#### James A. Dunnigan proposes the following substitute bill:

### **Utah Housing Amendments**

## 2025 GENERAL SESSION STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Lincoln Fillmore

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# 4 General Description:

LONG TITLE

This bill deals with housing development and housing policy.

#### **Highlighted Provisions:**

- 7 This bill:
  - defines terms:
  - modifies the minimum population for incorporation of a new town;
- 10 authorizes a municipality or county to authorize additional housing density in exchange 11 for certain requirements;
- - modifies requirements for a moderate income housing plan and a moderate income housing report;
  - authorizes a special district to provide the operation of a propane system within its boundaries;
  - authorizes the Division of Housing and Community Development to make rules regarding the content and form of a moderate income housing report;
  - requires the Governor's Office of Planning and Budget (GOPB) to develop a state housing plan by December 31, 2025;
  - requires GOPB to submit an annual written report on the implementation of the state housing plan to the Political Subdivisions Interim Committee; and
- 25 makes technical and conforming changes.
- 26 Money Appropriated in this Bill:
- None None
- 28 Other Special Clauses:

29	None
30	<b>Utah Code Sections Affected:</b>
31	AMENDS:
32	10-2a-201.5, as last amended by Laws of Utah 2024, Chapters 342, 518 and 534
33	10-9a-102, as last amended by Laws of Utah 2019, Chapter 384
34	10-9a-403, as last amended by Laws of Utah 2024, Chapters 431, 537
35	10-9a-408, as last amended by Laws of Utah 2024, Chapters 413, 438
36	10-9a-535, as enacted by Laws of Utah 2022, Chapter 355
37	17-27a-102, as last amended by Laws of Utah 2022, Chapter 307
38	17-27a-403, as last amended by Laws of Utah 2024, Chapters 381, 431
39	17-27a-408, as last amended by Laws of Utah 2024, Chapters 381, 413
40	17-27a-531, as enacted by Laws of Utah 2022, Chapter 355
41	17B-1-202, as last amended by Laws of Utah 2024, Chapters 53, 388
42	<b>35A-8-202</b> , as last amended by Laws of Utah 2021, Chapter 281
43	72-1-304, as last amended by Laws of Utah 2024, Chapter 517
44	72-2-124, as last amended by Laws of Utah 2024, Chapters 498, 501
45	ENACTS:
46	<b>10-9a-403.2</b> , Utah Code Annotated 1953
47	<b>10-9a-403.3</b> , Utah Code Annotated 1953
48	<b>17-27a-403.1</b> , Utah Code Annotated 1953
49	17-27a-403.2, Utah Code Annotated 1953
50	<b>63J-4-402</b> , Utah Code Annotated 1953
51	
52	Be it enacted by the Legislature of the state of Utah:
53	Section 1. Section 10-2a-201.5 is amended to read:
54	10-2a-201.5 . Qualifications for incorporation.
55	(1)(a) An area may incorporate as a town in accordance with this part if the area:
56	(i)(A) is contiguous; or
57	(B) is a community council area;
58	(ii) has a population of at least $[100]$ $\underline{75}$ people, but fewer than 1,000 people; and
59	(iii) is not already part of a municipality.
60	(b) A preliminary municipality may transition to, and incorporate as, a town, in
61	accordance with Section 10-2a-510.
62	(c) An area may incorporate as a city in accordance with this part if the area:

63	(i)(A) is contiguous; or
64	(B) is a community council area;
65	(ii) has a population of 1,000 people or more; and
66	(iii) is not already part of a municipality.
67	(2)(a) An area may not incorporate under this part if:
68	(i) the area has a population of fewer than 100 people; or
69	(ii) except as provided in Subsection (2)(b), the area has an average population
70	density of fewer than seven people per square mile.
71	(b) Subsection (2)(a)(ii) does not prohibit incorporation of an area if:
72	(i) noncompliance with Subsection (2)(a)(ii) is necessary to connect separate areas
73	that share a demonstrable community interest; and
74	(ii) the area is contiguous.
75	(3) An area incorporating under this part may not include land owned by the United States
76	federal government unless:
77	(a) the area, including the land owned by the United States federal government, is
78	contiguous; and
79	(b)(i) incorporating the land is necessary to connect separate areas that share a
80	demonstrable community interest; or
81	(ii) excluding the land from the incorporating area would create an unincorporated
82	island within the proposed municipality.
83	(4)(a) Except as provided in Subsection (4)(b), an area incorporating under this part may
84	not include some or all of an area proposed for annexation in an annexation petition
85	under Section 10-2-403 that:
86	(i) was filed before the filing of the request for a feasibility study, described in
87	Section 10-2a-202, relating to the incorporating area; and
88	(ii) is still pending on the date the request for the feasibility study described in
89	Subsection (4)(a)(i) is filed.
90	(b) A feasibility request may propose for incorporation an area that includes some or all
91	of an area proposed for annexation in an annexation petition described in Subsection
92	(4)(a) if:
93	(i) the proposed annexation area that is part of the area proposed for incorporation
94	does not exceed 20% of the area proposed for incorporation;
95	(ii) the feasibility request complies with Subsections 10-2a-202(1), (3), (4), and (5)
96	with respect to excluding the proposed annexation area from the area proposed for

97	incorporation; and
98	(iii) excluding the area proposed for annexation from the area proposed for
99	incorporation would not cause the area proposed for incorporation to not be
100	contiguous.
101	(c) Except as provided in Section 10-2a-206, the lieutenant governor shall consider each
102	feasibility request to which Subsection (4)(b) applies as not proposing the
103	incorporation of an area proposed for annexation.
104	(5)(a) An area incorporating under this part may not include part of a parcel of real
105	property and exclude part of that same parcel unless the owner of the parcel gives
106	written consent to exclude part of the parcel.
107	(b) A piece of real property that has more than one parcel number is considered to be a
108	single parcel for purposes of Subsection (5)(a) if owned by the same owner.
109	Section 2. Section 10-9a-102 is amended to read:
110	10-9a-102 . Purposes General land use authority.
111	(1) The purposes of this chapter are to:
112	(a) provide for the health, safety, and welfare;
113	(b) promote the prosperity;
114	(c) improve the morals, peace, good order, comfort, convenience, and aesthetics of each
115	municipality and each municipality's present and future inhabitants and businesses;
116	(d) protect the tax base;
117	(e) secure economy in governmental expenditures;
118	(f) foster the state's agricultural and other industries;
119	(g) protect both urban and nonurban development;
120	(h) protect and ensure access to sunlight for solar energy devices;
121	(i) provide fundamental fairness in land use regulation;
122	(j) facilitate orderly growth, [and-]allow growth in a variety of housing types, and
123	contribute toward housing affordability; and
124	(k) protect property values.
125	(2) To accomplish the purposes of this chapter, a municipality may enact all ordinances,
126	resolutions, and rules and may enter into other forms of land use controls and
127	development agreements that the municipality considers necessary or appropriate for the
128	use and development of land within the municipality, including ordinances, resolutions,
129	rules, restrictive covenants, easements, and development agreements governing:
130	(a) uses;

131	(b) density;
132	(c) open spaces;
133	(d) structures;
134	(e) buildings;
135	(f) energy efficiency;
136	(g) light and air;
137	(h) air quality;
138	(i) transportation and public or alternative transportation;
139	(j) infrastructure;
140	(k) street and building orientation;
141	(l) width requirements;
142	(m) public facilities;
143	(n) fundamental fairness in land use regulation; and
144	(o) considerations of surrounding land uses to balance the foregoing purposes with a
145	landowner's private property interests and associated statutory and constitutional
146	protections.
147	(3)(a) Any ordinance, resolution, or rule enacted by a municipality pursuant to its
148	authority under this chapter shall comply with the state's exclusive jurisdiction to
149	regulate oil and gas activity, as described in Section 40-6-2.5.
150	(b) A municipality may enact an ordinance, resolution, or rule that regulates surface
151	activity incident to an oil and gas activity if the municipality demonstrates that the
152	regulation:
153	(i) is necessary for the purposes of this chapter;
154	(ii) does not effectively or unduly limit, ban, or prohibit an oil and gas activity; and
155	(iii) does not interfere with the state's exclusive jurisdiction to regulate oil and gas
156	activity, as described in Section 40-6-2.5.
157	Section 3. Section 10-9a-403 is amended to read:
158	10-9a-403 . General plan preparation.
159	(1)(a) The planning commission shall provide notice, as provided in Section 10-9a-203,
160	of the planning commission's intent to make a recommendation to the municipal
161	legislative body for a general plan or a comprehensive general plan amendment when
162	the planning commission initiates the process of preparing the planning commission's
163	recommendation.
164	(b) The planning commission shall make and recommend to the legislative body a

165	proposed general plan for the area within the municipality.
166	(c) The plan may include areas outside the boundaries of the municipality if, in the
167	planning commission's judgment, those areas are related to the planning of the
168	municipality's territory.
169	(d) Except as otherwise provided by law or with respect to a municipality's power of
170	eminent domain, when the plan of a municipality involves territory outside the
171	boundaries of the municipality, the municipality may not take action affecting that
172	territory without the concurrence of the county or other municipalities affected.
173	(2)(a) At a minimum, the proposed general plan, with the accompanying maps, charts,
174	and descriptive and explanatory matter, shall include the planning commission's
175	recommendations for the following plan elements:
176	(i) a land use element that:
177	(A) designates the long-term goals and the proposed extent, general distribution,
178	and location of land for housing for residents of various income levels,
179	business, industry, agriculture, recreation, education, public buildings and
180	grounds, open space, and other categories of public and private uses of land as
181	appropriate;
182	(B) includes a statement of the projections for and standards of population density
183	and building intensity recommended for the various land use categories
184	covered by the plan;
185	(C) except for a city of the fifth class or a town, is coordinated to integrate the
186	land use element with the water use and preservation element; and
187	(D) except for a city of the fifth class or a town, accounts for the effect of land use
188	categories and land uses on water demand;
189	(ii) a transportation and traffic circulation element that:
190	(A) provides the general location and extent of existing and proposed freeways,
191	arterial and collector streets, public transit, active transportation facilities, and
192	other modes of transportation that the planning commission considers
193	appropriate;
194	(B) for a municipality that has access to a major transit investment corridor,
195	addresses the municipality's plan for residential and commercial development
196	around major transit investment corridors to maintain and improve the
197	connections between housing, employment, education, recreation, and
198	commerce;

