiencing chronic flooding or a catastrophic flood event because the land has characteristics that are similar to those of a 100-year flood plain designated by the Federal Emergency Management Agency.
- (17) "General plan" means a document that a municipality adopts by ordinance that sets forth general guidelines for proposed future development of the land within the municipality.
- (18) "Geologic hazard" means:
- (a) a surface fault rupture;
- (b) shallow groundwater;
- (c) liquefaction;
- (d) a landslide;
- (e) a debris flow;
- (f) unstable soil;
- (g) a rock fall; or
- (h) any other geologic condition that presents a risk:
- (i) to life;
- (ii) of substantial loss of real property; or
- (iii) of substantial damage to real property.
- (19) "Historic preservation authority" means a person, board, commission, or other body designated by a legislative body to:

## SB0262 compared with SB0262S01

- 159 (a) recommend land use regulations to preserve local historic districts or areas; and  
160 (b) administer local historic preservation land use regulations within a local historic district or area.
- 162 (20) "Home-based microschool" means the same as that term is defined in Section 53G-6-201.
- 164 (21) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or  
appurtenance that connects to a municipal water, sewer, storm water, power, or other utility system.
- 167 (22) "Identical plans" means building plans submitted to a municipality that:
- 168 (a) are clearly marked as "identical plans";
- 169 (b) are substantially identical to building plans that were previously submitted to and reviewed and  
approved by the municipality; and
- 171 (c) describe a building that:
- 172 (i) is located on land zoned the same as the land on which the building described in the previously  
approved plans is located;
- 174 (ii) is subject to the same geological and meteorological conditions and the same law as the building  
described in the previously approved plans;
- 176 (iii) has a floor plan identical to the building plan previously submitted to and reviewed and approved  
by the municipality; and
- 178 (iv) does not require any additional engineering or analysis.
- 179 (23) "Impact fee" means a payment of money imposed under Title 11, Chapter 36a, Impact Fees Act.
- 181 (24) "Improvement completion assurance" means a surety bond, letter of credit, financial institution  
bond, cash, assignment of rights, lien, or other equivalent security required by a municipality to  
guaranty the proper completion of landscaping or an infrastructure improvement required as a  
condition precedent to:
- 185 (a) recording a subdivision plat; or
- 186 (b) development of a commercial, industrial, mixed use, or multifamily project.
- 187 (25) "Improvement warranty" means an applicant's unconditional warranty that the applicant's installed  
and accepted landscaping or infrastructure improvement:
- 189 (a) complies with the municipality's written standards for design, materials, and workmanship; and
- 191 (b) will not fail in any material respect, as a result of poor workmanship or materials, within the  
improvement warranty period.
- 193 (26) "Improvement warranty period" means a period:
- 194 (a) no later than one year after a municipality's acceptance of required landscaping; or

## SB0262 compared with SB0262S01

- 195 (b) no later than one year after a municipality's acceptance of required infrastructure, unless the  
municipality:
- 197 (i) determines for good cause that a one-year period would be inadequate to protect the public health,  
safety, and welfare; and
- 199 (ii) has substantial evidence, on record:
- 200 (A) of prior poor performance by the applicant; or
- 201 (B) that the area upon which the infrastructure will be constructed contains suspect soil and the  
municipality has not otherwise required the applicant to mitigate the suspect soil.
- 204 (27) "Infrastructure improvement" means permanent infrastructure that is essential for the public health  
and safety or that:
- 206 (a) is required for human occupation; and
- 207 (b) an applicant must install:
- 208 (i) in accordance with published installation and inspection specifications for public improvements; and
- 210 (ii) whether the improvement is public or private, as a condition of:
- 211 (A) recording a subdivision plat;
- 212 (B) obtaining a building permit; or
- 213 (C) development of a commercial, industrial, mixed use, condominium, or multifamily project.
- 215 (28) "Internal lot restriction" means a platted note, platted demarcation, or platted designation that:
- 217 (a) runs with the land; and
- 218 (b)
- (i) creates a restriction that is enclosed within the perimeter of a lot described on the plat; or
- 220 (ii) designates a development condition that is enclosed within the perimeter of a lot described on the  
plat.
- 222 (29) "Land use applicant" means a property owner, or the property owner's designee, who submits a  
land use application regarding the property owner's land.
- 224 (30) "Land use application":
- 225 (a) means an application that is:
- 226 (i) required by a municipality; and
- 227 (ii) submitted by a land use applicant to obtain a land use decision; and
- 228 (b) does not mean an application to enact, amend, or repeal a land use regulation.
- 229 (31) "Land use authority" means:

## SB0262 compared with SB0262S01

- 230 (a) a person, board, commission, agency, or body, including the local legislative body, designated by  
the local legislative body to act upon a land use application; or
- 232 (b) if the local legislative body has not designated a person, board, commission, agency, or body, the  
local legislative body.
- 234 (32) "Land use decision" means an administrative decision of a land use authority or appeal authority  
regarding:
- 236 (a) a land use permit; or
- 237 (b) a land use application.
- 238 (33) "Land use permit" means a permit issued by a land use authority.
- 239 (34) "Land use regulation":
- 240 (a) means a legislative decision enacted by ordinance, law, code, map, resolution, specification, fee, or  
rule that governs the use or development of land;
- 242 (b) includes the adoption or amendment of a zoning map or the text of the zoning code; and
- 244 (c) does not include:
- 245 (i) a land use decision of the legislative body acting as the land use authority, even if the decision is  
expressed in a resolution or ordinance; or
- 247 (ii) a temporary revision to an engineering specification that does not materially:
- 248 (A) increase a land use applicant's cost of development compared to the existing specification; or
- 250 (B) impact a land use applicant's use of land.
- 251 (35) "Legislative body" means the municipal council.
- 252 (36) "Local historic district or area" means a geographically definable area that:
- 253 (a) contains any combination of buildings, structures, sites, objects, landscape features, archeological  
sites, or works of art that contribute to the historic preservation goals of a legislative body; and
- 256 (b) is subject to land use regulations to preserve the historic significance of the local historic district or  
area.
- 258 (37) "Lot" means a tract of land, regardless of any label, that is created by and shown on a subdivision  
plat that has been recorded in the office of the county recorder.
- 260 (38)
- (a) "Lot line adjustment" means a relocation of a lot line boundary between adjoining lots or between a  
lot and adjoining parcels in accordance with Section 10-9a-608:
- 263 (i) whether or not the lots are located in the same subdivision; and

## SB0262 compared with SB0262S01

- 264 (ii) with the consent of the owners of record.
- 265 (b) "Lot line adjustment" does not mean a new boundary line that:
- 266 (i) creates an additional lot; or
- 267 (ii) constitutes a subdivision or a subdivision amendment.
- 268 (c) "Lot line adjustment" does not include a boundary line adjustment made by the Department of  
Transportation.
- 270 (39) "Major transit investment corridor" means public transit service that uses or occupies:
- 271 (a) public transit rail right-of-way;
- 272 (b) dedicated road right-of-way for the use of public transit, such as bus rapid transit; or
- 273 (c) fixed-route bus corridors subject to an interlocal agreement or contract between a municipality or  
county and:
- 275 (i) a public transit district as defined in Section 17B-2a-802; or
- 276 (ii) an eligible political subdivision as defined in Section 59-12-2219.
- 277 (40) "Micro-education entity" means the same as that term is defined in Section 53G-6-201.
- 278 (41) "Moderate income housing" means housing occupied or reserved for occupancy by households  
with a gross household income equal to or less than 80% of the median gross income for households  
of the same size in the county in which the city is located.
- 281 (42) "Municipal utility easement" means an easement that:
- 282 (a) is created or depicted on a plat recorded in a county recorder's office and is described as a municipal  
utility easement granted for public use;
- 284 (b) is not a protected utility easement or a public utility easement as defined in Section 54-3-27;
- 286 (c) the municipality or the municipality's affiliated governmental entity uses and occupies to provide a  
utility service, including sanitary sewer, culinary water, electrical, storm water, or communications  
or data lines;
- 289 (d) is used or occupied with the consent of the municipality in accordance with an authorized franchise  
or other agreement;
- 291 (e)
- (i) is used or occupied by a specified public utility in accordance with an authorized franchise or other  
agreement; and
- 293 (ii) is located in a utility easement granted for public use; or
- 294 (f) is described in Section 10-9a-529 and is used by a specified public utility.

## SB0262 compared with SB0262S01

- 295 (43) "Nominal fee" means a fee that reasonably reimburses a municipality only for time spent and  
expenses incurred in:
- 297 (a) verifying that building plans are identical plans; and
- 298 (b) reviewing and approving those minor aspects of identical plans that differ from the previously  
reviewed and approved building plans.
- 300 (44) "Noncomplying structure" means a structure that:
- 301 (a) legally existed before the structure's current land use designation; and
- 302 (b) because of one or more subsequent land use ordinance changes, does not conform to the setback,  
height restrictions, or other regulations, excluding those regulations, which govern the use of land.
- 305 (45) "Nonconforming use" means a use of land that:
- 306 (a) legally existed before [its] the land's current land use designation;
- 307 (b) has been maintained continuously since the time the land use ordinance governing the land changed;  
and
- 309 (c) because of one or more subsequent land use ordinance changes, does not conform to the regulations  
that now govern the use of the land.
- 311 (46) "Official map" means a map drawn by municipal authorities and recorded in a county recorder's  
office that:
- 313 (a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for highways and  
other transportation facilities;
- 315 (b) provides a basis for restricting development in designated rights-of-way or between designated  
setbacks to allow the government authorities time to purchase or otherwise reserve the land; and
- 318 (c) has been adopted as an element of the municipality's general plan.
- 319 (47) "Parcel" means any real property that is not a lot.
- 320 (48)
- (a) "Parcel boundary adjustment" means a recorded agreement between owners of adjoining parcels  
adjusting the mutual boundary, either by deed or by a boundary line agreement in accordance with  
Section 10-9a-524, if no additional parcel is created and:
- 324 (i) none of the property identified in the agreement is a lot; or
- 325 (ii) the adjustment is to the boundaries of a single person's parcels.
- 326 (b) "Parcel boundary adjustment" does not mean an adjustment of a parcel boundary line that:
- 328 (i) creates an additional parcel; or

## SB0262 compared with SB0262S01

- 329 (ii) constitutes a subdivision.
- 330 (c) "Parcel boundary adjustment" does not include a boundary line adjustment made by the Department  
of Transportation.
- 332 (49) "Person" means an individual, corporation, partnership, organization, association, trust,  
governmental agency, or any other legal entity.
- 334 (50) "Plan for moderate income housing" means a written document adopted by a municipality's  
legislative body that includes:
- 336 (a) an estimate of the existing supply of moderate income housing located within the municipality;
- 338 (b) an estimate of the need for moderate income housing in the municipality for the next five years;
- 340 (c) a survey of total residential land use;
- 341 (d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing;  
and
- 343 (e) a description of the municipality's program to encourage an adequate supply of moderate income  
housing.
- 345 (51) "Plat" means an instrument subdividing property into lots as depicted on a map or other graphical  
representation of lands that a licensed professional land surveyor makes and prepares in accordance  
with Section 10-9a-603 or 57-8-13.
- 348 (52) "Potential geologic hazard area" means an area that:
- 349 (a) is designated by a Utah Geological Survey map, county geologist map, or other relevant map or  
report as needing further study to determine the area's potential for geologic hazard; or
- 352 (b) has not been studied by the Utah Geological Survey or a county geologist but presents the potential  
of geologic hazard because the area has characteristics similar to those of a designated geologic  
hazard area.
- 355 (53) "Public agency" means:
- 356 (a) the federal government;
- 357 (b) the state;
- 358 (c) a county, municipality, school district, special district, special service district, or other political  
subdivision of the state; or
- 360 (d) a charter school.
- 361 (54) "Public hearing" means a hearing at which members of the public are provided a reasonable  
opportunity to comment on the subject of the hearing.

## SB0262 compared with SB0262S01

- 363 (55) "Public meeting" means a meeting that is required to be open to the public under Title 52, Chapter  
4, Open and Public Meetings Act.
- 365 (56) "Public street" means a public right-of-way, including a public highway, public avenue, public  
boulevard, public parkway, public road, public lane, public alley, public viaduct, public subway,  
public tunnel, public bridge, public byway, other public transportation easement, or other public  
way.
- 369 (57) "Receiving zone" means an area of a municipality that the municipality designates, by ordinance,  
as an area in which an owner of land may receive a transferable development right.
- 372 (58) "Record of survey map" means a map of a survey of land prepared in accordance with Section  
10-9a-603, 17-23-17, 17-27a-603, or 57-8-13.
- 374 (59) "Residential facility for persons with a disability" means a residence:
- 375 (a) in which more than one person with a disability resides; and
- 376 (b) which is licensed or certified by the Department of Health and Human Services under:
- 378 (i) Title 26B, Chapter 2, Part 1, Human Services Programs and Facilities; or
- 379 (ii) Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection.
- 380 (60) "Residential roadway" means a public local residential road that:
- 381 (a) will serve primarily to provide access to adjacent primarily residential areas and property;
- 383 (b) is designed to accommodate minimal traffic volumes or vehicular traffic;
- 384 (c) is not identified as a supplementary to a collector or other higher system classified street in an  
approved municipal street or transportation master plan;
- 386 (d) has a posted speed limit of 25 miles per hour or less;
- 387 (e) does not have higher traffic volumes resulting from connecting previously separated areas of the  
municipal road network;
- 389 (f) cannot have a primary access, but can have a secondary access, and does not abut lots intended for  
high volume traffic or community centers, including schools, recreation centers, sports complexes,  
or libraries; and
- 392 (g) primarily serves traffic within a neighborhood or limited residential area and is not necessarily  
continuous through several residential areas.
- 394 (61) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:
- 396 (a) parliamentary order and procedure;
- 397 (b) ethical behavior; and

## SB0262 compared with SB0262S01

- 398 (c) civil discourse.
- 399 (62) "Sanitary sewer authority" means the department, agency, or public entity with responsibility to  
review and approve the feasibility of sanitary sewer services or onsite wastewater systems.
- 402 (63) "Sending zone" means an area of a municipality that the municipality designates, by ordinance, as  
an area from which an owner of land may transfer a transferable development right.
- 405 (64) "Special district" means an entity under Title 17B, Limited Purpose Local Government Entities  
- Special Districts, and any other governmental or quasi-governmental entity that is not a county,  
municipality, school district, or the state.
- 408 (65) "Specified public agency" means:
- 409 (a) the state;
- 410 (b) a school district; or
- 411 (c) a charter school.
- 412 (66) "Specified public utility" means an electrical corporation, gas corporation, or telephone  
corporation, as those terms are defined in Section 54-2-1.
- 414 (67) "State" includes any department, division, or agency of the state.
- 415 (68)
- (a) "Subdivision" means any land that is divided, resubdivided, or proposed to be divided into two or  
more lots or other division of land for the purpose, whether immediate or future, for offer, sale,  
lease, or development either on the installment plan or upon any and all other plans, terms, and  
conditions.
- 419 (b) "Subdivision" includes:
- 420 (i) the division or development of land, whether by deed, metes and bounds description, devise and  
testacy, map, plat, or other recorded instrument, regardless of whether the division includes all or a  
portion of a parcel or lot; and
- 423 (ii) except as provided in Subsection (68)(c), divisions of land for residential and nonresidential uses,  
including land used or to be used for commercial, agricultural, and industrial purposes.
- 426 (c) "Subdivision" does not include:
- 427 (i) a bona fide division or partition of agricultural land for the purpose of joining one of the resulting  
separate parcels to a contiguous parcel of unsubdivided agricultural land, if neither the resulting  
combined parcel nor the parcel remaining from the division or partition violates an applicable land  
use ordinance;