199	(C) for a municipality that does not have access to a major transit investment
200	corridor, addresses the municipality's plan for residential and commercial
201	development in areas that will maintain and improve the connections between
202	housing, transportation, employment, education, recreation, and commerce; and
203	(D) correlates with the population projections, the employment projections, and
204	the proposed land use element of the general plan;
205	(iii) a moderate income housing element that:
206	(A) provides a realistic opportunity to meet the need for additional moderate
207	income housing within the municipality during the next five years;
208	(B) for a [town] municipality that is not a specified municipality, may include a
209	recommendation to implement three or more of the moderate income housing
210	strategies described in Subsection (2)(b)(iii);
211	(C) for a specified municipality, as defined in Section 10-9a-408, that does not
212	have a fixed guideway public transit station, shall include a recommendation to
213	implement three or more of the moderate income housing strategies described
214	in Subsection (2)(b)(iii) or at least one of the moderate income housing
215	strategies described in Subsections (2)(b)(iii)(X) through (CC);
216	(D) for a specified municipality, as defined in Section 10-9a-408, that has a fixed
217	guideway public transit station, shall include:
218	(I) [-]a recommendation to implement five or more of the moderate income
219	housing strategies described in Subsection (2)(b)(iii), of which one shall be
220	the moderate income housing strategy described in Subsection [
221	(2)(b)(iii)(W), $(2)(b)(iii)(U)$ and one shall be a moderate income housing
222	strategy described in Subsection $(2)(b)(iii)(G)[,]$ or $(H)[, or (Q);]$ ; or
223	(II) a recommendation to implement the moderate income housing strategy
224	described in Subsection (2)(b)(iii)(U), one of the moderate income housing
225	strategies described in Subsections (2)(b)(iii)(X) through (CC), and one
226	moderate income housing strategy described in Subsection (2)(b)(iii); and
227	(E) for a specified municipality, as defined in Section 10-9a-408, shall include an
228	implementation plan as provided in Subsection (2)(c); and
229	(iv) except for a city of the fifth class or a town, a water use and preservation element
230	that addresses:
231	(A) the effect of permitted development or patterns of development on water
232	demand and water infrastructure;

233	(B) methods of reducing water demand and per capita consumption for future
234	development;
235	(C) methods of reducing water demand and per capita consumption for existing
236	development; and
237	(D) opportunities for the municipality to modify the municipality's operations to
238	eliminate practices or conditions that waste water.
239	(b) In drafting the moderate income housing element, the planning commission:
240	(i) shall consider the Legislature's determination that municipalities shall facilitate a
241	reasonable opportunity for a variety of housing, including moderate income
242	housing:
243	(A) to meet the needs of people of various income levels living, working, or
244	desiring to live or work in the community; and
245	(B) to allow people with various incomes to benefit from and fully participate in
246	all aspects of neighborhood and community life;
247	(ii) for a [town] municipality that is not a specified municipality, may include, and for
248	a specified municipality as defined in Section 10-9a-408, shall include, an analysis
249	of how the municipality will provide a realistic opportunity for the development of
250	moderate income housing within the next five years;
251	(iii) for a [town] municipality that is not a specified municipality, may include, and
252	for a specified municipality as defined in Section 10-9a-408, shall include a
253	recommendation to implement the required number of any of the following
254	moderate income housing strategies as specified in Subsection (2)(a)(iii):
255	(A) rezone for densities necessary to facilitate the production of moderate income
256	housing;
257	(B) demonstrate investment in the rehabilitation or expansion of infrastructure that
258	facilitates the construction of moderate income housing;
259	(C) demonstrate investment in the rehabilitation of existing uninhabitable housing
260	stock into moderate income housing;
261	(D) identify and utilize general fund subsidies or other sources of revenue to
262	waive construction related fees that are otherwise generally imposed by the
263	municipality for the construction or rehabilitation of moderate income housing
264	(E) create or allow for, and reduce regulations related to, internal or detached
265	accessory dwelling units in residential zones;
266	(F) zone or rezone for higher density or moderate income residential development

267	in commercial or mixed-use zones near major transit investment corridors,
268	commercial centers, or employment centers;
269	(G) amend land use regulations to allow for higher density or new moderate
270	income residential development in commercial or mixed-use zones near major
271	transit investment corridors;
272	(H) amend land use regulations to eliminate or reduce parking requirements for
273	residential development where a resident is less likely to rely on the resident's
274	own vehicle, such as residential development near major transit investment
275	corridors or senior living facilities;
276	(I) amend land use regulations to allow for single room occupancy developments;
277	(J) implement zoning incentives for moderate income units in new developments;
278	(K) preserve existing and new moderate income housing and subsidized units by
279	utilizing a landlord incentive program, providing for deed restricted units
280	through a grant program, or, notwithstanding Section 10-9a-535, establishing a
281	housing loss mitigation fund;
282	(L) reduce, waive, or eliminate impact fees related to moderate income housing;
283	(M) demonstrate creation of, or participation in, a community land trust program
284	for moderate income housing;
285	(N) implement a mortgage assistance program for employees of the municipality,
286	an employer that provides contracted services to the municipality, or any other
287	public employer that operates within the municipality;
288	(O) apply for or partner with an entity that applies for state or federal funds or tax
289	incentives to promote the construction of moderate income housing, an entity
290	that applies for programs offered by the Utah Housing Corporation within that
291	agency's funding capacity, an entity that applies for affordable housing
292	programs administered by the Department of Workforce Services, an entity
293	that applies for affordable housing programs administered by an association of
294	governments established by an interlocal agreement under Title 11, Chapter 13,
295	Interlocal Cooperation Act, an entity that applies for services provided by a
296	public housing authority to preserve and create moderate income housing, or
297	any other entity that applies for programs or services that promote the
298	construction or preservation of moderate income housing;
299	(P) demonstrate utilization of a moderate income housing set aside from a
300	community reinvestment agency, redevelopment agency, or community

301	development and renewal agency to create or subsidize moderate income
302	housing;
303	[(Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter
304	3, Part 6, Housing and Transit Reinvestment Zone Act;]
305	[(R) create a home ownership promotion zone pursuant to Part 10, Home
306	Ownership Promotion Zone for Municipalities;]
307	[(S)] (Q) eliminate impact fees for any accessory dwelling unit that is not an
308	internal accessory dwelling unit as defined in Section 10-9a-530;
309	[(T)] (R) create a program to transfer development rights for moderate income
310	housing;
311	[(U)] (S) ratify a joint acquisition agreement with another local political
312	subdivision for the purpose of combining resources to acquire property for
313	moderate income housing;
314	[(V)] (T) develop a moderate income housing project for residents who are
315	disabled or 55 years old or older;
316	[(W)] (U) develop and adopt a station area plan in accordance with Section
317	10-9a-403.1;
318	[X) create or allow for, and reduce regulations related to, multifamily
319	residential dwellings compatible in scale and form with detached single-family
320	residential dwellings and located in walkable communities within residential or
321	mixed-use zones;
322	[(Y) create a first home investment zone in accordance with Title 63N, Chapter 3,
323	Part 16, First Home Investment Zone Act; and]
324	[(Z)] (W) demonstrate implementation of any other program or strategy to address
325	the housing needs of residents of the municipality who earn less than 80% of
326	the area median income, including the dedication of a local funding source to
327	moderate income housing or the adoption of a land use ordinance that requires
328	10% or more of new residential development in a residential zone be dedicated
329	to moderate income housing;[-and]
330	(X) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter
331	3, Part 6, Housing and Transit Reinvestment Zone Act;
332	(Y) create a home ownership promotion zone pursuant to Part 10, Home
333	Ownership Promotion Zone for Municipalities;
334	(Z) create a first home investment zone in accordance with Title 63N, Chapter 3,

335	Part 16, First Home Investment Zone Act;
336	(AA) approve a project that receives funding from, or qualifies to receive funding
337	from, the Utah Homes Investment Program created in Title 51, Chapter 12,
338	Utah Homes Investment Program;
339	(BB) adopt or approve a qualifying affordable home ownership density bonus for
340	single-family residential units, as described in Section 10-9a-403.2; and
341	(CC) adopt or approve a qualifying affordable home ownership density bonus for
342	multi-family residential units, as described in Section 10-9a-403.3; and
343	(iv) shall identify each moderate income housing strategy recommended to the
344	legislative body for implementation by restating the exact language used to
345	describe the strategy in Subsection (2)(b)(iii).
346	(c)(i) In drafting the implementation plan portion of the moderate income housing
347	element as described in Subsection (2)(a)(iii)(C), the planning commission shall
348	recommend to the legislative body the establishment of a five-year timeline for
349	implementing each of the moderate income housing strategies selected by the
350	municipality for implementation.
351	(ii) The timeline described in Subsection (2)(c)(i) shall:
352	(A) identify specific measures and benchmarks for implementing each moderate
353	income housing strategy selected by the municipality, whether one-time or
354	ongoing; and
355	(B) provide flexibility for the municipality to make adjustments as needed.
356	(d) In drafting the land use element, the planning commission shall:
357	(i) identify and consider each agriculture protection area within the municipality;
358	(ii) avoid proposing a use of land within an agriculture protection area that is
359	inconsistent with or detrimental to the use of the land for agriculture; and
360	(iii) consider and coordinate with any station area plans adopted by the municipality
361	if required under Section 10-9a-403.1.
362	(e) In drafting the transportation and traffic circulation element, the planning
363	commission shall:
364	(i)(A) consider and coordinate with the regional transportation plan developed by
365	the municipality's region's metropolitan planning organization, if the
366	municipality is within the boundaries of a metropolitan planning organization;
367	or
368	(B) consider and coordinate with the long-range transportation plan developed by

369	the Department of Transportation, if the municipality is not within the
370	boundaries of a metropolitan planning organization; and
371	(ii) consider and coordinate with any station area plans adopted by the municipality if
372	required under Section 10-9a-403.1.
373	(f) In drafting the water use and preservation element, the planning commission:
374	(i) shall consider:
375	(A) applicable regional water conservation goals recommended by the Division of
376	Water Resources; and
377	(B) if Section 73-10-32 requires the municipality to adopt a water conservation
378	plan pursuant to Section 73-10-32, the municipality's water conservation plan;
379	(ii) shall include a recommendation for:
380	(A) water conservation policies to be determined by the municipality; and
381	(B) landscaping options within a public street for current and future development
382	that do not require the use of lawn or turf in a parkstrip;
383	(iii) shall review the municipality's land use ordinances and include a
384	recommendation for changes to an ordinance that promotes the inefficient use of
385	water;
386	(iv) shall consider principles of sustainable landscaping, including the:
387	(A) reduction or limitation of the use of lawn or turf;
388	(B) promotion of site-specific landscape design that decreases stormwater runoff
389	or runoff of water used for irrigation;
390	(C) preservation and use of healthy trees that have a reasonable water requirement
391	or are resistant to dry soil conditions;
392	(D) elimination or regulation of ponds, pools, and other features that promote
393	unnecessary water evaporation;
394	(E) reduction of yard waste; and
395	(F) use of an irrigation system, including drip irrigation, best adapted to provide
396	the optimal amount of water to the plants being irrigated;
397	(v) shall consult with the public water system or systems serving the municipality
398	with drinking water regarding how implementation of the land use element and
399	water use and preservation element may affect:
400	(A) water supply planning, including drinking water source and storage capacity
401	consistent with Section 19-4-114; and
402	(B) water distribution planning including master plans infrastructure asset

403	management programs and plans, infrastructure replacement plans, and impact
404	fee facilities plans;
405	(vi) shall consult with the Division of Water Resources for information and technical
406	resources regarding regional water conservation goals, including how
407	implementation of the land use element and the water use and preservation
408	element may affect the Great Salt Lake;
409	(vii) may include recommendations for additional water demand reduction strategies,
410	including:
411	(A) creating a water budget associated with a particular type of development;
412	(B) adopting new or modified lot size, configuration, and landscaping standards
413	that will reduce water demand for new single family development;
414	(C) providing one or more water reduction incentives for existing development
415	such as modification of existing landscapes and irrigation systems and
416	installation of water fixtures or systems that minimize water demand;
417	(D) discouraging incentives for economic development activities that do not
418	adequately account for water use or do not include strategies for reducing
419	water demand; and
420	(E) adopting water concurrency standards requiring that adequate water supplies
421	and facilities are or will be in place for new development; and
422	(viii) for a town, may include, and for another municipality, shall include, a
423	recommendation for low water use landscaping standards for a new:
424	(A) commercial, industrial, or institutional development;
425	(B) common interest community, as defined in Section 57-25-102; or
426	(C) multifamily housing project.
427	(3) The proposed general plan may include:
428	(a) an environmental element that addresses:
429	(i) the protection, conservation, development, and use of natural resources, including
430	the quality of:
431	(A) air;
432	(B) forests;
433	(C) soils;
434	(D) rivers;
435	(E) groundwater and other waters;
436	(F) harbors;

437	(G) fisheries;
438	(H) wildlife;
439	(I) minerals; and
440	(J) other natural resources; and
441	(ii)(A) the reclamation of land, flood control, prevention and control of the
442	pollution of streams and other waters;
443	(B) the regulation of the use of land on hillsides, stream channels and other
444	environmentally sensitive areas;
445	(C) the prevention, control, and correction of the erosion of soils;
446	(D) the preservation and enhancement of watersheds and wetlands; and
447	(E) the mapping of known geologic hazards;
448	(b) a public services and facilities element showing general plans for sewage, water,
449	waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for
450	them, police and fire protection, and other public services;
451	(c) a rehabilitation, redevelopment, and conservation element consisting of plans and
452	programs for:
453	(i) historic preservation;
454	(ii) the diminution or elimination of a development impediment as defined in Section
455	17C-1-102; and
456	(iii) redevelopment of land, including housing sites, business and industrial sites, and
457	public building sites;
458	(d) an economic element composed of appropriate studies and forecasts, as well as an
459	economic development plan, which may include review of existing and projected
460	municipal revenue and expenditures, revenue sources, identification of basic and
461	secondary industry, primary and secondary market areas, employment, and retail
462	sales activity;
463	(e) recommendations for implementing all or any portion of the general plan, including
464	the adoption of land and water use ordinances, capital improvement plans,
465	community development and promotion, and any other appropriate action;
466	(f) provisions addressing any of the matters listed in Subsection 10-9a-401(2) or (3); and
467	(g) any other element the municipality considers appropriate.
468	Section 4. Section 10-9a-403.2 is enacted to read:
469	$\underline{10\text{-}9a\text{-}403.2}$ . Affordable home ownership density bonus for single-family
470	residential units.

471	(1) As used in this section:
472	(a) "Affordable housing" means a dwelling:
473	(i) offered for sale to an owner-occupier at a purchase price affordable to a household
474	with a gross income of no more than 120% of area median income for the county
475	in which the residential unit is offered for sale; or
476	(ii) offered for rent at a rental price affordable to a household with a gross income of
477	no more than 80% of area median income for the county in which the residential
478	unit is offered for rent.
479	(b) "Owner-occupier" means an individual who owns, solely or jointly, a housing unit in
480	which the individual lives as the individual's primary residence.
481	(c) "Qualifying affordable home ownership single-family density bonus" means:
482	(i) for an area with an underlying zoning density of less than six residential units per
483	acre, municipal approval of a density at least six residential units per acre; or
484	(ii) for an area with an underlying zoning density of six residential units per acre or
485	more, municipal approval of a density at least 0.5 residential units per acre greate
486	than the underlying zoning density for the area.
487	(2) If a municipality approves a qualifying affordable home ownership single-family
488	density bonus, either through a zoning ordinance or a development agreement, the
489	municipality may adopt requirements for the qualifying affordable home ownership
490	single-family density bonus area to ensure:
491	(a) at least 60% of the total single-family residential units be deed-restricted to
492	owner-occupancy for at least five years;
493	(b) at least 25% of the total single-family residential units qualify as affordable housing;
494	(c) at least 25% of the single-family residential units per acre to be no larger than 1,600
495	square feet; or
496	(d) the applicant creates a preferential qualifying buyer program in which a
497	single-family residential unit is initially offered for sale, for up to 30 days, to a
498	category of preferred qualifying buyers established by the municipality, in
499	accordance with provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
500	(3) A municipality may offer additional incentives in a qualifying affordable home
501	ownership single-family density bonus area approved for single-family residential units
502	to promote owner-occupied, affordable housing.
503	Section 5. Section 10-9a-403.3 is enacted to read:
504	10-9a-403.3. Affordable home ownership density bonus for multi-family

r	esidential units.
(1	As used in this section:
	(a) "Affordable housing" means the same as that term is defined in Section 10-9a-403.2.
	(b) "Owner-occupier" means the same as that term is defined in Section 10-9a-403.2.
	(c) "Qualifying affordable home ownership multi-family density bonus" means
	municipal approval of a density of at least 20 residential units per acre.
(2	2) If a municipality approves a qualifying affordable home ownership multi-family density
	bonus, either through a zoning ordinance or a development agreement, the municipality
	may adopt requirements for the qualifying affordable home ownership multi-family
	density bonus area to ensure:
	(a) at least 20% more residential units per acre than are otherwise allowed in the area; or
	(b) at least 60% of the total units in the multi-family residential building be
	deed-restricted to owner-occupancy for at least five years;
	(c) at least 25% of the total units in the multi-family residential building qualify as
	affordable housing:
	(d) at least 25% of the total units in a multi-family residential building to be no larger
	than 1,600 square feet; or
	(e) the applicant creates a preferential qualifying buyer program in which a unit in a
	multi-family residential building is initially offered for sale, for up to 30 days, to a
	category of preferred qualifying buyers established by the municipality, in
	accordance with provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
(3	3) A municipality may offer additional incentives in a qualifying affordable home
	ownership multi-family density bonus area for multi-family residential units to promote
	owner-occupied, affordable housing.
	Section 6. Section 10-9a-408 is amended to read:
	10-9a-408 . Moderate income housing report Contents Prioritization for
fı	ınds or projects Ineligibility for funds after noncompliance Civil actions.
(]	) As used in this section:
	(a) "Division" means the Housing and Community Development Division within the
	Department of Workforce Services.
	(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).
	(c) "Initial report" or "initial moderate income housing report" means the one-time report

539	described in Subsection (2).
540	(d) "Moderate income housing strategy" means a strategy described in Subsection
541	10-9a-403(2)(b)(iii).
542	(e) "Report" means an initial report or a subsequent progress report.
543	(f) "Specified municipality" means:
544	(i) a city of the first, second, third, or fourth class; or
545	(ii) a city of the fifth class with a population of 5,000 or more, if the city is located
546	within a county of the first, second, or third class.
547	(g) "Subsequent progress report" means the annual report described in Subsection (3).
548	(2)(a) The legislative body of a specified municipality shall submit an initial report to
549	the division.
550	(b)(i) This Subsection (2)(b) applies to a municipality that is not a specified
551	municipality as of January 1, 2023.
552	(ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from
553	one class to another or grows in population to qualify as a specified municipality,
554	the municipality shall submit an initial plan to the division on or before August 1
555	of the first calendar year beginning on January 1 in which the municipality
556	qualifies as a specified municipality.
557	(c) The initial report shall:
558	(i) identify each moderate income housing strategy selected by the specified
559	municipality for continued, ongoing, or one-time implementation, restating the
560	exact language used to describe the moderate income housing strategy in
561	Subsection 10-9a-403(2)(b)(iii); and
562	(ii) include an implementation plan.
563	(3)(a) After the division approves a specified municipality's initial report under this
564	section, the specified municipality shall, as an administrative act, annually submit to
565	the division a subsequent progress report on or before August 1 of each year after the
566	year in which the specified municipality is required to submit the initial report.
567	(b) The subsequent progress report shall include:
568	(i) subject to Subsection (3)(c), a description of each action, whether one-time or
569	ongoing, taken by the specified municipality during the previous 12-month period
570	to implement the moderate income housing strategies identified in the initial
571	report for implementation;
572	(ii) a description of each land use regulation or land use decision made by the