## SB0262 compared with SB0262S01

- (ii) a boundary line agreement recorded with the county recorder's office between owners of adjoining parcels adjusting the mutual boundary in accordance with Section 10-9a-524 if no new parcel is created;
  - (iii) a recorded document, executed by the owner of record:
    - (A) revising the legal descriptions of multiple parcels into one legal description encompassing all such parcels; or
    - (B) joining a lot to a parcel;
  - (iv) a boundary line agreement between owners of adjoining subdivided properties adjusting the mutual lot line boundary in accordance with Sections 10-9a-524 and 10-9a-608 if:
    - (A) no new dwelling lot or housing unit will result from the adjustment; and
    - (B) the adjustment will not violate any applicable land use ordinance;
  - (v) a bona fide division of land by deed or other instrument if the deed or other instrument states in writing that the division:
    - (A) is in anticipation of future land use approvals on the parcel or parcels;
    - (B) does not confer any land use approvals; and
    - (C) has not been approved by the land use authority;
  - (vi) a parcel boundary adjustment;
  - (vii) a lot line adjustment;
  - (viii) a road, street, or highway dedication plat;
  - (ix) a deed or easement for a road, street, or highway purpose; or
  - (x) any other division of land authorized by law.
- (69)
- (a) "Subdivision amendment" means an amendment to a recorded subdivision in accordance with Section 10-9a-608 that:
- (i) vacates all or a portion of the subdivision;
  - (ii) alters the outside boundary of the subdivision;
  - (iii) changes the number of lots within the subdivision;
  - (iv) alters a public right-of-way, a public easement, or public infrastructure within the subdivision;
- or
- (v) alters a common area or other common amenity within the subdivision.

## SB0262 compared with SB0262S01

(b) "Subdivision amendment" does not include a lot line adjustment, between a single lot and an adjoining lot or parcel, that alters the outside boundary of the subdivision.

(70) "Substantial evidence" means evidence that:

(a) is beyond a scintilla; and

(b) a reasonable mind would accept as adequate to support a conclusion.

(71) "Suspect soil" means soil that has:

(a) a high susceptibility for volumetric change, typically clay rich, having more than a 3% swell potential;

(b) bedrock units with high shrink or swell susceptibility; or

(c) gypsiferous silt and clay, gypsum, or bedrock units containing abundant gypsum commonly associated with dissolution and collapse features.

(72) "Therapeutic school" means a residential group living facility:

(a) for four or more individuals who are not related to:

(i) the owner of the facility; or

(ii) the primary service provider of the facility;

(b) that serves students who have a history of failing to function:

(i) at home;

(ii) in a public school; or

(iii) in a nonresidential private school; and

(c) that offers:

(i) room and board; and

(ii) an academic education integrated with:

(A) specialized structure and supervision; or

(B) services or treatment related to a disability, an emotional development, a behavioral development, a familial development, or a social development.

(73) "Transferable development right" means a right to develop and use land that originates by an ordinance that authorizes a land owner in a designated sending zone to transfer land use rights from a designated sending zone to a designated receiving zone.

(74) "Unincorporated" means the area outside of the incorporated area of a city or town.

(75) "Water interest" means any right to the beneficial use of water, including:

(a) each of the rights listed in Section 73-1-11; and

## SB0262 compared with SB0262S01

(b) an ownership interest in the right to the beneficial use of water represented by:

(i) a contract; or

(ii) a share in a water company, as defined in Section 73-3-3.5.

(76) "Zoning map" means a map, adopted as part of a land use ordinance, that depicts land use zones, overlays, or districts.

~~{Section 2. Section 10-9a-403 is amended to read: }~~

### **10-9a-403. General plan preparation.**

(1)

(a) The planning commission shall provide notice, as provided in Section 10-9a-203, of the planning commission's intent to make a recommendation to the municipal legislative body for a general plan or a comprehensive general plan amendment when the planning commission initiates the process of preparing the planning commission's recommendation.

(b) The planning commission shall make and recommend to the legislative body a proposed general plan for the area within the municipality.

(c) The plan may include areas outside the boundaries of the municipality if, in the planning commission's judgment, those areas are related to the planning of the municipality's territory.

(d) Except as otherwise provided by law or with respect to a municipality's power of eminent domain, when the plan of a municipality involves territory outside the boundaries of the municipality, the municipality may not take action affecting that territory without the concurrence of the county or other municipalities affected.

(2)

(a) At a minimum, the proposed general plan, with the accompanying maps, charts, and descriptive and explanatory matter, shall include the planning commission's recommendations for the following plan elements:

(i) a land use element that:

(A) designates the long-term goals and the proposed extent, general distribution, and location of land for housing for residents of various income levels, business, industry, agriculture, recreation, education, public buildings and grounds, open space, and other categories of public and private uses of land as appropriate;

(B) includes a statement of the projections for and standards of population density and building intensity recommended for the various land use categories covered by the plan;

## SB0262 compared with SB0262S01

- 525 (C) except for a city of the fifth class or a town, is coordinated to integrate the land use element with the  
water use and preservation element; and
- 527 (D) except for a city of the fifth class or a town, accounts for the effect of land use categories and land  
uses on water demand;
- 529 (ii) a transportation and traffic circulation element that:
- 530 (A) provides the general location and extent of existing and proposed freeways, arterial and collector  
streets, public transit, active transportation facilities, and other modes of transportation that the  
planning commission considers appropriate;
- 534 (B) for a municipality that has access to a major transit investment corridor, addresses the municipality's  
plan for residential and commercial development around major transit investment corridors to  
maintain and improve the connections between housing, employment, education, recreation, and  
commerce;
- 539 (C) for a municipality that does not have access to a major transit investment corridor, addresses the  
municipality's plan for residential and commercial development in areas that will maintain and  
improve the connections between housing, transportation, employment, education, recreation, and  
commerce; and
- 543 (D) correlates with the population projections, the employment projections, and the proposed land use  
element of the general plan;
- 545 (iii) a moderate income housing element that:
- 546 (A) provides a realistic opportunity to meet the need for additional moderate income housing within the  
municipality during the next five years;
- 548 (B) for a town, may include a recommendation to implement three or more of the moderate income  
housing strategies described in Subsection (2)(b)(iii);
- 550 (C) for a specified municipality, as defined in Section 10-9a-408, that does not have a fixed guideway  
public transit station, shall include a recommendation to implement three or more of the moderate  
income housing strategies described in Subsection (2)(b)(iii);
- 554 (D) for a specified municipality, as defined in Section 10-9a-408, that has a fixed guideway public  
transit station, shall include a recommendation to implement five or more of the moderate income  
housing strategies described in Subsection (2)(b)(iii), of which one shall be the moderate income  
housing strategy described in Subsection (2)(b)(iii)(W), and one shall be a moderate income housing  
strategy described in Subsection (2)(b)(iii)(G), (H), or (Q); and

## SB0262 compared with SB0262S01

- 560 (E) for a specified municipality, as defined in Section 10-9a-408, shall include an implementation plan  
as provided in Subsection (2)(c); and
- 562 (iv) except for a city of the fifth class or a town, a water use and preservation element that  
addresses:
- 564 (A) the effect of permitted development or patterns of development on water demand and water  
infrastructure;
- 566 (B) methods of reducing water demand and per capita consumption for future development;
- 568 (C) methods of reducing water demand and per capita consumption for existing development; and
- 570 (D) opportunities for the municipality to modify the municipality's operations to eliminate practices or  
conditions that waste water.
- 572 (b) In drafting the moderate income housing element, the planning commission:
- 573 (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable  
opportunity for a variety of housing, including moderate income housing:
- 576 (A) to meet the needs of people of various income levels living, working, or desiring to live or work in  
the community; and
- 578 (B) to allow people with various incomes to benefit from and fully participate in all aspects of  
neighborhood and community life;
- 580 (ii) for a town, may include, and for a specified municipality as defined in Section 10-9a-408, shall  
include, an analysis of how the municipality will provide a realistic opportunity for the development  
of moderate income housing within the next five years;
- 584 (iii) for a town, may include, and for a specified municipality as defined in Section 10-9a-408, shall  
include a recommendation to implement the required number of any of the following moderate  
income housing strategies as specified in Subsection (2)(a)(iii):
- 588 (A) rezone for densities necessary to facilitate the production of moderate income housing, including by  
implementing a density overlay as described in Section 10-9a-403.2;
- 591 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the  
construction of moderate income housing;
- 593 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate  
income housing;
- 595

## SB0262 compared with SB0262S01

- (D) identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate income housing;
- 598 (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- 600 (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;
- 603 (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
- 606 (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
- 610 (I) amend land use regulations to allow for single room occupancy developments;
- 611 (J) implement zoning incentives for moderate income units in new developments;
- 612 (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or, notwithstanding Section 10-9a-535, establishing a housing loss mitigation fund;
- 616 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 617 (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- 619 (N) implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality, or any other public employer that operates within the municipality;
- 622 (O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for services provided by a public housing authority to preserve and create moderate income

## SB0262 compared with SB0262S01

housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;

633 (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;

637 (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

639 (R) create a home ownership promotion zone pursuant to Part 10, Home Ownership Promotion Zone for Municipalities;

641 (S) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-9a-530;

643 (T) create a program to transfer development rights for moderate income housing;

644 (U) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;

647 (V) develop a moderate income housing project for residents who are disabled or 55 years old or older;

649 (W) develop and adopt a station area plan in accordance with Section 10-9a-403.1;

650 (X) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones;

654 (Y) create a first home investment zone in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act; and

656 (Z) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing; and

662 (iv) shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (2)(b)(iii).

665 (c)

## SB0262 compared with SB0262S01

(i) In drafting the implementation plan portion of the moderate income housing element as described in Subsection (2)(a)(iii)(C), the planning commission shall recommend to the legislative body the establishment of a five-year timeline for implementing each of the moderate income housing strategies selected by the municipality for implementation.

(ii) The timeline described in Subsection (2)(c)(i) shall:

(A) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the municipality, whether one-time or ongoing; and

(B) provide flexibility for the municipality to make adjustments as needed.

(d) In drafting the land use element, the planning commission shall:

(i) identify and consider each agriculture protection area within the municipality;

(ii) avoid proposing a use of land within an agriculture protection area that is inconsistent with or detrimental to the use of the land for agriculture; and

(iii) consider and coordinate with any station area plans adopted by the municipality if required under Section 10-9a-403.1.

(e) In drafting the transportation and traffic circulation element, the planning commission shall:

(i)

(A) consider and coordinate with the regional transportation plan developed by the municipality's region's metropolitan planning organization, if the municipality is within the boundaries of a metropolitan planning organization; or

(B) consider and coordinate with the long-range transportation plan developed by the Department of Transportation, if the municipality is not within the boundaries of a metropolitan planning organization; and

(ii) consider and coordinate with any station area plans adopted by the municipality if required under Section 10-9a-403.1.

(f) In drafting the water use and preservation element, the planning commission:

(i) shall consider:

(A) applicable regional water conservation goals recommended by the Division of Water Resources; and

(B) if Section 73-10-32 requires the municipality to adopt a water conservation plan pursuant to Section 73-10-32, the municipality's water conservation plan;

(ii) shall include a recommendation for:

## SB0262 compared with SB0262S01

- 699 (A) water conservation policies to be determined by the municipality; and
- 700 (B) landscaping options within a public street for current and future development that do not require the  
use of lawn or turf in a parkstrip;
- 702 (iii) shall review the municipality's land use ordinances and include a recommendation for changes to  
an ordinance that promotes the inefficient use of water;
- 705 (iv) shall consider principles of sustainable landscaping, including the:
- 706 (A) reduction or limitation of the use of lawn or turf;
- 707 (B) promotion of site-specific landscape design that decreases stormwater runoff or runoff of water  
used for irrigation;
- 709 (C) preservation and use of healthy trees that have a reasonable water requirement or are resistant to dry  
soil conditions;
- 711 (D) elimination or regulation of ponds, pools, and other features that promote unnecessary water  
evaporation;
- 713 (E) reduction of yard waste; and
- 714 (F) use of an irrigation system, including drip irrigation, best adapted to provide the optimal amount of  
water to the plants being irrigated;
- 716 (v) shall consult with the public water system or systems serving the municipality with drinking water  
regarding how implementation of the land use element and water use and preservation element may  
affect:
- 719 (A) water supply planning, including drinking water source and storage capacity consistent with Section  
19-4-114; and
- 721 (B) water distribution planning, including master plans, infrastructure asset management programs and  
plans, infrastructure replacement plans, and impact fee facilities plans;
- 724 (vi) shall consult with the Division of Water Resources for information and technical resources  
regarding regional water conservation goals, including how implementation of the land use element  
and the water use and preservation element may affect the Great Salt Lake;
- 728 (vii) may include recommendations for additional water demand reduction strategies, including:
- 730 (A) creating a water budget associated with a particular type of development;
- 731 (B) adopting new or modified lot size, configuration, and landscaping standards that will reduce water  
demand for new single family development;
- 733

## SB0262 compared with SB0262S01

- (C) providing one or more water reduction incentives for existing development such as modification of existing landscapes and irrigation systems and installation of water fixtures or systems that minimize water demand;
- 736 (D) discouraging incentives for economic development activities that do not adequately account for water use or do not include strategies for reducing water demand; and
- 739 (E) adopting water concurrency standards requiring that adequate water supplies and facilities are or will be in place for new development; and
- 741 (viii) for a town, may include, and for another municipality, shall include, a recommendation for low water use landscaping standards for a new:
- 743 (A) commercial, industrial, or institutional development;
- 744 (B) common interest community, as defined in Section 57-25-102; or
- 745 (C) multifamily housing project.
- 746 (3) The proposed general plan may include:
- 747 (a) an environmental element that addresses:
- 748 (i) the protection, conservation, development, and use of natural resources, including the quality of:
- 750 (A) air;
- 751 (B) forests;
- 752 (C) soils;
- 753 (D) rivers;
- 754 (E) groundwater and other waters;
- 755 (F) harbors;
- 756 (G) fisheries;
- 757 (H) wildlife;
- 758 (I) minerals; and
- 759 (J) other natural resources; and
- 760 (ii)
- (A) the reclamation of land, flood control, prevention and control of the pollution of streams and other waters;
- 762 (B) the regulation of the use of land on hillsides, stream channels and other environmentally sensitive areas;
- 764 (C) the prevention, control, and correction of the erosion of soils;

## SB0262 compared with SB0262S01

- (D) the preservation and enhancement of watersheds and wetlands; and
- (E) the mapping of known geologic hazards;
- (b) a public services and facilities element showing general plans for sewage, water, waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them, police and fire protection, and other public services;
- (c) a rehabilitation, redevelopment, and conservation element consisting of plans and programs for:
- (i) historic preservation;
- (ii) the diminution or elimination of a development impediment as defined in Section 17C-1-102; and
- (iii) redevelopment of land, including housing sites, business and industrial sites, and public building sites;
- (d) an economic element composed of appropriate studies and forecasts, as well as an economic development plan, which may include review of existing and projected municipal revenue and expenditures, revenue sources, identification of basic and secondary industry, primary and secondary market areas, employment, and retail sales activity;
- (e) recommendations for implementing all or any portion of the general plan, including the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;
- (f) provisions addressing any of the matters listed in Subsection 10-9a-401(2) or (3); and
- (g) any other element the municipality considers appropriate.