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573	specified municipality during the previous 12-month period to implement the
574	moderate income housing strategies, including an explanation of how the land use
575	regulation or land use decision supports the specified municipality's efforts to
576	implement the moderate income housing strategies;
577	(iii) a description of any barriers encountered by the specified municipality in the
578	previous 12-month period in implementing the moderate income housing
579	strategies;
580	(iv) information regarding the number of internal and external or detached accessory
581	dwelling units located within the specified municipality for which the specified
582	municipality:
583	(A) issued a building permit to construct; or
584	(B) issued a business license or comparable license or permit to rent;
585	(v) the number of residential dwelling units that have been entitled that have not
586	received a building permit as of the submission date of the progress report;
587	(vi) shapefiles, or website links if shapefiles are not available, to current maps and
588	tables related to zoning;
589	(vii) a description of how the market has responded to the selected moderate income
590	housing strategies, including the number of entitled moderate income housing
591	units or other relevant data; and
592	(viii) any recommendations on how the state can support the specified municipality
593	in implementing the moderate income housing strategies.
594	(c) For purposes of describing actions taken by a specified municipality under
595	Subsection (3)(b)(i), the specified municipality may include an ongoing action taken
596	by the specified municipality prior to the 12-month reporting period applicable to the
597	subsequent progress report if the specified municipality:
598	(i) has already adopted an ordinance, approved a land use application, made an
599	investment, or approved an agreement or financing that substantially promotes the
600	implementation of a moderate income housing strategy identified in the initial
601	report; and
602	(ii) demonstrates in the subsequent progress report that the action taken under
603	Subsection (3)(c)(i) is relevant to making meaningful progress towards the
604	specified municipality's implementation plan.
605	(d) A specified municipality's report shall be in a form:
606	(i) approved by the division; and

607	(ii) made available by the division on or before May 1 of the year in which the report
608	is required.
609	(4) Within 90 days after the day on which the division receives a specified municipality's
610	report, the division shall:
611	(a) post the report on the division's website;
612	(b) send a copy of the report to the Department of Transportation, the Governor's Office
613	of Planning and Budget, the association of governments in which the specified
614	municipality is located, and, if the specified municipality is located within the
615	boundaries of a metropolitan planning organization, the appropriate metropolitan
616	planning organization; and
617	(c) subject to Subsection (5), review the report to determine compliance with this section.
618	(5)(a) An initial report [does not comply] complies with this section [unless] if the report:
619	(i) includes the information required under Subsection (2)(c);
620	(ii) demonstrates to the division that the specified municipality made plans to
621	implement:
622	(A) three or more moderate income housing strategies if the specified
623	municipality does not have a fixed guideway public transit station; or
624	(B) [subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income
625	housing strategies-]if the specified municipality has a fixed guideway public
626	transit station:
627	(I) five or more of the moderate income housing strategies described in
628	Subsection 10-9a-403(2)(b)(iii), of which one shall be the moderate income
629	housing strategy described in Subsection 10-9a-403(2)(b)(iii)(U) and one
630	shall be a moderate income housing strategy described in Subsection
631	10-9a-403(2)(b)(iii)(G) or (H); or
632	(II) the moderate income housing strategy described in Subsection
633	10-9a-403(2)(b)(iii)(U), one of the moderate income housing strategies
634	described in Subsections 10-9a-403(2)(b)(iii)(X) through (CC), and one
635	moderate income strategy described in Subsection 10-9a-403(2)(b)(iii); and
636	(iii) is in a form approved by the division.
637	(b) A subsequent progress report [does not comply] complies with this section [unless] if
638	the report:
639	(i) demonstrates to the division that the specified municipality made plans to
640	implement:

641	(A) three or more moderate income housing strategies if the specified
642	municipality does not have a fixed guideway public transit station; or
643	(B) [subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or
644	more moderate income housing strategies ]if the specified municipality has a
645	fixed guideway public transit station[;]:
646	(I) five or more of the moderate income housing strategies described in
647	Subsection 10-9a-403(2)(b)(iii), of which one shall be the moderate income
648	housing strategy described in Subsection 10-9a-403(2)(b)(iii)(U) and one
649	shall be a moderate income housing strategy described in Subsection
650	10-9a-403(2)(b)(iii)(G) or (H); or
651	(II) the moderate income housing strategy described in Subsection
652	10-9a-403(2)(b)(iii)(U), one of the moderate income housing strategies
653	described in Subsections 10-9a-403(2)(b)(iii)(X) through (CC), and one
654	moderate income housing strategy described in Subsection
655	10-9a-403(2)(b)(iii);
656	(ii) is in a form approved by the division; and
657	(iii) provides sufficient information for the division to:
658	(A) assess the specified municipality's progress in implementing the moderate
659	income housing strategies;
660	(B) monitor compliance with the specified municipality's implementation plan;
661	(C) identify a clear correlation between the specified municipality's land use
662	regulations and land use decisions and the specified municipality's efforts to
663	implement the moderate income housing strategies;
664	(D) identify how the market has responded to the specified municipality's selected
665	moderate income housing strategies; and
666	(E) identify any barriers encountered by the specified municipality in
667	implementing the selected moderate income housing strategies.
668	(c)(i) Notwithstanding the requirements of Subsection (5)(a)(ii)(A) or (b)(i)(A), if a
669	specified municipality without a fixed guideway public transit station implements
670	or is implementing, by ordinance or development agreement, one of the following
671	moderate income housing strategies, the division shall consider that one moderate
672	income housing strategy to be the equivalent of three moderate income housing
673	strategies:
674	(A) a housing and transit reinvestment zone, as described in Subsection

675	10-9a-403(2)(a)(iii)(X);
676	(B) a home ownership promotion zone, as described in Subsection
677	10-9a-403(2)(a)(iii)(Y);
678	(C) a first home investment zone, described in Subsection 10-9a-403(2)(a)(iii)(Z);
679	(D) the approval of a project described in Subsection 10-9a-403(2)(a)(iii)(AA);
680	(E) a qualifying affordable home ownership density bonus for single-family
681	residential units, as described in Subsection 10-9a-403(2)(a)(iii)(BB); or
682	(F) a qualifying affordable home ownership density bonus for multi-family
683	residential units, as described in Subsection 10-9a-403(2)(a)(iii)(CC).
684	(ii) If the division considers one moderate income housing strategy described in
685	Subsection (5)(c)(i) as the equivalent of three moderate income housing strategies,
686	the division shall also consider the specified municipality compliant with the
687	reporting requirement described in this section for:
688	(A) the year in which the specified municipality submits the initial report or
689	subsequent report; and
690	(B) two subsequent reporting years.
691	(6)(a) A specified municipality qualifies for priority consideration under this Subsection
692	(6) if the specified municipality's report:
693	(i) complies with this section; and
694	(ii) demonstrates to the division that the specified municipality made plans to
695	implement:
696	(A) five or more moderate income housing strategies if the specified municipality
697	does not have a fixed guideway public transit station; or
698	(B) six or more moderate income housing strategies if the specified municipality
699	has a fixed guideway public transit station.
700	(b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
701	give priority consideration to transportation projects located within the boundaries of
702	a specified municipality described in Subsection (6)(a) until the Department of
703	Transportation receives notice from the division under Subsection (6)(e).
704	(c) Upon determining that a specified municipality qualifies for priority consideration
705	under this Subsection (6), the division shall send a notice of prioritization to the
706	legislative body of the specified municipality and the Department of Transportation.
707	(d) The notice described in Subsection (6)(c) shall:
708	(i) name the specified municipality that qualifies for priority consideration;

709	(ii) describe the funds or projects for which the specified municipality qualifies to
710	receive priority consideration; and
711	(iii) state the basis for the division's determination that the specified municipality
712	qualifies for priority consideration.
713	(e) The division shall notify the legislative body of a specified municipality and the
714	Department of Transportation in writing if the division determines that the specified
715	municipality no longer qualifies for priority consideration under this Subsection (6).
716	(7)(a) If the division, after reviewing a specified municipality's report, determines that
717	the report does not comply with this section, the division shall send a notice of
718	noncompliance to the legislative body of the specified municipality.
719	(b) A specified municipality that receives a notice of noncompliance may:
720	(i) cure each deficiency in the report within 90 days after the day on which the notice
721	of noncompliance is sent; or
722	(ii) request an appeal of the division's determination of noncompliance within 10
723	days after the day on which the notice of noncompliance is sent.
724	(c) The notice described in Subsection (7)(a) shall:
725	(i) describe each deficiency in the report and the actions needed to cure each
726	deficiency;
727	(ii) state that the specified municipality has an opportunity to:
728	(A) submit to the division a corrected report that cures each deficiency in the
729	report within 90 days after the day on which the notice of compliance is sent; or
730	(B) submit to the division a request for an appeal of the division's determination of
731	noncompliance within 10 days after the day on which the notice of
732	noncompliance is sent; and
733	(iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
734	specified municipality's ineligibility for funds under Subsection (9).
735	(d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
736	action needed to cure the deficiency as described by the division requires the
737	specified municipality to make a legislative change, the specified municipality may
738	cure the deficiency by making that legislative change within the 90-day cure period.
739	(e)(i) If a specified municipality submits to the division a corrected report in
740	accordance with Subsection (7)(b)(i) and the division determines that the
741	corrected report does not comply with this section, the division shall send a
742	second notice of noncompliance to the legislative body of the specified

743	municipality within 30 days after the day on which the corrected report is
744	submitted.
745	(ii) A specified municipality that receives a second notice of noncompliance may
746	submit to the division a request for an appeal of the division's determination of
747	noncompliance within 10 days after the day on which the second notice of
748	noncompliance is sent.
749	(iii) The notice described in Subsection (7)(e)(i) shall:
750	(A) state that the specified municipality has an opportunity to submit to the
751	division a request for an appeal of the division's determination of
752	noncompliance within 10 days after the day on which the second notice of
753	noncompliance is sent; and
754	(B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
755	specified municipality's ineligibility for funds under Subsection (9).
756	(8)(a) A specified municipality that receives a notice of noncompliance under
757	Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
758	noncompliance within 10 days after the day on which the notice of noncompliance is
759	sent.
760	(b) Within 90 days after the day on which the division receives a request for an appeal,
761	an appeal board consisting of the following three members shall review and issue a
762	written decision on the appeal:
763	(i) one individual appointed by the Utah League of Cities and Towns;
764	(ii) one individual appointed by the Utah Homebuilders Association; and
765	(iii) one individual appointed by the presiding member of the association of
766	governments, established pursuant to an interlocal agreement under Title 11,
767	Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a
768	member.
769	(c) The written decision of the appeal board shall either uphold or reverse the division's
770	determination of noncompliance.
771	(d) The appeal board's written decision on the appeal is final.
772	(9)(a) A specified municipality is ineligible for funds under this Subsection (9) if:
773	(i) the specified municipality fails to submit a report to the division;
774	(ii) after submitting a report to the division, the division determines that the report
775	does not comply with this section and the specified municipality fails to:
776	(A) cure each deficiency in the report within 90 days after the day on which the

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777	notice of noncompliance is sent; or
778	(B) request an appeal of the division's determination of noncompliance within 10
779	days after the day on which the notice of noncompliance is sent;
780	(iii) after submitting to the division a corrected report to cure the deficiencies in a
781	previously submitted report, the division determines that the corrected report does
782	not comply with this section and the specified municipality fails to request an
783	appeal of the division's determination of noncompliance within 10 days after the
784	day on which the second notice of noncompliance is sent; or
785	(iv) after submitting a request for an appeal under Subsection (8), the appeal board
786	issues a written decision upholding the division's determination of noncompliance
787	(b) The following apply to a specified municipality described in Subsection (9)(a) until
788	the division provides notice under Subsection (9)(e):
789	(i) the executive director of the Department of Transportation may not program funds
790	from the Transportation Investment Fund of 2005, including the Transit
791	Transportation Investment Fund, to projects located within the boundaries of the
792	specified municipality in accordance with Subsection 72-2-124(5);
793	(ii) beginning with a report submitted in 2024, the specified municipality shall pay a
794	fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
795	the specified municipality:
796	(A) fails to submit the report to the division in accordance with this section,
797	beginning the day after the day on which the report was due; or
798	(B) fails to cure the deficiencies in the report, beginning the day after the day by
799	which the cure was required to occur as described in the notice of
800	noncompliance under Subsection (7); and
801	(iii) beginning with the report submitted in 2025, the specified municipality shall pay
802	a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
803	the specified municipality, in a consecutive year:
804	(A) fails to submit the report to the division in accordance with this section,
805	beginning the day after the day on which the report was due; or
806	(B) fails to cure the deficiencies in the report, beginning the day after the day by
807	which the cure was required to occur as described in the notice of
808	noncompliance under Subsection (7).
809	(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

811	division shall send a notice of ineligibility to the legislative body of the specified
812	municipality, the Department of Transportation, the State Tax Commission, and the
813	Governor's Office of Planning and Budget.
814	(d) The notice described in Subsection (9)(c) shall:
815	(i) name the specified municipality that is ineligible for funds;
816	(ii) describe the funds for which the specified municipality is ineligible to receive;
817	(iii) describe the fee the specified municipality is required to pay under Subsection
818	(9)(b), if applicable; and
819	(iv) state the basis for the division's determination that the specified municipality is
820	ineligible for funds.
821	(e) The division shall notify the legislative body of a specified municipality and the
822	Department of Transportation in writing if the division determines that the provisions
823	of this Subsection (9) no longer apply to the specified municipality.
824	(f) The division may not determine that a specified municipality that is required to pay a
825	fee under Subsection (9)(b) is in compliance with the reporting requirements of this
826	section until the specified municipality pays all outstanding fees required under
827	Subsection (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A,
828	Chapter 8, Part 5, Olene Walker Housing Loan Fund.
829	(10) In a civil action seeking enforcement or claiming a violation of this section or of
830	Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded
831	only injunctive or other equitable relief.
832	Section 7. Section 10-9a-535 is amended to read:
833	10-9a-535 . Moderate income housing.
834	(1) A municipality may only require the development of a certain number of moderate
835	income housing units as a condition of approval of a land use application if:
836	(a) the municipality and the applicant enter into a written agreement regarding the
837	number of moderate income housing units;[-or]
838	(b) the municipality provides incentives for an applicant who agrees to include moderate
839	income housing units in a development[-]; or
840	(c) the municipality offers or approves, and an applicant accepts, an incentive described
841	in Section 10-9a-403.2 or 10-9a-403.3.
842	(2) If an applicant does not agree to participate in the development of moderate income
843	housing units under Subsection (1)(a) or (b), a municipality may not take into
844	consideration the applicant's decision in the municipality's determination of whether to

845	approve or deny a land use application.
846	(3) Notwithstanding Subsections (1) and (2), a municipality that imposes a resort
847	community sales and use tax as described in Section 59-12-401, may require the
848	development of a certain number of moderate income housing units as a condition of
849	approval of a land use application if the requirement is in accordance with an ordinance
850	enacted by the municipality before January 1, 2022.
851	Section 8. Section 17-27a-102 is amended to read:
852	17-27a-102 . Purposes General land use authority Limitations.
853	(1)(a) The purposes of this chapter are to:
854	(i) provide for the health, safety, and welfare;
855	(ii) promote the prosperity;
856	(iii) improve the morals, peace, good order, comfort, convenience, and aesthetics of
857	each county and each county's present and future inhabitants and businesses;
858	(iv) protect the tax base;
859	(v) secure economy in governmental expenditures;
860	(vi) foster the state's agricultural and other industries;
861	(vii) protect both urban and nonurban development;
862	(viii) protect and ensure access to sunlight for solar energy devices;
863	(ix) provide fundamental fairness in land use regulation;
864	(x) facilitate orderly growth, [and-]allow growth in a variety of housing types, and
865	contribute toward housing affordability; and
866	(xi) protect property values.
867	(b) Subject to Subsection (4) and Section 11-41-103, to accomplish the purposes of this
868	chapter, a county may enact all ordinances, resolutions, and rules and may enter into
869	other forms of land use controls and development agreements that the county
870	considers necessary or appropriate for the use and development of land within the
871	unincorporated area of the county or a designated mountainous planning district,
872	including ordinances, resolutions, rules, restrictive covenants, easements, and
873	development agreements governing:
874	(i) uses;
875	(ii) density;
876	(iii) open spaces;
877	(iv) structures;
878	(v) buildings;

879	(vi) energy-efficiency;
880	(vii) light and air;
881	(viii) air quality;
882	(ix) transportation and public or alternative transportation;
883	(x) infrastructure;
884	(xi) street and building orientation and width requirements;
885	(xii) public facilities;
886	(xiii) fundamental fairness in land use regulation; and
887	(xiv) considerations of surrounding land uses to balance the foregoing purposes with
888	a landowner's private property interests and associated statutory and constitutional
889	protections.
890	(2) Each county shall comply with the mandatory provisions of this part before any
891	agreement or contract to provide goods, services, or municipal-type services to any
892	storage facility or transfer facility for high-level nuclear waste, or greater than class C
893	radioactive waste, may be executed or implemented.
894	(3)(a) Any ordinance, resolution, or rule enacted by a county pursuant to its authority
895	under this chapter shall comply with the state's exclusive jurisdiction to regulate oil
896	and gas activity, as described in Section 40-6-2.5.
897	(b) A county may enact an ordinance, resolution, or rule that regulates surface activity
898	incident to an oil and gas activity if the county demonstrates that the regulation:
899	(i) is necessary for the purposes of this chapter;
900	(ii) does not effectively or unduly limit, ban, or prohibit an oil and gas activity; and
901	(iii) does not interfere with the state's exclusive jurisdiction to regulate oil and gas
902	activity, as described in Section 40-6-2.5.
903	(4)(a) This Subsection (4) applies to development agreements entered into on or after
904	May 5, 2021.
905	(b) A provision in a county development agreement is unenforceable if the provision
906	requires an individual or an entity, as a condition for issuing building permits or
907	otherwise regulating development activities within an unincorporated area of the
908	county, to initiate a process for a municipality to annex the unincorporated area in
909	accordance with Title 10, Chapter 2, Part 4, Annexation.
910	(c) Subsection (4)(b) does not affect or impair the enforceability of any other provision
911	in the development agreement.
912	Section 9. Section 17-27a-403 is amended to read:

913	17-27a-403. General plan preparation.
914	(1)(a) The planning commission shall provide notice, as provided in Section 17-27a-203,
915	of the planning commission's intent to make a recommendation to the county
916	legislative body for a general plan or a comprehensive general plan amendment when
917	the planning commission initiates the process of preparing the planning commission's
918	recommendation.
919	(b) The planning commission shall make and recommend to the legislative body a
920	proposed general plan for:
921	(i) the unincorporated area within the county; or
922	(ii) if the planning commission is a planning commission for a mountainous planning
923	district, the mountainous planning district.
924	(c)(i) The plan may include planning for incorporated areas if, in the planning
925	commission's judgment, they are related to the planning of the unincorporated
926	territory or of the county as a whole.
927	(ii) Elements of the county plan that address incorporated areas are not an official
928	plan or part of a municipal plan for any municipality, unless the county plan is
929	recommended by the municipal planning commission and adopted by the
930	governing body of the municipality.
931	(2)(a) At a minimum, the proposed general plan, with the accompanying maps, charts,
932	and descriptive and explanatory matter, shall include the planning commission's
933	recommendations for the following plan elements:
934	(i) a land use element that:
935	(A) designates the long-term goals and the proposed extent, general distribution,
936	and location of land for housing for residents of various income levels,
937	business, industry, agriculture, recreation, education, public buildings and
938	grounds, open space, and other categories of public and private uses of land as
939	appropriate;
940	(B) includes a statement of the projections for and standards of population density
941	and building intensity recommended for the various land use categories
942	covered by the plan;
943	(C) is coordinated to integrate the land use element with the water use and
944	preservation element; and
945	(D) accounts for the effect of land use categories and land uses on water demand;
946	(ii) a transportation and traffic circulation element that:

947	(A) provides the general location and extent of existing and proposed freeways,
948	arterial and collector streets, public transit, active transportation facilities, and
949	other modes of transportation that the planning commission considers
950	appropriate;
951	(B) addresses the county's plan for residential and commercial development
952	around major transit investment corridors to maintain and improve the
953	connections between housing, employment, education, recreation, and
954	commerce; and
955	(C) correlates with the population projections, the employment projections, and
956	the proposed land use element of the general plan;
957	(iii) for a specified county as defined in Section 17-27a-408, a moderate income
958	housing element that:
959	(A) provides a realistic opportunity to meet the need for additional moderate
960	income housing within the next five years;
961	(B) selects three or more moderate income housing strategies described in [
962	Subsection (2)(b)(ii)] Subsections (2)(b)(ii)(A) through (V), or one moderate
963	income housing strategy described in Subsections (2)(b)(ii)(W) through (BB),
964	for implementation; and
965	(C) includes an implementation plan as provided in Subsection $[(2)(e)]$ $(2)(g)$ ;
966	(iv) a resource management plan detailing the findings, objectives, and policies
967	required by Subsection 17-27a-401(3); and
968	(v) a water use and preservation element that addresses:
969	(A) the effect of permitted development or patterns of development on water
970	demand and water infrastructure;
971	(B) methods of reducing water demand and per capita consumption for future
972	development;
973	(C) methods of reducing water demand and per capita consumption for existing
974	development; and
975	(D) opportunities for the county to modify the county's operations to eliminate
976	practices or conditions that waste water.
977	(b) In drafting the moderate income housing element, the planning commission:
978	(i) shall consider the Legislature's determination that counties should facilitate a
979	reasonable opportunity for a variety of housing, including moderate income
980	housing:

981	(A) to meet the needs of people of various income levels living, working, or
982	desiring to live or work in the community; and
983	(B) to allow people with various incomes to benefit from and fully participate in
984	all aspects of neighborhood and community life; and
985	(ii) shall include an analysis of how the county will provide a realistic opportunity for
986	the development of moderate income housing within the planning horizon,
987	including a recommendation to implement three or more of the following
988	moderate income housing strategies:
989	(A) rezone for densities necessary to facilitate the production of moderate income
990	housing;
991	(B) demonstrate investment in the rehabilitation or expansion of infrastructure that
992	facilitates the construction of moderate income housing;
993	(C) demonstrate investment in the rehabilitation of existing uninhabitable housing
994	stock into moderate income housing;
995	(D) identify and utilize county general fund subsidies or other sources of revenue
996	to waive construction related fees that are otherwise generally imposed by the
997	county for the construction or rehabilitation of moderate income housing;
998	(E) create or allow for, and reduce regulations related to, internal or detached
999	accessory dwelling units in residential zones;
1000	(F) zone or rezone for higher density or moderate income residential development
1001	in commercial or mixed-use zones, commercial centers, or employment centers;
1002	(G) amend land use regulations to allow for higher density or new moderate
1003	income residential development in commercial or mixed-use zones near major
1004	transit investment corridors;
1005	(H) amend land use regulations to eliminate or reduce parking requirements for
1006	residential development where a resident is less likely to rely on the resident's
1007	own vehicle, such as residential development near major transit investment
1008	corridors or senior living facilities;
1009	(I) amend land use regulations to allow for single room occupancy developments;
1010	(J) implement zoning incentives for moderate income units in new developments;
1011	(K) preserve existing and new moderate income housing and subsidized units by
1012	utilizing a landlord incentive program, providing for deed restricted units
1013	through a grant program, or establishing a housing loss mitigation fund;
1014	(L) reduce, waive, or eliminate impact fees related to moderate income housing;

1015	(M) demonstrate creation of, or participation in, a community land trust program
1016	for moderate income housing;
1017	(N) implement a mortgage assistance program for employees of the county, an
1018	employer that provides contracted services for the county, or any other public
1019	employer that operates within the county;
1020	(O) apply for or partner with an entity that applies for state or federal funds or tax
1021	incentives to promote the construction of moderate income housing, an entity
1022	that applies for programs offered by the Utah Housing Corporation within that
1023	agency's funding capacity, an entity that applies for affordable housing
1024	programs administered by the Department of Workforce Services, an entity
1025	that applies for services provided by a public housing authority to preserve and
1026	create moderate income housing, or any other entity that applies for programs
1027	or services that promote the construction or preservation of moderate income
1028	housing;
1029	(P) demonstrate utilization of a moderate income housing set aside from a
1030	community reinvestment agency, redevelopment agency, or community
1031	development and renewal agency to create or subsidize moderate income
1032	housing;
1033	[(Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter
1034	3, Part 6, Housing and Transit Reinvestment Zone Act;]
1035	[(R) create a home ownership promotion zone pursuant to Part 12, Home
1036	Ownership Promotion Zone for Counties;]
1037	[(S)] (Q) eliminate impact fees for any accessory dwelling unit that is not an
1038	internal accessory dwelling unit as defined in Section 10-9a-530;
1039	[(T)] (R) create a program to transfer development rights for moderate income
1040	housing;
1041	[(U)] (S) ratify a joint acquisition agreement with another local political
1042	subdivision for the purpose of combining resources to acquire property for
1043	moderate income housing;
1044	[(V)] (T) develop a moderate income housing project for residents who are
1045	disabled or 55 years old or older;
1046	[(W)] (U) create or allow for, and reduce regulations related to, multifamily
1047	residential dwellings compatible in scale and form with detached single-family
1048	residential dwellings and located in walkable communities within residential or

1049	mixed-use zones;[-and]
1050	[(X)] (V) demonstrate implementation of any other program or strategy to address
1051	the housing needs of residents of the county who earn less than 80% of the area
1052	median income, including the dedication of a local funding source to moderate
1053	income housing or the adoption of a land use ordinance that requires 10% or
1054	more of new residential development in a residential zone be dedicated to
1055	moderate income housing[-];
1056	(W) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter
1057	3, Part 6, Housing and Transit Reinvestment Zone Act;
1058	(X) create a home ownership investment zone in accordance with Part 12, Home
1059	Ownership Promotion Zone for Counties;
1060	(Y) create a first home investment zone in accordance with Title 63N, Chapter 3,
1061	Part 16, First Home Investment Zone Act;
1062	(Z) approve a project that receives funding from, or qualifies to receive funding
1063	from, the Utah Homes Investment Program created in Title 51, Chapter 12,
1064	<u>Utah Homes Investment Program;</u>
1065	(AA) adopt or approve an affordable home ownership density bonus for
1066	single-family residential units, as described in Section 17-27a-403.1; and
1067	(BB) adopt or approve an affordable home ownership density bonus for
1068	multi-family residential units, as described in Section 17-27a-403.2.
1069	(c) If a specified county, as defined in Section 17-27a-408, has created a small public
1070	transit district, as defined in Section 17B-2a-802, on or before January 1, 2022, the
1071	specified county shall include as part of the specified county's recommended
1072	strategies under Subsection (2)(b)(ii) a recommendation to implement the strategy
1073	described in Subsection $[\frac{(2)(b)(ii)(Q)}{(2)(b)(ii)(W)}$ .
1074	(d) The planning commission shall identify each moderate income housing strategy
1075	recommended to the legislative body for implementation by restating the exact
1076	language used to describe the strategy in Subsection (2)(b)(ii).
1077	(e) In drafting the land use element, the planning commission shall:
1078	(i) identify and consider each agriculture protection area within the unincorporated
1079	area of the county or mountainous planning district;
1080	(ii) avoid proposing a use of land within an agriculture protection area that is
1081	inconsistent with or detrimental to the use of the land for agriculture; and
1082	(iii) consider and coordinate with any station area plans adopted by municipalities

1083	located within the county under Section 10-9a-403.1.
1084	(f) In drafting the transportation and traffic circulation element, the planning
1085	commission shall:
1086	(i)(A) consider and coordinate with the regional transportation plan developed by
1087	the county's region's metropolitan planning organization, if the relevant areas
1088	of the county are within the boundaries of a metropolitan planning
1089	organization; or
1090	(B) consider and coordinate with the long-range transportation plan developed by
1091	the Department of Transportation, if the relevant areas of the county are not
1092	within the boundaries of a metropolitan planning organization; and
1093	(ii) consider and coordinate with any station area plans adopted by municipalities
1094	located within the county under Section 10-9a-403.1.
1095	(g)(i) In drafting the implementation plan portion of the moderate income housing
1096	element as described in Subsection (2)(a)(iii)(C), the planning commission shall
1097	recommend to the legislative body the establishment of a five-year timeline for
1098	implementing each of the moderate income housing strategies selected by the
1099	county for implementation.
1100	(ii) The timeline described in Subsection (2)(g)(i) shall:
1101	(A) identify specific measures and benchmarks for implementing each moderate
1102	income housing strategy selected by the county; and
1103	(B) provide flexibility for the county to make adjustments as needed.
1104	(h) In drafting the water use and preservation element, the planning commission:
1105	(i) shall consider applicable regional water conservation goals recommended by the
1106	Division of Water Resources;
1107	(ii) shall consult with the Division of Water Resources for information and technical
1108	resources regarding regional water conservation goals, including how
1109	implementation of the land use element and water use and preservation element
1110	may affect the Great Salt Lake;
1111	(iii) shall notify the community water systems serving drinking water within the
1112	unincorporated portion of the county and request feedback from the community
1113	water systems about how implementation of the land use element and water use
1114	and preservation element may affect:
1115	(A) water supply planning, including drinking water source and storage capacity
1116	consistent with Section 19-4-114; and

1117	(B) water distribution planning, including master plans, infrastructure asset
1118	management programs and plans, infrastructure replacement plans, and impact
1119	fee facilities plans;
1120	(iv) shall consider the potential opportunities and benefits of planning for
1121	regionalization of public water systems;
1122	(v) shall consult with the Department of Agriculture and Food for information and
1123	technical resources regarding the potential benefits of agriculture conservation
1124	easements and potential implementation of agriculture water optimization projects
1125	that would support regional water conservation goals;
1126	(vi) shall notify an irrigation or canal company located in the county so that the
1127	irrigation or canal company can be involved in the protection and integrity of the
1128	irrigation or canal company's delivery systems;
1129	(vii) shall include a recommendation for:
1130	(A) water conservation policies to be determined by the county; and
1131	(B) landscaping options within a public street for current and future development
1132	that do not require the use of lawn or turf in a parkstrip;
1133	(viii) shall review the county's land use ordinances and include a recommendation for
1134	changes to an ordinance that promotes the inefficient use of water;
1135	(ix) shall consider principles of sustainable landscaping, including the:
1136	(A) reduction or limitation of the use of lawn or turf;
1137	(B) promotion of site-specific landscape design that decreases stormwater runoff
1138	or runoff of water used for irrigation;
1139	(C) preservation and use of healthy trees that have a reasonable water requirement
1140	or are resistant to dry soil conditions;
1141	(D) elimination or regulation of ponds, pools, and other features that promote
1142	unnecessary water evaporation;
1143	(E) reduction of yard waste; and
1144	(F) use of an irrigation system, including drip irrigation, best adapted to provide
1145	the optimal amount of water to the plants being irrigated;
1146	(x) may include recommendations for additional water demand reduction strategies,
1147	including:
1148	(A) creating a water budget associated with a particular type of development;
1149	(B) adopting new or modified lot size, configuration, and landscaping standards
1150	that will reduce water demand for new single family development:

1151	(C) providing one or more water reduction incentives for existing landscapes and
1152	irrigation systems and installation of water fixtures or systems that minimize
1153	water demand;
1154	(D) discouraging incentives for economic development activities that do not
1155	adequately account for water use or do not include strategies for reducing
1156	water demand; and
1157	(E) adopting water concurrency standards requiring that adequate water supplies
1158	and facilities are or will be in place for new development; and
1159	(xi) shall include a recommendation for low water use landscaping standards for a
1160	new:
1161	(A) commercial, industrial, or institutional development;
1162	(B) common interest community, as defined in Section 57-25-102; or
1163	(C) multifamily housing project.
1164	(3) The proposed general plan may include:
1165	(a) an environmental element that addresses:
1166	(i) to the extent not covered by the county's resource management plan, the
1167	protection, conservation, development, and use of natural resources, including the
1168	quality of:
1169	(A) air;
1170	(B) forests;
1171	(C) soils;
1172	(D) rivers;
1173	(E) groundwater and other waters;
1174	(F) harbors;
1175	(G) fisheries;
1176	(H) wildlife;
1177	(I) minerals; and
1178	(J) other natural resources; and
1179	(ii)(A) the reclamation of land, flood control, prevention and control of the
1180	pollution of streams and other waters;
1181	(B) the regulation of the use of land on hillsides, stream channels and other
1182	environmentally sensitive areas;
1183	(C) the prevention, control, and correction of the erosion of soils;
1184	(D) the preservation and enhancement of watersheds and wetlands; and

1185	(E) the mapping of known geologic hazards;
1186	(b) a public services and facilities element showing general plans for sewage, water,
1187	waste disposal, drainage, public utilities, rights-of-way, easements, and facilities for
1188	them, police and fire protection, and other public services;
1189	(c) a rehabilitation, redevelopment, and conservation element consisting of plans and
1190	programs for:
1191	(i) historic preservation;
1192	(ii) the diminution or elimination of a development impediment as defined in Section
1193	17C-1-102; and
1194	(iii) redevelopment of land, including housing sites, business and industrial sites, and
1195	public building sites;
1196	(d) an economic element composed of appropriate studies and forecasts, as well as an
1197	economic development plan, which may include review of existing and projected
1198	county revenue and expenditures, revenue sources, identification of basic and
1199	secondary industry, primary and secondary market areas, employment, and retail
1200	sales activity;
1201	(e) recommendations for implementing all or any portion of the general plan, including
1202	the adoption of land and water use ordinances, capital improvement plans,
1203	community development and promotion, and any other appropriate action;
1204	(f) provisions addressing any of the matters listed in Subsection 17-27a-401(2) or
1205	(3)(a)(i); and
1206	(g) any other element the county considers appropriate.
1207	Section 10. Section 17-27a-403.1 is enacted to read:
1208	$\underline{17-27a-403.1}$ . Affordable home ownership density bonus for single-family
1209	residential units.
1210	(1) As used in this section:
1211	(a) "Affordable housing" means the same as that term is defined in Section 10-9a-403.2.
1212	(b) "Owner-occupier" means the same as that term is defined in Section 10-9a-403.2.
1213	(c) "Qualifying affordable home ownership single-family density bonus" means:
1214	(i) for an area with an underlying zoning density of less than six residential units per
1215	acre, county approval of a density at least six residential units per acre; or
1216	(ii) for an area with an underlying zoning density of six residential units per acre or
1217	more, county approval of a density at least 0.5 residential units per acre greater
1218	than the underlying zoning density for the area.

1219	(2) If a county approves a qualifying affordable home ownership single-family density
1220	bonus, either through a zoning ordinance or a development agreement, the county may
1221	adopt requirements for the qualifying affordable home ownership single-family density
1222	bonus area to ensure:
1223	(a) at least 60% of the total single-family residential units be deed-restricted to
1224	owner-occupancy for at least five years;
1225	(b) at least 25% of the total single-family residential units qualify as affordable housing;
1226	(c) at least 25% of the single-family residential units per acre to be no larger than 1,600
1227	square feet; or
1228	(d) the applicant creates a preferential qualifying buyer program in which a
1229	single-family residential unit is initially offered for sale, for up to 30 days, to a
1230	category of preferred qualifying buyers established by the county, in accordance with
1231	provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
1232	(3) A county may offer additional incentives in a qualifying affordable home ownership
1233	single-family density bonus area approved for single-family residential units to promote
1234	owner-occupied, affordable housing.
1235	Section 11. Section 17-27a-403.2 is enacted to read:
1236	17-27a-403.2 . Affordable home ownership density bonus for multi-family
1237	residential units.
1238	(1) As used in this section:
1239	(a) "Affordable housing" means the same as that term is defined in Section 10-9a-403.2.
1240	(b) "Owner-occupier" means the same as that term is defined in Section 10-9a-403.2.
1241	(c) "Qualifying affordable home ownership multi-family density bonus" means county
1242	approval of a density of at least 20 residential units per acre.
1243	(2) If a county approves a qualifying affordable home ownership multi-family density
1244	bonus, either through a zoning ordinance or a development agreement, the county may
1245	adopt requirements for the qualifying affordable home ownership multi-family density
1246	bonus area to ensure:
1247	(a) at least 20% more residential units per acre than are otherwise allowed in the area;
1248	(b) at least 60% of the total units in the multi-family residential building be
1249	deed-restricted to owner-occupancy for at least five years;
1250	(c) at least 25% of the total units in the multi-family residential building qualify as
1251	affordable housing;
1252	(d) at least 25% of the total units in a multi-family residential building to be no larger

1253	than 1,600 square feet; or
1254	(e) the applicant creates a preferential qualifying buyer program in which a unit in a
1255	multi-family residential building is initially offered for sale, for up to 30 days, to a
1256	category of preferred qualifying buyers established by the county, in accordance with
1257	provisions of the Fair Housing Act, 42 U.S.C. Sec. 3601.
1258	(3) A county may offer additional incentives in a qualifying affordable home ownership
1259	multi-family density bonus area for multi-family residential units to promote
1260	owner-occupied, affordable housing.
1261	Section 12. Section 17-27a-408 is amended to read:
1262	17-27a-408 . Moderate income housing report Contents Prioritization for
1263	funds or projects Ineligibility for funds after noncompliance Civil actions.
1264	(1) As used in this section:
1265	(a) "Division" means the Housing and Community Development Division within the
1266	Department of Workforce Services.
1267	(b) "Implementation plan" means the implementation plan adopted as part of the
1268	moderate income housing element of a specified county's general plan as provided in
1269	Subsection 17-27a-403(2)(g).
1270	(c) "Initial report" means the one-time moderate income housing report described in
1271	Subsection (2).
1272	(d) "Moderate income housing strategy" means a strategy described in Subsection
1273	17-27a-403(2)(b)(ii).
1274	(e) "Report" means an initial report or a subsequent report.
1275	(f) "Specified county" means a county of the first, second, or third class, which has a
1276	population of more than 5,000 in the county's unincorporated areas.
1277	(g) "Subsequent progress report" means the annual moderate income housing report
1278	described in Subsection (3).
1279	(2)(a) The legislative body of a specified county shall annually submit an initial report to
1280	the division.
1281	(b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of
1282	January 1, 2023.
1283	(ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one
1284	class to another or grows in population to qualify as a specified county, the county
1285	shall submit an initial plan to the division on or before August 1 of the first
1286	calendar year beginning on January 1 in which the county qualifies as a specified

1287	county.
1288	(c) The initial report shall:
1289	(i) identify each moderate income housing strategy selected by the specified county
1290	for continued, ongoing, or one-time implementation, using the exact language
1291	used to describe the moderate income housing strategy in Subsection 17-27a-403
1292	(2)(b)(ii); and
1293	(ii) include an implementation plan.
1294	(3)(a) After the division approves a specified county's initial report under this section,
1295	the specified county shall, as an administrative act, annually submit to the division a
1296	subsequent progress report on or before August 1 of each year after the year in which
1297	the specified county is required to submit the initial report.
1298	(b) The subsequent progress report shall include:
1299	(i) subject to Subsection (3)(c), a description of each action, whether one-time or
1300	ongoing, taken by the specified county during the previous 12-month period to
1301	implement the moderate income housing strategies identified in the initial report
1302	for implementation;
1303	(ii) a description of each land use regulation or land use decision made by the
1304	specified county during the previous 12-month period to implement the moderate
1305	income housing strategies, including an explanation of how the land use
1306	regulation or land use decision supports the specified county's efforts to
1307	implement the moderate income housing strategies;
1308	(iii) a description of any barriers encountered by the specified county in the previous
1309	12-month period in implementing the moderate income housing strategies;
1310	(iv) the number of residential dwelling units that have been entitled that have not
1311	received a building permit as of the submission date of the progress report;
1312	(v) shapefiles, or website links if shapefiles are not available, to current maps and
1313	tables related to zoning;
1314	(vi) information regarding the number of internal and external or detached accessory
1315	dwelling units located within the specified county for which the specified county
1316	(A) issued a building permit to construct; or
1317	(B) issued a business license or comparable license or permit to rent;
1318	(vii) a description of how the market has responded to the selected moderate income
1319	housing strategies, including the number of entitled moderate income housing
1320	units or other relevant data: and

1321	(viii) any recommendations on how the state can support the specified county in
1322	implementing the moderate income housing strategies.
1323	(c) For purposes of describing actions taken by a specified county under Subsection
1324	(3)(b)(i), the specified county may include an ongoing action taken by the specified
1325	county prior to the 12-month reporting period applicable to the subsequent progress
1326	report if the specified county:
1327	(i) has already adopted an ordinance, approved a land use application, made an
1328	investment, or approved an agreement or financing that substantially promotes the
1329	implementation of a moderate income housing strategy identified in the initial
1330	report; and
1331	(ii) demonstrates in the subsequent progress report that the action taken under
1332	Subsection (3)(c)(i) is relevant to making meaningful progress towards the
1333	specified county's implementation plan.
1334	(d) A specified county's report shall be in a form:
1335	(i) approved by the division; and
1336	(ii) made available by the division on or before May 1 of the year in which the report
1337	is required.
1338	(4) Within 90 days after the day on which the division receives a specified county's report,
1339	the division shall:
1340	(a) post the report on the division's website;
1341	(b) send a copy of the report to the Department of Transportation, the Governor's Office
1342	of Planning and Budget, the association of governments in which the specified
1343	county is located, and, if the unincorporated area of the specified county is located
1344	within the boundaries of a metropolitan planning organization, the appropriate
1345	metropolitan planning organization; and
1346	(c) subject to Subsection (5), review the report to determine compliance with this section.
1347	(5)(a) An initial report [does not comply] complies with this section [unless] if the report:
1348	(i) includes the information required under Subsection (2)(c);
1349	(ii) subject to Subsection (5)(c), demonstrates to the division that the specified county
1350	made plans to implement three or more moderate income housing strategies
1351	described in Subsection 17-27a-403(2)(b)(ii)(A) though (V) or at least one
1352	moderate income housing strategy described in Subsections
1353	17-27a-403(2)(b)(ii)(W) through (BB); and
1354	(iii) is in a form approved by the division.