Section 3. Section **3** is enacted to read:

### **10-9a-403.2. Residential density overlay.**

- (1)
- (a) "Density overlay" means zoning regulations applied by a municipality to a housing-eligible zone that allows:
- (i) the development of:
- (A) singlefamily dwellings on small lots;
- (B) diverse housing options; or
- (C) a combination of single-family dwellings on small lots and diverse housing options; and
- (ii)
- (A) a minimum of eight housing units per acre, if the housing units are served by sewer lines; or

## SB0262 compared with SB0262S01

(B) the maximum per-acre density permissible for health and safety, as determined by the local building code authority and local health department, if the housing units are served by septic tank.

(b) "Diverse housing options" means one or more of the following types of residential units:

(i) two-family dwellings;

(ii) three- and four-family dwellings of up to two levels;

(iii) town homes; or

(iv) live-work units, as described by the International Building Code, in which one or more residential housing units are available above a commercial property.

(c) "Housing eligible zone" means an area of a municipality zoned in a way that allows for the development of a residential unit, including residential zones and mixed-use zones.

(d) "Owner-occupier" means an individual who owns, solely or jointly, a housing unit in which the individual lives as the individual's primary residence.

(e) "Small lot" means a residential lot that is 5,400 square feet or smaller.

(2) A municipality may implement a density overlay allowing for increased development within housing-eligible zones of the municipality.

(3) If a legislative body adopts a density overlay in a housing-eligible zone, the municipality may adopt additional requirements to ensure:

(a) that some or all of the residential units offered for sale in the area subject to the density overlay be deed-restricted for up to five years to ensure owner-occupancy; or

(b) that some or all of the residential units in the area subject to the density overlay be:

(i) offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of area median income for the county in which the residential unit is offered for sale; or

(ii) offered for rent at a rental price affordable to a household with a gross income of no more than 80% of area median income for the county in which the residential unit is offered for rent.

(4) Notwithstanding Section 10-9a-534, a municipality that adopts a density overlay as described in this section may also adopt a building design element to promote the development of diverse housing options within the density overlay.

Section 4. Section 4 is enacted to read:

### **10-9a-403.3. Residential density bonus.**

(1) As used in this section:

## SB0262 compared with SB0262S01

- 833 (a) "Density bonus-eligible area" means a place in a municipality:  
834 (i) zoned for a minimum of six housing units per acre; or  
835 (ii) subject to a development agreement that provides at least 6 units to the acre.  
836 (b) "Owner-occupier" means the same as that term is defined in Section 10-9a-403.2.  
837 (2)  
(a) In a density bonus-eligible area, a municipality may approve an applicant's request for an additional  
0.5 housing units per acre in exchange for one or more of the following:  
840 (i) requiring at least one housing unit per acre being offered for sale to an owner-occupier at a price  
point 80% or less of the median county home price for housing of that type;  
843 (ii) requiring at least one housing unit per acre being deed-restricted to owner-occupancy for at least  
five years;  
845 (iii) requiring at least one housing unit per acre to be deed-restricted for occupancy by at least one  
individual employed within the geographic region of the municipality or a five mile radius of  
the boundary of the municipality; or  
848 (iv) requiring at least two housing units per acre to be no larger than 1,600 square feet.  
850 (b) Notwithstanding Section 10-9a-534, in a density bonus-eligible area, a municipality may implement  
a building design element if the building design element is designed to promote density greater than  
six housing units per acre.
- 853 ~~{Section 5. Section 10-9a-408 is amended to read: }~~  
854 **10-9a-408. Moderate income housing report -- Contents -- Prioritization for funds or**  
**projects -- Ineligibility for funds after noncompliance -- Civil actions.**  
856 (1) As used in this section:  
857 (a) "Division" means the Housing and Community Development Division within the Department of  
Workforce Services.  
859 (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)  
(c).  
862 (c) "Initial report" or "initial moderate income housing report" means the one-time report described in  
Subsection (2).  
864 (d) "Moderate income housing strategy" means a strategy described in Subsection 10-9a-403(2)(b)(iii).  
866 (e) "Report" means an initial report or a subsequent progress report.

## SB0262 compared with SB0262S01

- 867 (f) "Specified municipality" means:
- 868 (i) a city of the first, second, third, or fourth class; or
- 869 (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.
- 871 (g) "Subsequent progress report" means the annual report described in Subsection (3).
- 872 (2)
- (a) The legislative body of a specified municipality shall submit an initial report to the division.
- 874 (b)
- (i) This Subsection (2)(b) applies to a municipality that is not a specified municipality as of January 1,  
2023.
- 876 (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.
- 881 (c) The initial report shall:
- 882 (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); and
- 886 (ii) include an implementation plan.
- 887 (3)
- (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.
- 891 (b) The subsequent progress report shall include:
- 892 (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;
- 896 (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,

## SB0262 compared with SB0262S01

- 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;
- 901 (iii) a description of any barriers encountered by the specified municipality in the previous 12-month period in implementing the moderate income housing strategies;
- 904 (iv) information regarding the number of internal and external or detached accessory dwelling units located within the specified municipality for which the specified municipality:
- 907 (A) issued a building permit to construct; or
- 908 (B) issued a business license or comparable license or permit to rent;
- 909 (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;
- 911 (vi) shapefiles, or website links if shapefiles are not available, to current maps and tables related to zoning;
- 913 (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]~~
- 916 (viii) beginning January 1, 2027, the information described in Section 10-9a-408.1; and
- 918 ~~[(viii)]~~ (ix) any recommendations on how the state can support the specified municipality in implementing the moderate income housing strategies.
- 920 (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:
- 924 (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
- 928 (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.
- 931 (d) A specified municipality's report shall be in a form:
- 932 (i) approved by the division; and
- 933 (ii) made available by the division on or before May 1 of the year in which the report is required.
- 935 (4) Within 90 days after the day on which the division receives a specified municipality's report, the division shall:

## SB0262 compared with SB0262S01

- 937 (a) post the report on the division's website;
- 938 (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
- 943 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 944 (5)
- (a) An initial report does not comply with this section unless the report:
- 945 (i) includes the information required under Subsection (2)(c);
- 946 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 948 (A) three or more moderate income housing strategies if the specified municipality does not have a  
fixed guideway public transit station; or
- 950 (B) subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income housing strategies if the  
specified municipality has a fixed guideway public transit station; and
- 953 (iii) is in a form approved by the division.
- 954 (b) A subsequent progress report does not comply with this section unless the report:
- 955 (i) demonstrates to the division that the specified municipality made plans to implement:
- 957 (A) three or more moderate income housing strategies if the specified municipality does not have a  
fixed guideway public transit station; or
- 959 (B) subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or more moderate income  
housing strategies if the specified municipality has a fixed guideway public transit station;
- 962 (ii) is in a form approved by the division; and
- 963 (iii) provides sufficient information for the division to:
- 964 (A) assess the specified municipality's progress in implementing the moderate income housing  
strategies;
- 966 (B) monitor compliance with the specified municipality's implementation plan;
- 967 (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;
- 970 (D) identify how the market has responded to the specified municipality's selected moderate income  
housing strategies; and

## SB0262 compared with SB0262S01

- 972 (E) identify any barriers encountered by the specified municipality in implementing the selected  
moderate income housing strategies.
- 974 (6)
- (a) A specified municipality qualifies for priority consideration under this Subsection (6) if the specified  
municipality's report:
- 976 (i) complies with this section; and
- 977 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 979 (A) five or more moderate income housing strategies if the specified municipality does not have a fixed  
guideway public transit station; or
- 981 (B) six or more moderate income housing strategies if the specified municipality has a fixed guideway  
public transit station.
- 983 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), 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).
- 987 (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.
- 990 (d) The notice described in Subsection (6)(c) shall:
- 991 (i) name the specified municipality that qualifies for priority consideration;
- 992 (ii) describe the funds or projects for which the specified municipality qualifies to receive priority  
consideration; and
- 994 (iii) state the basis for the division's determination that the specified municipality qualifies for priority  
consideration.
- 996 (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).
- 999 (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.

## SB0262 compared with SB0262S01

- 1002 (b) A specified municipality that receives a notice of noncompliance may:
- 1003 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 1005 (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.
- 1007 (c) The notice described in Subsection (7)(a) shall:
- 1008 (i) describe each deficiency in the report and the actions needed to cure each deficiency;
- 1010 (ii) state that the specified municipality has an opportunity to:
- 1011 (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
- 1013 (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
- 1016 (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).
- 1018 (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.
- 1022 (e)
- 1028 (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.
- 1032 (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.
- 1033 (iii) The notice described in Subsection (7)(e)(i) shall:
- 1037 (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

## SB0262 compared with SB0262S01

(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).

(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.

(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:

(i) one individual appointed by the Utah League of Cities and Towns;

(ii) one individual appointed by the Utah Homebuilders Association; and

(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.

(c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.

(d) The appeal board's written decision on the appeal is final.

(9)

(a) A specified municipality is ineligible for funds under this Subsection (9) if:

(i) the specified municipality fails to submit a report to the division;

(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:

(A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

(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;

(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

## SB0262 compared with SB0262S01

- (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.
- 1070 (b) The following apply to a specified municipality described in Subsection (9)(a) until the division provides notice under Subsection (9)(e):
- 1072 (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);
- 1076 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified municipality:
- 1079 (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
- 1081 (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
- 1084 (iii) beginning with the report submitted in 2025, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified municipality, in a consecutive year:
- 1087 (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
- 1089 (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).
- 1092 (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.
- 1097 (d) The notice described in Subsection (9)(c) shall:
- 1098 (i) name the specified municipality that is ineligible for funds;
- 1099 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 1100 (iii) describe the fee the specified municipality is required to pay under Subsection (9)(b), if applicable; and
- 1102 (iv) state the basis for the division's determination that the specified municipality is ineligible for funds.

## SB0262 compared with SB0262S01

- 1104 (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.
- 1107 (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.
- 1112 (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.

1115 Section 6. Section 6 is enacted to read:

1116 **10-9a-408.1. Affordable housing density.**

1117 (1) As used in this section:

1118 (a) "Affordable housing density" means, on average, at least:

1119 (i) eight residential units per acre; and

1120 (ii)

(A) four residential units per acre that are offered for sale to an owner-occupier at a moderate income  
housing price point; or

1122 (B) six residential units per acre that are offered for rent at a moderate income housing price point.

1124 (b) "Moderate income housing price point" means:

1125 (i) for a residential unit that is offered for sale to an owner-occupier, a price affordable to a household  
with a gross income of no more than 120% of area median income for the county in which the  
residential unit is offered for sale; and

1128 (ii) for a residential unit that is offered for rent, a rental price affordable to a household with a gross  
income of no more than 80% of area median income for the county in which the residential unit is  
offered for rent.

1131 (2) Beginning January 1, 2027, a specified municipality shall include the following information in the  
specified municipality's moderate income housing report:

1133 (a) whether the specified municipality has implemented a density overlay, as described in Section  
10-9a-403.2;

1135

## SB0262 compared with SB0262S01

(b) the amount of undeveloped land within the specified municipality that could achieve affordable housing density, including:

(i) information on housing units that are entitled or approved but not yet developed on the undeveloped land within the specified municipality, if applicable; and

(ii) the barriers, if any, to achieving affordable housing density on the undeveloped land within the specified municipality;

(c) the percentage of area zoned residential within the specified municipality that has achieved affordable housing density;

(d) a five-year projection for the percentage of area zoned residential within the specified municipality that will achieve affordable housing density; and

(e) data to support the conclusions described in Subsections (2)(c) and (d).

~~{Section 7. Section 10-9a-535 is amended to read: }~~

### **10-9a-535. Moderate income housing.**

(1) A municipality may only require the development of a certain number of moderate income housing units as a condition of approval of a land use application if:

(a) the municipality and the applicant enter into a written agreement regarding the number of moderate income housing units; ~~[or]~~

(b) the municipality provides incentives for an applicant who agrees to include moderate income housing units in a development~~[-]~~ ; or

(c) the applicant seeks to develop in a zone subject to density overlay, as described in Section 10-9a-403.2.

(2)

(a) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(a) or (b), a municipality may not take into consideration the applicant's decision in the municipality's determination of whether to approve or deny a land use application.

(b) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(c), a municipality may take into consideration the applicant's decision in the municipality's determination of whether to approve or deny a land use application.

(3) Notwithstanding Subsections (1) and (2), a municipality that imposes a resort community sales and use tax as described in Section 59-12-401, may require the development of a certain number

## SB0262 compared with SB0262S01

of moderate income housing units as a condition of approval of a land use application if the requirement is in accordance with an ordinance enacted by the municipality before January 1, 2022.

Section 1. Section 10-9a-1005 is amended to read:

**10-9a-1005. Payment, use, and administration of revenue from a home ownership promotion zone.**

(1)

(a) A municipality may receive tax increment and use home ownership promotion zone funds in accordance with this section.

(b) The maximum amount of time that a municipality may receive and use tax increment pursuant to a home ownership promotion zone is 15 consecutive years.

(2) A county that collects property tax on property located within a home ownership promotion zone shall, in accordance with Section 59-2-1365, distribute 60% of the tax increment collected from property within the home ownership promotion zone to the municipality over the home ownership promotion zone to be used as described in this section.

(3)

(a) Tax increment distributed to a municipality in accordance with Subsection (2) is not revenue of the taxing entity or municipality, but home ownership promotion zone funds.

(b) Home ownership promotion zone funds may be administered by an agency created by the municipality within which the home ownership promotion zone is located.

(c) Before an agency may receive home ownership promotion zone funds from a municipality, the agency shall enter into an interlocal agreement with the municipality.

(4)

(a) A municipality or agency shall use home ownership promotion zone funds within, or for the direct benefit of, the home ownership promotion zone.

(b) If any home ownership promotion zone funds will be used outside of the home ownership promotion zone, the legislative body of the municipality shall make a finding that the use of the home ownership promotion zone funds outside of the home ownership promotion zone will directly benefit the home ownership promotion zone.

(5) A municipality or agency shall use home ownership promotion zone funds to achieve the purposes described in Section 10-9a-1003 by paying all or part of the costs of any of the following:

(a) project improvement costs;

## SB0262 compared with SB0262S01

- (b) systems improvement costs;[~~or~~]
- (c) water exaction costs;
- (d) street lighting costs;
- (e) environmental remediation costs; or
- [~~(e)~~] (f) the costs of the municipality or agency to create and administer the home ownership promotion zone, which may not exceed 3% of the total home ownership promotion zone funds.
- (6) Home ownership promotion zone funds may be paid to a participant, if the municipality and participant enter into a participation agreement which requires the participant to utilize the home ownership promotion zone funds as allowed in this section.
- (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.
- (8) A municipality may:
  - (a) create one or more public infrastructure districts within a home ownership promotion zone under Title 17D, Chapter 4, Public Infrastructure District Act; and
  - (b) pledge and utilize the home ownership promotion zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

~~{Section 8. Section 17-27a-103 is amended to read: }~~

### **17-27a-103. Definitions.**

As used in this chapter:

- (1) "Accessory dwelling unit" means a habitable living unit added to, created within, or detached from a primary single-family dwelling and contained on one lot.
- (2) "Adversely affected party" means a person other than a land use applicant who:
  - (a) owns real property adjoining the property that is the subject of a land use application or land use decision; or
  - (b) will suffer a damage different in kind than, or an injury distinct from, that of the general community as a result of the land use decision.
- (3) "Affected entity" means a county, municipality, special district, special service district under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation entity established under Title 11, Chapter 13, Interlocal Cooperation Act, specified property owner, property owner's association, public utility, or the Department of Transportation, if:

## SB0262 compared with SB0262S01

- 1184 (a) the entity's services or facilities are likely to require expansion or significant modification because  
of an intended use of land;
- 1186 (b) the entity has filed with the county a copy of the entity's general or long-range plan; or
- 1188 (c) the entity has filed with the county a request for notice during the same calendar year and before the  
county provides notice to an affected entity in compliance with a requirement imposed under this  
chapter.
- 1191 (4) "Affected owner" means the owner of real property that is:
- 1192 (a) a single project;
- 1193 (b) the subject of a land use approval that sponsors of a referendum timely challenged in accordance  
with Subsection 20A-7-601(6); and
- 1195 (c) determined to be legally referable under Section 20A-7-602.8.
- 1196 (5) "Appeal authority" means the person, board, commission, agency, or other body designated by  
ordinance to decide an appeal of a decision of a land use application or a variance.
- 1199 (6) "Billboard" means a freestanding ground sign located on industrial, commercial, or residential  
property if the sign is designed or intended to direct attention to a business, product, or service that  
is not sold, offered, or existing on the property where the sign is located.
- 1203 (7)
- (a) "Charter school" means:
- 1204 (i) an operating charter school;
- 1205 (ii) a charter school applicant that a charter school authorizer approves in accordance with Title  
53G, Chapter 5, Part 3, Charter School Authorization; or
- 1207 (iii) an entity that is working on behalf of a charter school or approved charter applicant to develop  
or construct a charter school building.
- 1209 (b) "Charter school" does not include a therapeutic school.
- 1210 (8) "Chief executive officer" means the person or body that exercises the executive powers of the  
county.
- 1212 (9) "Conditional use" means a land use that, because of the unique characteristics or potential impact of  
the land use on the county, surrounding neighbors, or adjacent land uses, may not be compatible in  
some areas or may be compatible only if certain conditions are required that mitigate or eliminate  
the detrimental impacts.

1216

## SB0262 compared with SB0262S01

- (10) "Constitutional taking" means a governmental action that results in a taking of private property so that compensation to the owner of the property is required by the:
- 1218 (a) Fifth or Fourteenth Amendment of the Constitution of the United States; or
- 1219 (b) Utah Constitution, Article I, Section 22.
- 1220 (11) "County utility easement" means an easement that:
- 1221 (a) a plat recorded in a county recorder's office described as a county utility easement or otherwise as a utility easement;
- 1223 (b) is not a protected utility easement or a public utility easement as defined in Section 54-3-27;
- 1225 (c) the county or the county's affiliated governmental entity owns or creates; and
- 1226 (d)
- (i) either:
- 1227 (A) no person uses or occupies; or
- 1228 (B) the county or the county's affiliated governmental entity uses and occupies to provide a utility service, including sanitary sewer, culinary water, electrical, storm water, or communications or data lines; or
- 1231 (ii) a person uses or occupies with or without an authorized franchise or other agreement with the county.
- 1233 (12) "Culinary water authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of the culinary water system and sources for the subject property.
- 1236 (13) "Development activity" means:
- 1237 (a) any construction or expansion of a building, structure, or use that creates additional demand and need for public facilities;
- 1239 (b) any change in use of a building or structure that creates additional demand and need for public facilities; or
- 1241 (c) any change in the use of land that creates additional demand and need for public facilities.
- 1243 (14)
- (a) "Development agreement" means a written agreement or amendment to a written agreement between a county and one or more parties that regulates or controls the use or development of a specific area of land.
- 1246 (b) "Development agreement" does not include an improvement completion assurance.
- 1247 (15)

## SB0262 compared with SB0262S01

- (a) "Disability" means a physical or mental impairment that substantially limits one or more of a person's major life activities, including a person having a record of such an impairment or being regarded as having such an impairment.
- 1250 (b) "Disability" does not include current illegal use of, or addiction to, any federally controlled substance, as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. Sec. 802.
- 1253 (16) "Educational facility":
- 1254 (a) means:
- 1255 (i) a school district's building at which pupils assemble to receive instruction in a program for any combination of grades from preschool through grade 12, including kindergarten and a program for children with disabilities;
- 1258 (ii) a structure or facility:
- 1259 (A) located on the same property as a building described in Subsection (16)(a)(i); and
- 1261 (B) used in support of the use of that building; and
- 1262 (iii) a building to provide office and related space to a school district's administrative personnel; and
- 1264 (b) does not include:
- 1265 (i) land or a structure, including land or a structure for inventory storage, equipment storage, food processing or preparing, vehicle storage or maintenance, or similar use that is:
- 1268 (A) not located on the same property as a building described in Subsection (16)(a)(i); and
- 1270 (B) used in support of the purposes of a building described in Subsection (16)(a)(i); or
- 1272 (ii) a therapeutic school.
- 1273 (17) "Fire authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of fire protection and suppression services for the subject property.
- 1276 (18) "Flood plain" means land that:
- 1277 (a) is within the 100-year flood plain designated by the Federal Emergency Management Agency; or
- 1279 (b) has not been studied or designated by the Federal Emergency Management Agency but presents a likelihood of experiencing chronic flooding or a catastrophic flood event because the land has characteristics that are similar to those of a 100-year flood plain designated by the Federal Emergency Management Agency.
- 1283 (19) "Gas corporation" has the same meaning as defined in Section 54-2-1.
- 1284 (20) "General plan" means a document that a county adopts by ordinance that sets forth general guidelines for proposed future development of:

## SB0262 compared with SB0262S01

- 1286 (a) the unincorporated land within the county; or  
1287 (b) for a mountainous planning district, the land within the mountainous planning district.
- 1289 (21) "Geologic hazard" means:  
1290 (a) a surface fault rupture;  
1291 (b) shallow groundwater;  
1292 (c) liquefaction;  
1293 (d) a landslide;  
1294 (e) a debris flow;  
1295 (f) unstable soil;  
1296 (g) a rock fall; or  
1297 (h) any other geologic condition that presents a risk:  
1298 (i) to life;  
1299 (ii) of substantial loss of real property; or  
1300 (iii) of substantial damage to real property.
- 1301 (22) "Home-based microschool" means the same as that term is defined in Section 53G-6-201.
- 1303 (23) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or  
appurtenance to connect to a county water, sewer, storm water, power, or other utility system.
- 1306 (24) "Identical plans" means building plans submitted to a county that:  
1307 (a) are clearly marked as "identical plans";  
1308 (b) are substantially identical building plans that were previously submitted to and reviewed and  
approved by the county; and  
1310 (c) describe a building that:  
1311 (i) is located on land zoned the same as the land on which the building described in the previously  
approved plans is located;  
1313 (ii) is subject to the same geological and meteorological conditions and the same law as the building  
described in the previously approved plans;  
1315 (iii) has a floor plan identical to the building plan previously submitted to and reviewed and approved  
by the county; and  
1317 (iv) does not require any additional engineering or analysis.
- 1318 (25) "Impact fee" means a payment of money imposed under Title 11, Chapter 36a, Impact Fees Act.  
1320

## SB0262 compared with SB0262S01

(26) "Improvement completion assurance" means a surety bond, letter of credit, financial institution bond, cash, assignment of rights, lien, or other equivalent security required by a county to guaranty the proper completion of landscaping or an infrastructure improvement required as a condition precedent to:

(a) recording a subdivision plat; or

(b) development of a commercial, industrial, mixed use, or multifamily project.

(27) "Improvement warranty" means an applicant's unconditional warranty that the applicant's installed and accepted landscaping or infrastructure improvement:

(a) complies with the county's written standards for design, materials, and workmanship; and

(b) will not fail in any material respect, as a result of poor workmanship or materials, within the improvement warranty period.

(28) "Improvement warranty period" means a period:

(a) no later than one year after a county's acceptance of required landscaping; or

(b) no later than one year after a county's acceptance of required infrastructure, unless the county:

(i) determines for good cause that a one-year period would be inadequate to protect the public health, safety, and welfare; and

(ii) has substantial evidence, on record:

(A) of prior poor performance by the applicant; or

(B) that the area upon which the infrastructure will be constructed contains suspect soil and the county has not otherwise required the applicant to mitigate the suspect soil.

(29) "Infrastructure improvement" means permanent infrastructure that is essential for the public health and safety or that:

(a) is required for human consumption; and

(b) an applicant must install:

(i) in accordance with published installation and inspection specifications for public improvements; and

(ii) as a condition of:

(A) recording a subdivision plat;

(B) obtaining a building permit; or

(C) developing a commercial, industrial, mixed use, condominium, or multifamily project.

(30) "Internal lot restriction" means a platted note, platted demarcation, or platted designation that:

(a) runs with the land; and

## SB0262 compared with SB0262S01

- 1357 (b)
- (i) creates a restriction that is enclosed within the perimeter of a lot described on the plat; or
- 1359 (ii) designates a development condition that is enclosed within the perimeter of a lot described on the plat.
- 1361 (31) "Interstate pipeline company" means a person or entity engaged in natural gas transportation subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, 15 U.S.C. Sec. 717 et seq.
- 1364 (32) "Intrastate pipeline company" means a person or entity engaged in natural gas transportation that is not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, 15 U.S.C. Sec. 717 et seq.
- 1367 (33) "Land use applicant" means a property owner, or the property owner's designee, who submits a land use application regarding the property owner's land.
- 1369 (34) "Land use application":
- 1370 (a) means an application that is:
- 1371 (i) required by a county; and
- 1372 (ii) submitted by a land use applicant to obtain a land use decision; and
- 1373 (b) does not mean an application to enact, amend, or repeal a land use regulation.
- 1374 (35) "Land use authority" means:
- 1375 (a) a person, board, commission, agency, or body, including the local legislative body, designated by the local legislative body to act upon a land use application; or
- 1377 (b) if the local legislative body has not designated a person, board, commission, agency, or body, the local legislative body.
- 1379 (36) "Land use decision" means an administrative decision of a land use authority or appeal authority regarding:
- 1381 (a) a land use permit;
- 1382 (b) a land use application; or
- 1383 (c) the enforcement of a land use regulation, land use permit, or development agreement.
- 1384 (37) "Land use permit" means a permit issued by a land use authority.
- 1385 (38) "Land use regulation":
- 1386 (a) means a legislative decision enacted by ordinance, law, code, map, resolution, specification, fee, or rule that governs the use or development of land;

## SB0262 compared with SB0262S01

- 1388 (b) includes the adoption or amendment of a zoning map or the text of the zoning code; and  
1390 (c) does not include:  
1391 (i) a land use decision of the legislative body acting as the land use authority, even if the decision is  
expressed in a resolution or ordinance; or  
1393 (ii) a temporary revision to an engineering specification that does not materially:  
1394 (A) increase a land use applicant's cost of development compared to the existing specification; or  
1396 (B) impact a land use applicant's use of land.  
1397 (39) "Legislative body" means the county legislative body, or for a county that has adopted an  
alternative form of government, the body exercising legislative powers.  
1399 (40) "Lot" means a tract of land, regardless of any label, that is created by and shown on a subdivision  
plat that has been recorded in the office of the county recorder.  
1401 (41)  
(a) "Lot line adjustment" means a relocation of a lot line boundary between adjoining lots or between a  
lot and adjoining parcels in accordance with Section 17-27a-608:  
1404 (i) whether or not the lots are located in the same subdivision; and  
1405 (ii) with the consent of the owners of record.  
1406 (b) "Lot line adjustment" does not mean a new boundary line that:  
1407 (i) creates an additional lot; or  
1408 (ii) constitutes a subdivision or a subdivision amendment.  
1409 (c) "Lot line adjustment" does not include a boundary line adjustment made by the Department of  
Transportation.  
1411 (42) "Major transit investment corridor" means public transit service that uses or occupies:  
1412 (a) public transit rail right-of-way;  
1413 (b) dedicated road right-of-way for the use of public transit, such as bus rapid transit; or  
1414 (c) fixed-route bus corridors subject to an interlocal agreement or contract between a municipality or  
county and:  
1416 (i) a public transit district as defined in Section 17B-2a-802; or  
1417 (ii) an eligible political subdivision as defined in Section 59-12-2219.  
1418 (43) "Micro-education entity" means the same as that term is defined in Section 53G-6-201.  
1419

## SB0262 compared with SB0262S01

(44) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the housing is located.

1422 (45) "Mountainous planning district" means an area designated by a county legislative body in  
accordance with Section 17-27a-901.

1424 (46) "Nominal fee" means a fee that reasonably reimburses a county only for time spent and expenses  
incurred in:

1426 (a) verifying that building plans are identical plans; and

1427 (b) reviewing and approving those minor aspects of identical plans that differ from the previously  
reviewed and approved building plans.

1429 (47) "Noncomplying structure" means a structure that:

1430 (a) legally existed before the structure's current land use designation; and

1431 (b) because of one or more subsequent land use ordinance changes, does not conform to the setback,  
height restrictions, or other regulations, excluding those regulations that govern the use of land.

1434 (48) "Nonconforming use" means a use of land that:

1435 (a) legally existed before the current land use designation;

1436 (b) has been maintained continuously since the time the land use ordinance regulation governing the  
land changed; and

1438 (c) because of one or more subsequent land use ordinance changes, does not conform to the regulations  
that now govern the use of the land.

1440 (49) "Official map" means a map drawn by county authorities and recorded in the county recorder's  
office that:

1442 (a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for highways and  
other transportation facilities;

1444 (b) provides a basis for restricting development in designated rights-of-way or between designated  
setbacks to allow the government authorities time to purchase or otherwise reserve the land; and

1447 (c) has been adopted as an element of the county's general plan.

1448 (50) "Parcel" means any real property that is not a lot.

1449 (51)

## SB0262 compared with SB0262S01

- (a) "Parcel boundary adjustment" means a recorded agreement between owners of adjoining parcels adjusting the mutual boundary, either by deed or by a boundary line agreement in accordance with Section 17-27a-523, if no additional parcel is created and:
- (i) none of the property identified in the agreement is a lot; or
  - (ii) the adjustment is to the boundaries of a single person's parcels.
- (b) "Parcel boundary adjustment" does not mean an adjustment of a parcel boundary line that:
- (i) creates an additional parcel; or
  - (ii) constitutes a subdivision.
- (c) "Parcel boundary adjustment" does not include a boundary line adjustment made by the Department of Transportation.
- (52) "Person" means an individual, corporation, partnership, organization, association, trust, governmental agency, or any other legal entity.
- (53) "Plan for moderate income housing" means a written document adopted by a county legislative body that includes:
- (a) an estimate of the existing supply of moderate income housing located within the county;
  - (b) an estimate of the need for moderate income housing in the county for the next five years;
  - (c) a survey of total residential land use;
  - (d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and
  - (e) a description of the county's program to encourage an adequate supply of moderate income housing.
- (54) "Planning advisory area" means a contiguous, geographically defined portion of the unincorporated area of a county established under this part with planning and zoning functions as exercised through the planning advisory area planning commission, as provided in this chapter, but with no legal or political identity separate from the county and no taxing authority.
- (55) "Plat" means an instrument subdividing property into lots as depicted on a map or other graphical representation of lands that a licensed professional land surveyor makes and prepares in accordance with Section 17-27a-603 or 57-8-13.
- (56) "Potential geologic hazard area" means an area that:
- (a) is designated by a Utah Geological Survey map, county geologist map, or other relevant map or report as needing further study to determine the area's potential for geologic hazard; or

## SB0262 compared with SB0262S01

(b) has not been studied by the Utah Geological Survey or a county geologist but presents the potential of geologic hazard because the area has characteristics similar to those of a designated geologic hazard area.

1489 (57) "Public agency" means:

1490 (a) the federal government;

1491 (b) the state;

1492 (c) a county, municipality, school district, special district, special service district, or other political subdivision of the state; or

1494 (d) a charter school.

1495 (58) "Public hearing" means a hearing at which members of the public are provided a reasonable opportunity to comment on the subject of the hearing.

1497 (59) "Public meeting" means a meeting that is required to be open to the public under Title 52, Chapter 4, Open and Public Meetings Act.

1499 (60) "Public street" means a public right-of-way, including a public highway, public avenue, public boulevard, public parkway, public road, public lane, public alley, public viaduct, public subway, public tunnel, public bridge, public byway, other public transportation easement, or other public way.

1503 (61) "Receiving zone" means an unincorporated area of a county that the county designates, by ordinance, as an area in which an owner of land may receive a transferable development right.

1506 (62) "Record of survey map" means a map of a survey of land prepared in accordance with Section 10-9a-603, 17-23-17, 17-27a-603, or 57-8-13.

1508 (63) "Residential facility for persons with a disability" means a residence:

1509 (a) in which more than one person with a disability resides; and

1510 (b) which is licensed or certified by the Department of Health and Human Services under:

1512 (i) Title 26B, Chapter 2, Part 1, Human Services Programs and Facilities; or

1513 (ii) Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection.

1514 (64) "Residential roadway" means a public local residential road that:

1515 (a) will serve primarily to provide access to adjacent primarily residential areas and property;

1517 (b) is designed to accommodate minimal traffic volumes or vehicular traffic;

1518 (c) is not identified as a supplementary to a collector or other higher system classified street in an approved municipal street or transportation master plan;

## SB0262 compared with SB0262S01

- 1520 (d) has a posted speed limit of 25 miles per hour or less;
- 1521 (e) does not have higher traffic volumes resulting from connecting previously separated areas of the  
municipal road network;
- 1523 (f) cannot have a primary access, but can have a secondary access, and does not abut lots intended for  
high volume traffic or community centers, including schools, recreation centers, sports complexes,  
or libraries; and
- 1526 (g) primarily serves traffic within a neighborhood or limited residential area and is not necessarily  
continuous through several residential areas.
- 1528 (65) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:
- 1530 (a) parliamentary order and procedure;
- 1531 (b) ethical behavior; and
- 1532 (c) civil discourse.
- 1533 (66) "Sanitary sewer authority" means the department, agency, or public entity with responsibility to  
review and approve the feasibility of sanitary sewer services or onsite wastewater systems.
- 1536 (67) "Sending zone" means an unincorporated area of a county that the county designates, by ordinance,  
as an area from which an owner of land may transfer a transferable development right.
- 1539 (68) "Site plan" means a document or map that may be required by a county during a preliminary  
review preceding the issuance of a building permit to demonstrate that an owner's or developer's  
proposed development activity meets a land use requirement.
- 1542 (69)
- (a) "Special district" means an entity under Title 17B, Limited Purpose Local Government Entities -  
Special Districts.
- 1544 (b) "Special district" includes a governmental or quasi-governmental entity that is not a county,  
municipality, school district, or the state.
- 1546 (70) "Specified public agency" means:
- 1547 (a) the state;
- 1548 (b) a school district; or
- 1549 (c) a charter school.
- 1550 (71) "Specified public utility" means an electrical corporation, gas corporation, or telephone  
corporation, as those terms are defined in Section 54-2-1.
- 1552 (72) "State" includes any department, division, or agency of the state.

## SB0262 compared with SB0262S01

- 1553 (73)
- (a) "Subdivision" means any land that is divided, resubdivided, or proposed to be divided into two or more lots or other division of land for the purpose, whether immediate or future, for offer, sale, lease, or development either on the installment plan or upon any and all other plans, terms, and conditions.
- 1557 (b) "Subdivision" includes:
- 1558 (i) the division or development of land, whether by deed, metes and bounds description, devise and testacy, map, plat, or other recorded instrument, regardless of whether the division includes all or a portion of a parcel or lot; and
- 1561 (ii) except as provided in Subsection (73)(c), divisions of land for residential and nonresidential uses, including land used or to be used for commercial, agricultural, and industrial purposes.
- 1564 (c) "Subdivision" does not include:
- 1565 (i) a bona fide division or partition of agricultural land for agricultural purposes;
- 1566 (ii) a boundary line agreement recorded with the county recorder's office between owners of adjoining parcels adjusting the mutual boundary in accordance with Section 17-27a-523 if no new lot is created;
- 1569 (iii) a recorded document, executed by the owner of record:
- 1570 (A) revising the legal descriptions of multiple parcels into one legal description encompassing all such parcels; or
- 1572 (B) joining a lot to a parcel;
- 1573 (iv) a bona fide division or partition of land in a county other than a first class county for the purpose of siting, on one or more of the resulting separate parcels:
- 1575 (A) an electrical transmission line or a substation;
- 1576 (B) a natural gas pipeline or a regulation station; or
- 1577 (C) an unmanned telecommunications, microwave, fiber optic, electrical, or other utility service regeneration, transformation, retransmission, or amplification facility;
- 1580 (v) a boundary line agreement between owners of adjoining subdivided properties adjusting the mutual lot line boundary in accordance with Sections 17-27a-523 and 17-27a-608 if:
- 1583 (A) no new dwelling lot or housing unit will result from the adjustment; and
- 1584 (B) the adjustment will not violate any applicable land use ordinance;
- 1585

## SB0262 compared with SB0262S01

(vi) a bona fide division of land by deed or other instrument if the deed or other instrument states in writing that the division:

(A) is in anticipation of future land use approvals on the parcel or parcels;

(B) does not confer any land use approvals; and

(C) has not been approved by the land use authority;

(vii) a parcel boundary adjustment;

(viii) a lot line adjustment;

(ix) a road, street, or highway dedication plat;

(x) a deed or easement for a road, street, or highway purpose; or

(xi) any other division of land authorized by law.

(74)

(a) "Subdivision amendment" means an amendment to a recorded subdivision in accordance with Section 17-27a-608 that:

(i) vacates all or a portion of the subdivision;

(ii) alters the outside boundary of the subdivision;

(iii) changes the number of lots within the subdivision;

(iv) alters a public right-of-way, a public easement, or public infrastructure within the subdivision;  
or

(v) alters a common area or other common amenity within the subdivision.

(b) "Subdivision amendment" does not include a lot line adjustment, between a single lot and an adjoining lot or parcel, that alters the outside boundary of the subdivision.

(75) "Substantial evidence" means evidence that:

(a) is beyond a scintilla; and

(b) a reasonable mind would accept as adequate to support a conclusion.

(76) "Suspect soil" means soil that has:

(a) a high susceptibility for volumetric change, typically clay rich, having more than a 3% swell potential;

(b) bedrock units with high shrink or swell susceptibility; or

(c) gypsiferous silt and clay, gypsum, or bedrock units containing abundant gypsum commonly associated with dissolution and collapse features.

(77) "Therapeutic school" means a residential group living facility:

## SB0262 compared with SB0262S01

- 1615 (a) for four or more individuals who are not related to:  
1616 (i) the owner of the facility; or  
1617 (ii) the primary service provider of the facility;  
1618 (b) that serves students who have a history of failing to function:  
1619 (i) at home;  
1620 (ii) in a public school; or  
1621 (iii) in a nonresidential private school; and  
1622 (c) that offers:  
1623 (i) room and board; and  
1624 (ii) an academic education integrated with:  
1625 (A) specialized structure and supervision; or  
1626 (B) services or treatment related to a disability, an emotional development, a behavioral development, a  
familial development, or a social development.
- 1628 (78) "Transferable development right" means a right to develop and use land that originates by an  
ordinance that authorizes a land owner in a designated sending zone to transfer land use rights from  
a designated sending zone to a designated receiving zone.
- 1631 (79) "Unincorporated" means the area outside of the incorporated area of a municipality.
- 1632 (80) "Water interest" means any right to the beneficial use of water, including:  
1633 (a) each of the rights listed in Section 73-1-11; and  
1634 (b) an ownership interest in the right to the beneficial use of water represented by:  
1635 (i) a contract; or  
1636 (ii) a share in a water company, as defined in Section 73-3-3.5.
- 1637 (81) "Zoning map" means a map, adopted as part of a land use ordinance, that depicts land use zones,  
overlays, or districts.

1639 ~~{Section 9. Section 17-27a-403 is amended to read: }~~

### 1640 **17-27a-403. Plan preparation.**

- 1641 (1)
- (a) The planning commission shall provide notice, as provided in Section 17-27a-203, of the planning  
commission's intent to make a recommendation to the county legislative body for a general plan or  
a comprehensive general plan amendment when the planning commission initiates the process of  
preparing the planning commission's recommendation.

## SB0262 compared with SB0262S01

- 1646 (b) The planning commission shall make and recommend to the legislative body a proposed general  
plan for:
- 1648 (i) the unincorporated area within the county; or
- 1649 (ii) if the planning commission is a planning commission for a mountainous planning district, the  
mountainous planning district.
- 1651 (c)
- (i) The plan may include planning for incorporated areas if, in the planning commission's judgment,  
they are related to the planning of the unincorporated territory or of the county as a whole.
- 1654 (ii) Elements of the county plan that address incorporated areas are not an official plan or part of a  
municipal plan for any municipality, unless the county plan is recommended by the municipal  
planning commission and adopted by the governing body of the municipality.
- 1658 (2)
- (a) At a minimum, the proposed general plan, with the accompanying maps, charts, and descriptive and  
explanatory matter, shall include the planning commission's recommendations for the following  
plan elements:
- 1661 (i) a land use element that:
- 1662 (A) designates the long-term goals and the proposed extent, general distribution, and location of land  
for housing for residents of various income levels, business, industry, agriculture, recreation,  
education, public buildings and grounds, open space, and other categories of public and private uses  
of land as appropriate;
- 1667 (B) includes a statement of the projections for and standards of population density and building  
intensity recommended for the various land use categories covered by the plan;
- 1670 (C) is coordinated to integrate the land use element with the water use and preservation element; and
- 1672 (D) accounts for the effect of land use categories and land uses on water demand;
- 1673 (ii) a transportation and traffic circulation element that:
- 1674 (A) provides the general location and extent of existing and proposed freeways, arterial and collector  
streets, public transit, active transportation facilities, and other modes of transportation that the  
planning commission considers appropriate;
- 1678 (B) addresses the county's plan for residential and commercial development around major transit  
investment corridors to maintain and improve the connections between housing, employment,  
education, recreation, and commerce; and

## SB0262 compared with SB0262S01

- 1682 (C) correlates with the population projections, the employment projections, and the proposed land use  
element of the general plan;
- 1684 (iii) for a specified county as defined in Section 17-27a-408, a moderate income housing element  
that:
- 1686 (A) provides a realistic opportunity to meet the need for additional moderate income housing within the  
next five years;
- 1688 (B) selects three or more moderate income housing strategies described in Subsection (2)(b)(ii) for  
implementation; and
- 1690 (C) includes an implementation plan as provided in Subsection (2)(e);
- 1691 (iv) a resource management plan detailing the findings, objectives, and policies required by  
Subsection 17-27a-401(3); and
- 1693 (v) a water use and preservation element that addresses:
- 1694 (A) the effect of permitted development or patterns of development on water demand and water  
infrastructure;
- 1696 (B) methods of reducing water demand and per capita consumption for future development;
- 1698 (C) methods of reducing water demand and per capita consumption for existing development; and
- 1700 (D) opportunities for the county to modify the county's operations to eliminate practices or conditions  
that waste water.
- 1702 (b) In drafting the moderate income housing element, the planning commission:
- 1703 (i) shall consider the Legislature's determination that counties should facilitate a reasonable opportunity  
for a variety of housing, including moderate income housing:
- 1706 (A) to meet the needs of people of various income levels living, working, or desiring to live or work in  
the community; and
- 1708 (B) to allow people with various incomes to benefit from and fully participate in all aspects of  
neighborhood and community life; and
- 1710 (ii) shall include an analysis of how the county will provide a realistic opportunity for the development  
of moderate income housing within the planning horizon, including a recommendation to implement  
three or more of the following moderate income housing strategies:
- 1714 (A) rezone for densities necessary to facilitate the production of moderate income housing, including by  
implementing a density overlay as described in Section 17-27a-403.1;
- 1717

## SB0262 compared with SB0262S01

- (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
- 1719 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
- 1721 (D) identify and utilize county general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the county for the construction or rehabilitation of moderate income housing;
- 1724 (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- 1726 (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones, commercial centers, or employment centers;
- 1728 (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
- 1731 (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
- 1735 (I) amend land use regulations to allow for single room occupancy developments;
- 1736 (J) implement zoning incentives for moderate income units in new developments;
- 1737 (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program, or establishing a housing loss mitigation fund;
- 1740 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 1741 (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- 1743 (N) implement a mortgage assistance program for employees of the county, an employer that provides contracted services for the county, or any other public employer that operates within the county;
- 1746 (O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for services provided by a public housing authority to preserve and create moderate income

## SB0262 compared with SB0262S01

- housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;
- 1755 (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- 1759 (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1761 (R) create a home ownership promotion zone pursuant to Part 12, Home Ownership Promotion Zone for Counties;
- 1763 (S) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-9a-530;
- 1765 (T) create a program to transfer development rights for moderate income housing;
- 1766 (U) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;
- 1769 (V) develop a moderate income housing project for residents who are disabled or 55 years old or older;
- 1771 (W) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones; and
- 1775 (X) demonstrate implementation of any other program or strategy to address the housing needs of residents of the county who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing.
- 1781 (c) If a specified county, as defined in Section 17-27a-408, has created a small public transit district, as defined in Section 17B-2a-802, on or before January 1, 2022, the specified county shall include as part of the specified county's recommended strategies under Subsection (2)(b)(ii) a recommendation to implement the strategy described in Subsection (2)(b)(ii)(Q).
- 1786 (d) The planning commission shall identify each moderate income housing strategy recommended to the legislative body for implementation by restating the exact language used to describe the strategy in Subsection (2)(b)(ii).
- 1789 (e) In drafting the land use element, the planning commission shall:

## SB0262 compared with SB0262S01

- 1790 (i) identify and consider each agriculture protection area within the unincorporated area of the county or  
mountainous planning district;
- 1792 (ii) avoid proposing a use of land within an agriculture protection area that is inconsistent with or  
detrimental to the use of the land for agriculture; and
- 1794 (iii) consider and coordinate with any station area plans adopted by municipalities located within the  
county under Section 10-9a-403.1.
- 1796 (f) In drafting the transportation and traffic circulation element, the planning commission shall:
- 1798 (i)
- (A) consider and coordinate with the regional transportation plan developed by the county's region's  
metropolitan planning organization, if the relevant areas of the county are within the boundaries of a  
metropolitan planning organization; or
- 1802 (B) consider and coordinate with the long-range transportation plan developed by the Department of  
Transportation, if the relevant areas of the county are not within the boundaries of a metropolitan  
planning organization; and
- 1805 (ii) consider and coordinate with any station area plans adopted by municipalities located within the  
county under Section 10-9a-403.1.
- 1807 (g)
- (i) In drafting the implementation plan portion of the moderate income housing element as described  
in Subsection (2)(a)(iii)(C), the planning commission shall recommend to the legislative body  
the establishment of a five-year timeline for implementing each of the moderate income housing  
strategies selected by the county for implementation.
- 1812 (ii) The timeline described in Subsection (2)(g)(i) shall:
- 1813 (A) identify specific measures and benchmarks for implementing each moderate income housing  
strategy selected by the county; and
- 1815 (B) provide flexibility for the county to make adjustments as needed.
- 1816 (h) In drafting the water use and preservation element, the planning commission:
- 1817 (i) shall consider applicable regional water conservation goals recommended by the Division of Water  
Resources;
- 1819 (ii) shall consult with the Division of Water Resources for information and technical resources  
regarding regional water conservation goals, including how implementation of the land use element  
and water use and preservation element may affect the Great Salt Lake;

## SB0262 compared with SB0262S01

- 1823 (iii) shall notify the community water systems serving drinking water within the unincorporated portion  
of the county and request feedback from the community water systems about how implementation  
of the land use element and water use and preservation element may affect:
- 1827 (A) water supply planning, including drinking water source and storage capacity consistent with Section  
19-4-114; and
- 1829 (B) water distribution planning, including master plans, infrastructure asset management programs and  
plans, infrastructure replacement plans, and impact fee facilities plans;
- 1832 (iv) shall consider the potential opportunities and benefits of planning for regionalization of public  
water systems;
- 1834 (v) shall consult with the Department of Agriculture and Food for information and technical resources  
regarding the potential benefits of agriculture conservation easements and potential implementation  
of agriculture water optimization projects that would support regional water conservation goals;
- 1838 (vi) shall notify an irrigation or canal company located in the county so that the irrigation or canal  
company can be involved in the protection and integrity of the irrigation or canal company's  
delivery systems;
- 1841 (vii) shall include a recommendation for:
- 1842 (A) water conservation policies to be determined by the county; and
- 1843 (B) landscaping options within a public street for current and future development that do not require the  
use of lawn or turf in a parkstrip;
- 1845 (viii) shall review the county's land use ordinances and include a recommendation for changes to an  
ordinance that promotes the inefficient use of water;
- 1847 (ix) shall consider principles of sustainable landscaping, including the:
- 1848 (A) reduction or limitation of the use of lawn or turf;
- 1849 (B) promotion of site-specific landscape design that decreases stormwater runoff or runoff of water  
used for irrigation;
- 1851 (C) preservation and use of healthy trees that have a reasonable water requirement or are resistant to dry  
soil conditions;
- 1853 (D) elimination or regulation of ponds, pools, and other features that promote unnecessary water  
evaporation;
- 1855 (E) reduction of yard waste; and
- 1856

## SB0262 compared with SB0262S01

- (F) use of an irrigation system, including drip irrigation, best adapted to provide the optimal amount of water to the plants being irrigated;
- 1858 (x) may include recommendations for additional water demand reduction strategies, including:
- 1860 (A) creating a water budget associated with a particular type of development;
- 1861 (B) adopting new or modified lot size, configuration, and landscaping standards that will reduce water demand for new single family development;
- 1863 (C) providing one or more water reduction incentives for existing landscapes and irrigation systems and installation of water fixtures or systems that minimize water demand;
- 1866 (D) discouraging incentives for economic development activities that do not adequately account for water use or do not include strategies for reducing water demand; and
- 1869 (E) adopting water concurrency standards requiring that adequate water supplies and facilities are or will be in place for new development; and
- 1871 (xi) shall include a recommendation for low water use landscaping standards for a new:
- 1873 (A) commercial, industrial, or institutional development;
- 1874 (B) common interest community, as defined in Section 57-25-102; or
- 1875 (C) multifamily housing project.
- 1876 (3) The proposed general plan may include:
- 1877 (a) an environmental element that addresses:
- 1878 (i) to the extent not covered by the county's resource management plan, the protection, conservation, development, and use of natural resources, including the quality of:
- 1881 (A) air;
- 1882 (B) forests;
- 1883 (C) soils;
- 1884 (D) rivers;
- 1885 (E) groundwater and other waters;
- 1886 (F) harbors;
- 1887 (G) fisheries;
- 1888 (H) wildlife;
- 1889 (I) minerals; and
- 1890 (J) other natural resources; and
- 1891 (ii)

## SB0262 compared with SB0262S01

- (A) the reclamation of land, flood control, prevention and control of the pollution of streams and other waters;
- 1893 (B) the regulation of the use of land on hillsides, stream channels and other environmentally sensitive areas;
- 1895 (C) the prevention, control, and correction of the erosion of soils;
- 1896 (D) the preservation and enhancement of watersheds and wetlands; and
- 1897 (E) the mapping of known geologic hazards;
- 1898 (b) a public services and facilities element showing general plans for sewage, water, waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for them, police and fire protection, and other public services;
- 1901 (c) a rehabilitation, redevelopment, and conservation element consisting of plans and programs for:
- 1903 (i) historic preservation;
- 1904 (ii) the diminution or elimination of a development impediment as defined in Section 17C-1-102; and
- 1906 (iii) redevelopment of land, including housing sites, business and industrial sites, and public building sites;
- 1908 (d) an economic element composed of appropriate studies and forecasts, as well as an economic development plan, which may include review of existing and projected county revenue and expenditures, revenue sources, identification of basic and secondary industry, primary and secondary market areas, employment, and retail sales activity;
- 1913 (e) recommendations for implementing all or any portion of the general plan, including the adoption of land and water use ordinances, capital improvement plans, community development and promotion, and any other appropriate action;
- 1916 (f) provisions addressing any of the matters listed in Subsection 17-27a-401(2) or (3)(a)(i); and
- 1918 (g) any other element the county considers appropriate.
- 1919 Section 10. Section **10** is enacted to read:
- 1920 **17-27a-403.1. Residential density overlay.**
- 1921 (1) As used in this section:
- 1922 (a) "Density overlay" means zoning regulations applied by a county to a housing-eligible zone that allows:
- 1924 (i) the development of:
- 1925 (A) single-family dwellings on small lots;

## SB0262 compared with SB0262S01

- 1926 (B) diverse housing options; or
- 1927 (C) a combination of single-family dwellings on small lots and diverse housing options; and
- 1929 (ii)
- (A) a minimum of eight housing units per acre if the housing units are served by sewer lines; or
- 1931 (B) the maximum per-acre density permissible for health and safety, as determined by the local building authority and local health department, if the housing units are served by septic tank.
- 1934 (b) "Diverse housing options" means one or more of the following types of residential units:
- 1936 (i) two-family dwellings;
- 1937 (ii) three- and four-family dwellings of up to two levels;
- 1938 (iii) town homes; or
- 1939 (iv) live-work units, as described by the International Building Code, in which one or more residential housing units are available above a commercial property.
- 1941 (c) "Housing-eligible zone" means an unincorporated area of a county zoned in a way that allows for the development of a residential unit, including residential zones and mixed-use zones.
- 1944 (d) "Owner-occupier" means an individual who owns, solely or jointly, a housing unit in which the individual lives as the individual's primary residence.
- 1946 (e) "Small lot" means a residential lot that is 5,400 square feet or smaller.
- 1947 (2) A county may implement a density overlay allowing for increased development within unincorporated housing-eligible zones of the county.
- 1949 (3) If a legislative body adopts a density overlay in a housing-eligible zone at the time the legislative body adopts the density overlay, the county may adopt additional requirements to ensure:
- 1952 (a) that some or all of the residential units offered for sale in the area subject to the density overlay be deed-restricted for up to five years to ensure owner-occupancy; or
- 1954 (b) that some or all of the residential units in the density overlay be:
- 1955 (i) offered for sale to an owner-occupier at a purchase price affordable to a household with a gross income of no more than 120% of area median income for the county in which the residential unit is offered for sale; or
- 1958 (ii) offered for rent at a rental price affordable to a household with a gross income of no more than 80% of area median income for the county in which the residential unit is offered for rent.
- 1961

## SB0262 compared with SB0262S01

(4) Notwithstanding Section 17-27a-530, a county that adopts a density overlay as described in this section may also adopt a building design element to promote the development of diverse housing options within the density overlay.

Section 11. Section **11** is enacted to read:

### **17-27a-403.2. Residential density bonus.**

(1) As used in this section:

(a) "Density bonus-eligible area" means an unincorporated area in a county:

(i) zoned for a minimum of six housing units per acre; or

(ii) subject to a development agreement that provides at least six units to the acre.

(b) "Owner-occupier" means the same as that term is defined in Section 17-27a-403.1.

(2)

(a) In a density bonus-eligible area, a county may approve an applicant's request for an additional 0.5 housing units per acre in exchange for one or more of the following:

(i) requiring at least one housing unit per acre being offered for sale to an owner-occupier at a price point 80% or less of the median county home price for housing of that type;

(ii) requiring at least one housing unit per acre being deed-restricted to owner-occupancy for at least five years;

(iii) requiring at least one housing unit per acre to be deed-restricted for occupancy by at least one individual employed within the geographic region of the municipality or a five mile radius of the boundary of the county; or

(iv) requiring at least two housing units per acre to be no larger than 1,600 square feet.

(b) Notwithstanding Section 17-27a-530, in a density bonus-eligible area, a county may implement a building design element if the building design element is designed to promote density greater than six housing units per acre.

~~{Section 12. Section **17-27a-408** is amended to read: }~~

**17-27a-408. Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

(1) As used in this section:

(a) "Division" means the Housing and Community Development Division within the Department of Workforce Services.

## SB0262 compared with SB0262S01

- (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).
- 1994 (c) "Initial report" means the one-time moderate income housing report described in Subsection (2).
- 1996 (d) "Moderate income housing strategy" means a strategy described in Subsection 17-27a-403(2)(b)(ii).
- 1998 (e) "Report" means an initial report or a subsequent report.
- 1999 (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.
- 2001 (g) "Subsequent progress report" means the annual moderate income housing report described in Subsection (3).
- 2003 (2)
- (a) The legislative body of a specified county shall annually submit an initial report to the division.
- 2005 (b)
- (i) This Subsection (2)(b) applies to a county that is not a specified county as of January 1, 2023.
- 2007 (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.
- 2012 (c) The initial report shall:
- 2013 (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); and
- 2017 (ii) include an implementation plan.
- 2018 (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.
- 2022 (b) The subsequent progress report shall include:
- 2023 (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;

## SB0262 compared with SB0262S01

- 2027 (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  
2032 explanation of how the land use regulation or land use decision supports the specified county's  
efforts to implement the moderate income housing strategies;
- 2034 (iii) a description of any barriers encountered by the specified county in the previous 12-month period  
in implementing the moderate income housing strategies;
- 2036 (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;
- 2038 (v) shapefiles, or website links if shapefiles are not available, to current maps and tables related to  
zoning;
- 2040 (vi) information regarding the number of internal and external or detached accessory dwelling units  
located within the specified county for which the specified county:
- 2041 (A) issued a building permit to construct; or
- 2042 (B) issued a business license or comparable license or permit to rent;
- 2044 (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]~~
- 2045 ~~(viii) beginning January 1, 2027, the information described in Section 17-27a-408.1; and~~
- 2047 ~~[(viii)] (ix)~~ any recommendations on how the state can support the specified county in implementing the  
moderate income housing strategies.
- 2049 (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:
- 2053 (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
- 2057 (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.
- 2060 (d) A specified county's report shall be in a form:
- 2061 (i) approved by the division; and
- 2062 (ii) made available by the division on or before May 1 of the year in which the report is required.
- 2064

## SB0262 compared with SB0262S01

(4) Within 90 days after the day on which the division receives a specified county's report, the division shall:

(a) post the report on the division's website;

(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

(c) subject to Subsection (5), review the report to determine compliance with this section.

(5)

(a) An initial report does not comply with this section unless the report:

(i) includes the information required under Subsection (2)(c);

(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

(iii) is in a form approved by the division.

(b) A subsequent progress report does not comply with this section unless the report:

(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;

(ii) is in a form approved by the division; and

(iii) provides sufficient information for the division to:

(A) assess the specified county's progress in implementing the moderate income housing strategies;

(B) monitor compliance with the specified county's implementation plan;

(C) identify a clear correlation between the specified county's land use decisions and efforts to implement the moderate income housing strategies;

(D) identify how the market has responded to the specified county's selected moderate income housing strategies; and

(E) identify any barriers encountered by the specified county in implementing the selected moderate income housing strategies.

(c)

(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.

## SB0262 compared with SB0262S01

- (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:
- 2098 (A) made plans to implement the moderate income housing strategy described in Subsection 17-27a-403(2)(b)(ii)(Q); and
- 2100 (B) is in compliance with Subsection 63N-3-603(8).
- 2101 (6)
- (a) A specified county qualifies for priority consideration under this Subsection (6) if the specified county's report:
- 2103 (i) complies with this section; and
- 2104 (ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.
- 2106 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), 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).
- 2111 (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.
- 2114 (d) The notice described in Subsection (6)(c) shall:
- 2115 (i) name the specified county that qualifies for priority consideration;
- 2116 (ii) describe the funds or projects for which the specified county qualifies to receive priority consideration; and
- 2118 (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.
- 2120 (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).
- 2123 (7)

## SB0262 compared with SB0262S01

(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.

2126 (b) A specified county that receives a notice of noncompliance may:

2127 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

2129 (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.

2131 (c) The notice described in Subsection (7)(a) shall:

2132 (i) describe each deficiency in the report and the actions needed to cure each deficiency;

2134 (ii) state that the specified county has an opportunity to:

2135 (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

2138 (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

2141 (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).

2143 (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.

2147 (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.

2151 (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.

2154 (iii) The notice described in Subsection (7)(e)(i) shall:

2155

## SB0262 compared with SB0262S01

- (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
- 2158 (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).
- 2160 (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.
- 2164 (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:
- 2167 (i) one individual appointed by the Utah Association of Counties;
- 2168 (ii) one individual appointed by the Utah Homebuilders Association; and
- 2169 (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.
- 2172 (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- 2174 (d) The appeal board's written decision on the appeal is final.
- 2175 (9)
- (a) A specified county is ineligible for funds and owes a fee under this Subsection (9) if:
- 2177 (i) the specified county fails to submit a report to the division;
- 2178 (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:
- 2180 (A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 2182 (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;
- 2184 (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

## SB0262 compared with SB0262S01

- noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or
- 2189 (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.
- 2191 (b) The following apply to a specified county described in Subsection (9)(a) until the division provides notice under Subsection (9)(e):
- 2193 (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);
- 2197 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified county:
- 2200 (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
- 2202 (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
- 2205 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified county, for a consecutive year:
- 2208 (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
- 2210 (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).
- 2213 (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.
- 2218 (d) The notice described in Subsection (9)(c) shall:
- 2219 (i) name the specified county that is ineligible for funds;
- 2220 (ii) describe the funds for which the specified county is ineligible to receive;
- 2221 (iii) describe the fee the specified county is required to pay under Subsection (9)(b), if applicable; and

## SB0262 compared with SB0262S01

- 2223 (iv) state the basis for the division's determination that the specified county is ineligible for funds.
- 2225 (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.
- 2228 (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.
- 2233 (10) In a civil action seeking enforcement or claiming a violation of this section or of Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded only injunctive or other equitable relief.
- 2236 Section 13. Section **13** is enacted to read:
- 2237 **17-27a-408.1. Affordable housing density.**
- 2238 (1) As used in this section:
- 2239 (a) "Affordable housing density" means the same as that term is defined in Section 10-9a-408.1.
- 2241 (b) "Moderate income housing price point" means the same as that term is defined in Section 10-9a-408.1.
- 2243 (2) Beginning January 1, 2027, a specified county shall include the following information in the specified county's moderate income housing report:
- 2245 (a) whether the specified county has implemented a density overlay, as described in Section 17-27a-403.1;
- 2247 (b) the amount of undeveloped land within the specified county that could achieve affordable housing density, including:
- 2249 (i) information on housing units that are entitled or approved but not yet developed on the undeveloped land within the specified county, if applicable; and
- 2251 (ii) the barriers, if any, to achieving affordable housing density on the undeveloped land within the specified county;
- 2253 (c) the percentage of area zoned residential within the specified county that has achieved affordable housing density;
- 2255 (d) a five-year projection for the percentage of area zoned residential within the specified county that will achieve affordable housing density; and

## SB0262 compared with SB0262S01

2257 (e) data to support the conclusions described in Subsections (2)(c) and (d).

88 Section 2. Section 17-27a-508 is amended to read:

89 **17-27a-508. Applicant's entitlement to land use application approval -- Application relating**  
**to land in a high priority transportation corridor -- County's requirements and limitations --**  
**Vesting upon submission of development plan and schedule.**

93 (1)

(a)

(i) ~~[An]~~ Subject to Subsection (7), an applicant who has submitted a complete land use application, including the payment of all application fees, is entitled to substantive review of the application under the land use regulations:

96 (A) in effect on the date that the application is complete; and

97 (B) applicable to the application or to the information shown on the submitted application.

99 (ii) An applicant is entitled to approval of a land use application if the application conforms to the requirements of the applicable land use regulations, land use decisions, and development standards in effect when the applicant submits a complete application and pays all application fees, unless:

103 (A) the land use authority, on the record, formally finds that a compelling, countervailing public interest would be jeopardized by approving the application and specifies the compelling, countervailing public interest in writing; or

107 (B) in the manner provided by local ordinance and before the applicant submits the application, the county formally initiates proceedings to amend the county's land use regulations in a manner that would prohibit approval of the application as submitted.

111 (b) The county shall process an application without regard to proceedings the county initiated to amend the county's ordinances as described in Subsection (1)(a)(ii)(B) if:

113 (i) 180 days have passed since the county initiated the proceedings; and

114 (ii)

(A) the proceedings have not resulted in an enactment that prohibits approval of the application as submitted; or

116 (B) during the 12 months prior to the county processing the application or multiple applications of the same type, the application is impaired or prohibited under the terms of a temporary land use regulation adopted under Section 17-27a-504.

## SB0262 compared with SB0262S01

- 120 (c) A land use application is considered submitted and complete when the applicant provides the  
application in a form that complies with the requirements of applicable ordinances and pays all  
applicable fees.
- 123 (d) Unless a phasing sequence is required in an executed development agreement, a county shall,  
without regard to any other separate and distinct land use application, accept and process a complete  
land use application in accordance with this chapter.
- 126 (e) The continuing validity of an approval of a land use application is conditioned upon the applicant  
proceeding after approval to implement the approval with reasonable diligence.
- 129 (f) [A] Subject to Subsection (7), a county may not impose on an applicant who has submitted a  
complete application a requirement that is not expressed in:
- 131 (i) this chapter;
- 132 (ii) a county ordinance in effect on the date that the applicant submits a complete application, subject to  
Subsection (1)(a)(ii); or
- 134 (iii) a county specification for public improvements applicable to a subdivision or development that is  
in effect on the date that the applicant submits an application.
- 136 (g) A county may not impose on a holder of an issued land use permit or a final, unexpired subdivision  
plat a requirement that is not expressed:
- 138 (i) in a land use permit;
- 139 (ii) on the subdivision plat;
- 140 (iii) in a document on which the land use permit or subdivision plat is based;
- 141 (iv) in the written record evidencing approval of the land use permit or subdivision plat;
- 143 (v) in this chapter;
- 144 (vi) in a county ordinance; or
- 145 (vii) in a county specification for residential roadways in effect at the time a residential subdivision was  
approved.
- 147 (h) Except as provided in Subsection (1)(i) or (j), a county may not withhold issuance of a certificate of  
occupancy or acceptance of subdivision improvements because of an applicant's failure to comply  
with a requirement that is not expressed:
- 150 (i) in the building permit or subdivision plat, documents on which the building permit or subdivision  
plat is based, or the written record evidencing approval of the building permit or subdivision plat; or
- 153 (ii) in this chapter or the county's ordinances.

## SB0262 compared with SB0262S01

- 154 (i) A county may not unreasonably withhold issuance of a certificate of occupancy where an applicant  
has met all requirements essential for the public health, public safety, and general welfare of the  
occupants, in accordance with this chapter, unless:
- 157 (i) the applicant and the county have agreed in a written document to the withholding of a certificate of  
occupancy; or
- 159 (ii) the applicant has not provided a financial assurance for required and uncompleted public  
landscaping improvements or infrastructure improvements in accordance with an applicable  
ordinance that the legislative body adopts under this chapter.
- 162 (j) A county may not conduct a final inspection required before issuing a certificate of occupancy for  
a residential unit that is within the boundary of an infrastructure financing district, as defined in  
Section 17B-1-102, until the applicant for the certificate of occupancy provides adequate proof to  
the county that any lien on the unit arising from the infrastructure financing district's assessment  
against the unit under Title 11, Chapter 42, Assessment Area Act, has been released after payment  
in full of the infrastructure financing district's assessment against that unit.
- 169 (2) A county is bound by the terms and standards of applicable land use regulations and shall comply  
with mandatory provisions of those regulations.
- 171 (3) A county may not, as a condition of land use application approval, require a person filing a land use  
application to obtain documentation regarding a school district's willingness, capacity, or ability to  
serve the development proposed in the land use application.
- 175 (4) ~~Upon~~ Subject to Subsection (7), a specified public agency's submission of a development plan  
and schedule as required in Subsection 17-27a-305(8) that complies with the requirements of that  
subsection, the specified public agency vests in the county's applicable land use maps, zoning map,  
hookup fees, impact fees, other applicable development fees, and land use regulations in effect on  
the date of submission.
- 180 (5)
- (a) If sponsors of a referendum timely challenge a project in accordance with Subsection 20A-7-601(6),  
the project's affected owner may rescind the project's land use approval by delivering a written  
notice:
- 183 (i) to the local clerk as defined in Section 20A-7-101; and
- 184 (ii) no later than seven days after the day on which a petition for a referendum is determined  
sufficient under Subsection 20A-7-607(4).

## SB0262 compared with SB0262S01

- (b) Upon delivery of a written notice described in Subsection(5)(a) the following are rescinded and are of no further force or effect:
- (i) the relevant land use approval; and
  - (ii) any land use regulation enacted specifically in relation to the land use approval.
- (6)
- (a) After issuance of a building permit, a county may not:
- (i) change or add to the requirements expressed in the building permit, unless the change or addition is:
    - (A) requested by the building permit holder; or
    - (B) necessary to comply with an applicable state building code; or
  - (ii) revoke the building permit or take action that has the effect of revoking the building permit.
- (b) Subsection (6)(a) does not prevent a county from issuing a building permit that contains an expiration date defined in the building permit.
- (7) Beginning on May 7, 2025, a county shall comply with the provisions of this part regarding a pending land use application or new land use application submitted under this chapter.

~~{Section 14. Section 17-27a-531 is amended to read: }~~

### **17-27a-531. Moderate income housing.**

- (1) A county may only require the development of a certain number of moderate income housing units as a condition of approval of a land use application if:
- (a) the county and the applicant enter into a written agreement regarding the number of moderate income housing units; ~~[or]~~
  - (b) the county provides incentives for an applicant who agrees to include moderate income housing units in a development~~[.]~~ ; or
  - (c) the applicant seeks to develop in an unincorporated zone subject to a density overlay, as described in Section 17-27a-403.1.
- (2)
- (a) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(a) or (b), a county may not take into consideration the applicant's decision in the county's determination of whether to approve or deny a land use application.

## SB0262 compared with SB0262S01

(b) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(c), a county may take into consideration the applicant's decision in the county's determination of whether to approve or deny a land use application.

(3) Notwithstanding Subsections (1) and (2), a county of the third class, which has a ski resort located within the unincorporated area of the county, may require the development of a certain number of moderate income housing units as a condition of approval of a land use application if the requirement is in accordance with an ordinance enacted by the county before January 1, 2022.

Section 3. Section 17-27a-1205 is amended to read:

**17-27a-1205. Payment, use, and administration of revenue from a home ownership promotion zone.**

(1)

(a) A county may receive tax increment and use home ownership promotion zone funds in accordance with this section.

(b) The maximum amount of time that a county may receive and use tax increment pursuant to a home ownership promotion zone is 15 consecutive years.

(2) A county that collects property tax on property located within a home ownership promotion zone shall, in accordance with Section 59-2-1365, retain 60% of the tax increment collected from property within the home ownership promotion zone to be used as described in this section.

(3)

(a) Tax increment retained by a county in accordance with Subsection (2) is not revenue of the taxing entity or county, but home ownership promotion zone funds.

(b) Home ownership promotion zone funds may be administered by an agency created by the county within which the home ownership promotion zone is located.

(c) Before an agency may receive home ownership promotion zone funds from a county, the agency shall enter into an interlocal agreement with the county.

(4)

(a) A county or agency shall use home ownership promotion zone funds within, or for the direct benefit of, the home ownership promotion zone.

(b) If any home ownership promotion zone funds will be used outside of the home ownership promotion zone, the legislative body of the county shall make a finding that the use of the home

## SB0262 compared with SB0262S01

ownership promotion zone funds outside of the home ownership promotion zone will directly benefit the home ownership promotion zone.

- (5) A county or agency shall use home ownership promotion zone funds to achieve the purposes described in Section 17-27a-1203 by paying all or part of the costs of any of the following:
- (a) project improvement costs;
  - (b) systems improvement costs;~~[-or]~~
  - (c) water exaction costs;
  - (d) street lighting costs;
  - (e) environmental remediation costs; or
  - ~~[(e)]~~ (f) the costs of the county to create and administer the home ownership promotion zone, which may not exceed 3% of the total home ownership promotion zone funds.
- (6) Home ownership promotion zone funds may be paid to a participant, if the county and participant enter into a participation agreement which requires the participant to utilize the home ownership promotion zone funds as allowed in this section.
- (7) Home ownership promotion zone funds may be used to pay all of the costs of bonds issued by the county in accordance with Title 17C, Chapter 1, Part 5, Agency Bonds, including the cost to issue and repay the bonds including interest.
- (8) A county may:
- (a) create one or more public infrastructure districts within home ownership promotion zone under Title 17D, Chapter 4, Public Infrastructure District Act; and
  - (b) pledge and utilize the home ownership promotion zone funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure district.

Section 4. Section **4** is enacted to read:

### **35A-8-504.6. Subordinate share appreciation mortgage loan program.**

- (1) As used in this section:
- (a) "Qualifying applicant" means a non-profit entity or a partnership of non-profit entities that provides or purchases subordinate shared appreciation mortgage loans.
  - (b) "Subordinate shared appreciation mortgage loan" means a mortgage loan that does not exceed \$150,000, and that:

## SB0262 compared with SB0262S01

- (i) is secured by an owner-occupied residential property for which the borrower agrees to repay the principal borrowed plus a proportionate share of the home price appreciation during the term of the loan;
- 256 (ii) secured by an owner-occupied residential property for which the borrower agrees to repay the principal borrowed plus a proportionate share of the home price appreciation during the term of the loan;
- 259 (iii) meets the qualifications for the first-time homebuyer assistance program under Title 63H, Chapter 8, Part 5, First-Time Homebuyer Assistance Program;
- 261 (iv) has flexible repayment terms in accordance with applicable state and federal laws;
- 262 (v) is non-interest bearing and has no set monthly payment obligation;
- 263 (vi) does not impose a shared appreciation repayment percentage obligation that exceeds the percentage of the home value represented by the amount borrowed at origination;
- 266 (vii) does not have a combined loan-to-value ratio that exceeds 105%;
- 267 (viii) does not impose a prepayment fee or penalty; and
- 268 (ix) is subordinate to a first mortgage loan.
- 269 (c) "Subordinate shared appreciation mortgage loan program" means the mortgage loan program created in this section.
- 271 (2) There is a created the subordinate shared appreciation mortgage loan program administered by the department.
- 273 (3) Subject to appropriations from the Legislature, the department shall distribute program funds to a qualifying applicant that:
- 275 (a) completes an application; and
- 276 (b) meets the requirements described under Subsection (1)(b).
- 277 (4) The executive director may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to carry out the purposes of this section.
- 279 (5)
- (a) Subject to the provisions of Subsection (9), program funds shall only be used for a qualifying residential unit, as that term is defined in Section 63H-8-501.
- 281 (b) Program funds shall only be distributed in conjunction with matching private funding that is no less than a 75% private funds and 25% program funds split.
- 283

## SB0262 compared with SB0262S01

- (c) A recipient of a subordinate shared appreciation mortgage loan may use the funds for the same purposes described in Section 63H-8-502.
- 285 (6) If a subordinate shared appreciation mortgage loan on the qualifying residential unit is refinanced or sold, state funds, including associated fees, used to secure the mortgage loan shall be returned to the qualifying applicant.
- 288 (7) The department may, in cooperation with the Utah Housing Corporation, promote the program to qualifying applicants to support the first-time homebuyer assistance program under Title 63H, Chapter 8, Part 5, First-Time Homebuyer Assistance Program.
- 291 (8) The department shall include in the annual report required by Section 35A-1-109 the following information:
- 293 (a) the number of approved loans under the program;
- 294 (b) the total dollar amount of program funds loaned and the corresponding private matching funds;
- 296 (c) the total dollar amount of funds reinvested into the program;
- 297 (d) the total dollar amount of payoff and, if applicable, default of active loans; and
- 298 (e) the approximate dollar value of the total number of loans provided under the program based upon the current home price index.
- 300 (9) The executive director may expend up to 5% of the revenues of the program, including any appropriation to the program, to offset department administrative expenses.
- 302 (10) The department may not accept applications for the program after September 1, 2025.

### Section 5. Section 35A-8-505 is amended to read:

#### **35A-8-505. Activities authorized to receive fund money -- Powers of the executive director.**

At the direction of the board, the executive director may:

- 307 (1) provide fund money to any of the following activities:
- 308 (a) the acquisition, rehabilitation, or new construction of low-income housing units;
- 309 (b) matching funds for social services projects directly related to providing housing for special-need renters in assisted projects;
- 311 (c) the development and construction of accessible housing designed for low-income persons;
- 313 (d) 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;

## SB0262 compared with SB0262S01

- (e) 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 such temporary or transitional housing;
- (f) the purchase of land that will be used as the site of low-income housing units;
- (g) the preservation of existing affordable housing units for low-income persons;
- (h) providing loan guarantees under the two-year pilot program established in Section 35A-8-504.5;
- (i) distribute funds to a qualifying applicant under the subordinate shared appreciation mortgage loan program established in Section 35A-8-504.6;
- ~~[(i)]~~ (j) the award of predevelopment grants in accordance with Section 35A-8-507.5;
- ~~[(j)]~~ (k) the creation or financial support of a mediation program for landlords and tenants designed to minimize the loss of housing for low-income persons, which program may include:
  - (i) funding for the hiring or training of mediators;
  - (ii) connecting landlords and tenants with mediation services; and
  - (iii) 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; and
- ~~[(k)]~~ (l) other activities that will assist in minimizing homelessness or improving the availability or quality of housing in the state for low-income persons; and
- (2) do any act necessary or convenient to the exercise of the powers granted by this part or reasonably implied from those granted powers, including:
  - (a) making or executing contracts and other instruments necessary or convenient for the performance of the executive director and board's duties and the exercise of the executive director and board's powers and functions under this part, including contracts or agreements for the servicing and originating of mortgage loans;
  - (b) procuring insurance against a loss in connection with property or other assets held by the fund, including mortgage loans, in amounts and from insurers it considers desirable;
  - (c) entering into agreements with a department, agency, or instrumentality of the United States or this 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;

## SB0262 compared with SB0262S01

- (d) 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 due to the 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 its duties; and
- (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.

Section 6. Section **51-12-101** is amended to read:

### **51-12-101. Definitions.**

As used in this chapter:

- (1) "Attainable home" means a residence that costs the purchaser no more than the amount a qualifying residential unit may be purchased in accordance with [~~Subsection 63H-8-501(6)(e)~~] Section 63H-8-501 at the time the state treasurer deposits with a qualified depository.
- (2) "Fund" means the Transportation Infrastructure General Fund Support Subfund created in Section 72-2-134.
- (3) "Political subdivision" means:
- (a) the municipality in which the attainable home is located; or
- (b) the county, if the attainable home is located in an unincorporated portion of the county.
- (4) "Qualified depository" means the same as that term is defined in Section 51-7-3.
- (5)
- (a) "Qualified project" means a new construction housing development project in the state for which the developer:
- (i) commits to:
- (A) offering for sale no fewer than 60% of the total units within the project as attainable homes;
- (B) including in the deed of sale for an attainable home a restriction, in favor of the political subdivision, that the attainable home be owner occupied for no fewer than five years; and
- (C) having a plan to provide information to potential buyers of attainable homes about the First-Time Homebuyer Assistance Program created in Section 63H-8-502; and
- (ii) executes a valid agreement with the political subdivision to develop housing meeting the requirements of Subsections (5)(a)(i)(A) and (B).
- (b) "Qualified project" includes infrastructure within the housing development project.

## SB0262 compared with SB0262S01

Section 7. Section **63H-8-501** is amended to read:

**63H-8-501. Definitions.** ~~<compare mode="add">(Compare Error)</compare>~~

As used in this part:

(1)"Existing construction" means a residential unit that:

(a)has been completed for over one year and was previously occupied; or

(b)has been completed for less than one year and was previously occupied.

~~[(1)]~~ (2)

(a) "First-time homebuyer" means an individual who satisfies:

(i) the three-year requirement described in Section 143(d) of the Internal Revenue Code of 1986, as amended, and any corresponding federal regulations; and

(ii) requirements made by the corporation by rule, as described in Section 63H-8-502.

(b) "First-time homebuyer" includes a single parent, as defined by the corporation by rule made as described in Section 63H-8-502, who would meet the three-year requirement described in Subsection ~~[(1)(a)(i)]~~ (2)(a)(i) but for a present ownership interest in a principal residence in which the single parent:

(i) had a present ownership interest with the single parent's former spouse during the three-year period;

(ii) resided while married during the three-year period; and

(iii) no longer:

(A) has a present ownership interest; or

(B) resides.

~~[(2)]~~ (3)"Home equity amount" means the difference between:

(a)

(i) in the case of a sale, the sales price for which the qualifying residential unit is sold by the recipient in a bona fide sale to a third party with no right to repurchase less an amount up to 1% of the sales price used for seller-paid closing costs; or

(ii) in the case of a refinance, the current appraised value of the qualifying residential unit; and

(b) the total payoff amount of any qualifying mortgage loan that was used to finance the purchase of the qualifying residential unit.

~~[(3)]~~ (4)"Program" means the First-Time Homebuyer Assistance Program created in Section 63H-8-502.

~~[(4)]~~ (5)"Program funds" means money appropriated for the program.

## SB0262 compared with SB0262S01

- 2340        [~~(5)~~] (6)"Qualifying mortgage loan" means a mortgage loan that:
- 2341        (a) is purchased and serviced by the corporation; [~~and~~] or
- 2342        (b) [~~purchased-~~] is originated, purchased, or serviced by a private financial institution or sold to a  
              government-sponsored enterprise, if:
- 2345        (i) the loan conforms to the borrower's income, property eligibility, and credit standards;
- 2347        (ii) the loan is secured by a recorded deed of trust or other instrument securing a mortgage loan and  
              constituting a lien on real property in the county in which the home is located; and
- 2350        (iii) the loan is an amortizing first mortgage loan.
- 2351        [~~(6)~~] (7) "Qualifying residential unit" means a residential unit that:
- 2352        (a) is located in the state;
- 2353        (b)
- (i)is new construction or newly constructed but not yet inhabited; or
- 2354        (ii)is existing construction;
- 2355        (c) is financed by a qualifying mortgage loan;
- 2356        (d) is owner-occupied within 60 days of purchase, or in the case of a two-unit dwelling, at least one unit  
              is owner-occupied within 60 days of purchase; and
- 2358        (e) is purchased for an amount that does not exceed:
- 2359        (i) \$450,000; or
- 2360        (ii) if applicable, the maximum purchase price established by the corporation under [~~Subsection~~  
              63H-8-502(6)] Section 63H-8-502.
- 2362        [~~(7)~~] (8)"Recipient" means a first-time homebuyer who receives program funds.
- 2363        [~~(8)~~] (9)
- (a) "Residential unit" means a house, condominium, townhome, or similar residential structure that  
              serves as a one-unit dwelling or forms part of a two-unit dwelling.
- 2366        (b) "Residential unit" includes a manufactured home or modular home that is attached to a permanent  
              foundation.
- 2368        (10)
- (a) "Subordinate shared appreciation mortgage loan" means a mortgage loan for which a borrower gives  
              the borrower's mortgage lender a share of the appreciation interest in the residential unit in exchange  
              for a lower interest rate on the qualified mortgage loan upon the sale of the qualified residential unit.
- 2372        (b) "Subordinate shared appreciation mortgage loan" includes a mortgage loan that:

## SB0262 compared with SB0262S01

- 2373 (i) has flexible repayment terms in accordance with applicable state and federal laws;  
2374 (ii) is non-interest bearing and has no set monthly payment obligation;  
2375 (iii) does not have a combined loan-to-value that exceeds 100%;  
2376 (iv) does not impose a prepayment fee or penalty; and  
2377 (v) is subordinate to a first mortgage loan.
- 450 Section 8. Section **63H-8-502** is amended to read:  
451 **63H-8-502. First-Time Homebuyer Assistance Program.** <compare mode="add">(Text Out  
Of Order)</compare>
- 2380 (1) There is created the First-Time Homebuyer Assistance Program administered by the corporation.  
2382 (2) Subject to appropriations from the Legislature, the corporation shall distribute program funds to:  
2384 (a) first-time homebuyers to provide support for the purchase of qualifying residential units; and  
2386 (b) reimburse the corporation for a distribution of funds under Subsection (2)(a) that took place on or  
after July 1, 2023.
- 2388 (3) The maximum amount of program funds that a first-time homebuyer may receive under the program  
is \$20,000.
- 2390 (4)  
(a) A recipient may use program funds to pay for:  
2391 (i) the down payment on a qualifying residential unit;  
2392 (ii) closing costs associated with the purchase of a qualifying residential unit;  
2393 (iii) a permanent reduction in the advertised par interest rate on a qualifying mortgage loan that is  
used to finance a qualifying residential unit; or  
2395 (iv) any combination of Subsections (4)(a)(i), (ii), and (iii).
- 2396 (b) The corporation shall direct the disbursement of program funds for a purpose authorized in  
Subsection (4)(a).
- 2398 (c) A recipient may not receive a payout or distribution of program funds upon closing.
- 2399 (5) The builder or developer of a qualifying residential unit may not increase the price of the qualifying  
residential unit on the basis of program funds being used towards the purchase of that qualifying  
residential unit.
- 2402 (6)

## SB0262 compared with SB0262S01

- (a) In accordance with rules made by the corporation under Subsection (9), the corporation may adjust the maximum purchase price of a qualifying residential unit for which a first-time homebuyer qualifies to receive program funds in order to reflect current market conditions.
- 2406 (b) In connection with an adjustment made under Subsection (6)(a), the corporation may establish one or more maximum purchase prices corresponding by residential unit type, geographic location, or any other factor the corporation considers relevant.
- 2409 (c) The corporation may adjust a maximum purchase price under this Subsection (6) no more frequently than once each calendar year.
- 2411 (7)
- (a) Except as provided in Subsection (7)(b), if the recipient sells the qualifying residential unit or refinances the qualifying mortgage loan that was used to finance the purchase of the qualifying residential unit before the end of the original term of the qualifying mortgage loan, the recipient shall repay to the corporation an amount equal to the lesser of:
- 2416 (i) the amount of program funds the recipient received; or
- 2417 (ii) 50% of the recipient's home equity amount.
- 2418 (b) Subsection (7)(a) does not apply to a qualifying mortgage loan that is refinanced with a new qualifying mortgage loan if any subordinate qualifying mortgage loan, or loan from program funds used on the purchase of the qualifying residential unit, is resubordinated only to the new qualifying mortgage loan.
- 2422 (8) Any funds repaid to the corporation under Subsection (7) shall be used for program distributions.
- 2424 (9) The corporation shall make rules{ governing the application form, process, and criteria the corporation will use to distribute program funds to first-time homebuyers} , in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 499 (10)
- (a) The corporation may, in cooperation with the Department of Workforce Services, promote the subordinate shared appreciation mortgage loan program established under Section 35A-8-204.6 to qualifying applicants to support the program under this section.
- 503 (b) The corporation may not distribute funds from the subordinate shared appreciation mortgage loan program.
- 505 [(10)] (11) { -that: }
- 2427

## SB0262 compared with SB0262S01

{(a) govern the application form, process, and criteria the corporation will use to distribute program funds to a first-time homebuyer; and }

2429 {(b) govern the procedures, qualifications, and program requirements to evaluate and approve a participating private financial institution that offers qualifying mortgage loans and subordinate shared appreciation mortgage loans for a first-time home buyer, including ensuring that: }

2433 {(i) the borrower's repayment obligation does not exceed the amount borrowed plus a pro rata share of the qualifying property's home price appreciation; and }

2435 {(ii) the amount borrowed does not exceed the loan-to-value ratio based upon the appraised value of the qualifying residential unit at origination. }

2437 {(10) }

{(a) A recipient may use the funds received from a subordinate shared appreciation mortgage loan for the same purposes described in Subsection (4). }

2439 {(b) {A subordinate shared appreciation loan may not exceed, including costs and fees, \$150,000. }

2441 {[ (10) ] (11) } The corporation may use up to 5% of program funds for administration.

2442 [(11)] (12) The corporation shall report annually to the [Social Services Appropriations Subcommittee] Economic and Community Development Appropriations Subcommittee on disbursements from the program and any adjustments made to the maximum purchase price or maximum purchase prices of a qualifying residential unit under Subsection (6).

511 Section 9. **Effective date.**

This bill takes effect on May 7, 2025.

2-28-25 9:39 AM