1355	(b) A subsequent progress report [does not comply] complies with this section [unless] if
1356	the report:
1357	(i) subject to Subsection (5)(c), demonstrates to the division that the specified county
1358	made plans to implement or is implementing three or more moderate income
1359	housing strategies described in Subsection 17-27a-403(2)(b)(ii)(A) though (V) or
1360	at least one moderate income housing strategy described in Subsections
1361	17-27a-403(2)(b)(ii)(W) through (BB);
1362	(ii) is in a form approved by the division; and
1363	(iii) provides sufficient information for the division to:
1364	(A) assess the specified county's progress in implementing the moderate income
1365	housing strategies;
1366	(B) monitor compliance with the specified county's implementation plan;
1367	(C) identify a clear correlation between the specified county's land use decisions
1368	and efforts to implement the moderate income housing strategies;
1369	(D) identify how the market has responded to the specified county's selected
1370	moderate income housing strategies; and
1371	(E) identify any barriers encountered by the specified county in implementing the
1372	selected moderate income housing strategies.
1373	(c)(i) This Subsection (5)(c) applies to a specified county that has created a small
1374	public transit district, as defined in Section 17B-2a-802, on or before January 1,
1375	2022.
1376	(ii) [In addition to the requirements of Subsections (5)(a) and (b), a-] A report for a
1377	specified county described in Subsection (5)(c)(i) [does not comply] complies with
1378	this section [unless] if the report demonstrates to the division that the specified
1379	county:
1380	(A) made plans to implement the moderate income housing strategy described in
1381	Subsection [ <del>17-27a-403(2)(b)(ii)(Q)</del> ] <u>17-27a-403(2)(b)(ii)(W);[-and]</u>
1382	(B) made plans to implement or is implementing three or more moderate income
1383	housing strategies described in Subsection 17-27a-403(2)(b)(ii)(A) though (V)
1384	or at least one moderate income housing strategy described in Subsections
1385	17-27a-403(2)(b)(ii)(W) through (BB); and
1386	[(B)] (C) is in compliance with Subsection 63N-3-603(8).
1387	(d) If a specified county initial report or subsequent progress report demonstrates the
1388	county plans to implement or is implementing at least one moderate income housing

1389	strategy described in Subsections 17-27a-403(2)(b)(ii)(W) through (BB), the division
1390	shall also consider the specified county compliant with the reporting requirement
1391	described in this section for:
1392	(i) the year in which the specified county submits the report; and
1393	(ii) two subsequent reporting years.
1394	(6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
1395	the specified county's report:
1396	(i) complies with this section; and
1397	(ii) demonstrates to the division that the specified county made plans to implement
1398	five or more moderate income housing strategies.
1399	(b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
1400	give priority consideration to transportation projects located within the
1401	unincorporated areas of a specified county described in Subsection (6)(a) until the
1402	Department of Transportation receives notice from the division under Subsection
1403	(6)(e).
1404	(c) Upon determining that a specified county qualifies for priority consideration under
1405	this Subsection (6), the division shall send a notice of prioritization to the legislative
1406	body of the specified county and the Department of Transportation.
1407	(d) The notice described in Subsection (6)(c) shall:
1408	(i) name the specified county that qualifies for priority consideration;
1409	(ii) describe the funds or projects for which the specified county qualifies to receive
1410	priority consideration; and
1411	(iii) state the basis for the division's determination that the specified county qualifies
1412	for priority consideration.
1413	(e) The division shall notify the legislative body of a specified county and the
1414	Department of Transportation in writing if the division determines that the specified
1415	county no longer qualifies for priority consideration under this Subsection (6).
1416	(7)(a) If the division, after reviewing a specified county's report, determines that the
1417	report does not comply with this section, the division shall send a notice of
1418	noncompliance to the legislative body of the specified county.
1419	(b) A specified county that receives a notice of noncompliance may:
1420	(i) cure each deficiency in the report within 90 days after the day on which the notice
1421	of noncompliance is sent; or
1422	(ii) request an appeal of the division's determination of noncompliance within 10

1423	days after the day on which the notice of noncompliance is sent.
1424	(c) The notice described in Subsection (7)(a) shall:
1425	(i) describe each deficiency in the report and the actions needed to cure each
1426	deficiency;
1427	(ii) state that the specified county has an opportunity to:
1428	(A) submit to the division a corrected report that cures each deficiency in the
1429	report within 90 days after the day on which the notice of noncompliance is
1430	sent; or
1431	(B) submit to the division a request for an appeal of the division's determination of
1432	noncompliance within 10 days after the day on which the notice of
1433	noncompliance is sent; and
1434	(iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
1435	specified county's ineligibility for funds and fees owed under Subsection (9).
1436	(d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
1437	action needed to cure the deficiency as described by the division requires the
1438	specified county to make a legislative change, the specified county may cure the
1439	deficiency by making that legislative change within the 90-day cure period.
1440	(e)(i) If a specified county submits to the division a corrected report in accordance
1441	with Subsection (7)(b)(i), and the division determines that the corrected report
1442	does not comply with this section, the division shall send a second notice of
1443	noncompliance to the legislative body of the specified county.
1444	(ii) A specified county that receives a second notice of noncompliance may request
1445	an appeal of the division's determination of noncompliance within 10 days after
1446	the day on which the second notice of noncompliance is sent.
1447	(iii) The notice described in Subsection (7)(e)(i) shall:
1448	(A) state that the specified county has an opportunity to submit to the division a
1449	request for an appeal of the division's determination of noncompliance within
1450	10 days after the day on which the second notice of noncompliance is sent; and
1451	(B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
1452	specified county's ineligibility for funds under Subsection (9).
1453	(8)(a) A specified county that receives a notice of noncompliance under Subsection
1454	(7)(a) or (7)(e)(i) may request an appeal of the division's determination of
1455	noncompliance within 10 days after the day on which the notice of noncompliance is
1456	sent.

1457	(b) Within 90 days after the day on which the division receives a request for an appeal,
1458	an appeal board consisting of the following three members shall review and issue a
1459	written decision on the appeal:
1460	(i) one individual appointed by the Utah Association of Counties;
1461	(ii) one individual appointed by the Utah Homebuilders Association; and
1462	(iii) one individual appointed by the presiding member of the association of
1463	governments, established pursuant to an interlocal agreement under Title 11,
1464	Chapter 13, Interlocal Cooperation Act, of which the specified county is a member
1465	(c) The written decision of the appeal board shall either uphold or reverse the division's
1466	determination of noncompliance.
1467	(d) The appeal board's written decision on the appeal is final.
1468	(9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9)
1469	if:
1470	(i) the specified county fails to submit a report to the division;
1471	(ii) after submitting a report to the division, the division determines that the report
1472	does not comply with this section and the specified county fails to:
1473	(A) cure each deficiency in the report within 90 days after the day on which the
1474	notice of noncompliance is sent; or
1475	(B) request an appeal of the division's determination of noncompliance within 10
1476	days after the day on which the notice of noncompliance is sent;
1477	(iii) after submitting to the division a corrected report to cure the deficiencies in a
1478	previously submitted report, the division determines that the corrected report does
1479	not comply with this section and the specified county fails to request an appeal of
1480	the division's determination of noncompliance within 10 days after the day on
1481	which the second notice of noncompliance is sent; or
1482	(iv) after submitting a request for an appeal under Subsection (8), the appeal board
1483	issues a written decision upholding the division's determination of noncompliance.
1484	(b) The following apply to a specified county described in Subsection (9)(a) until the
1485	division provides notice under Subsection (9)(e):
1486	(i) the executive director of the Department of Transportation may not program funds
1487	from the Transportation Investment Fund of 2005, including the Transit
1488	Transportation Investment Fund, to projects located within the unincorporated
1489	areas of the specified county in accordance with Subsection 72-2-124(6);
1490	(ii) beginning with the report submitted in 2024, the specified county shall pay a fee

1491	to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
1492	specified county:
1493	(A) fails to submit the report to the division in accordance with this section,
1494	beginning the day after the day on which the report was due; or
1495	(B) fails to cure the deficiencies in the report, beginning the day after the day by
1496	which the cure was required to occur as described in the notice of
1497	noncompliance under Subsection (7); and
1498	(iii) beginning with the report submitted in 2025, the specified county shall pay a fee
1499	to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
1500	specified county, for a consecutive year:
1501	(A) fails to submit the report to the division in accordance with this section,
1502	beginning the day after the day on which the report was due; or
1503	(B) fails to cure the deficiencies in the report, beginning the day after the day by
1504	which the cure was required to occur as described in the notice of
1505	noncompliance under Subsection (7).
1506	(c) Upon determining that a specified county is ineligible for funds under this
1507	Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
1508	division shall send a notice of ineligibility to the legislative body of the specified
1509	county, the Department of Transportation, the State Tax Commission, and the
1510	Governor's Office of Planning and Budget.
1511	(d) The notice described in Subsection (9)(c) shall:
1512	(i) name the specified county that is ineligible for funds;
1513	(ii) describe the funds for which the specified county is ineligible to receive;
1514	(iii) describe the fee the specified county is required to pay under Subsection (9)(b),
1515	if applicable; and
1516	(iv) state the basis for the division's determination that the specified county is
1517	ineligible for funds.
1518	(e) The division shall notify the legislative body of a specified county and the
1519	Department of Transportation in writing if the division determines that the provisions
1520	of this Subsection (9) no longer apply to the specified county.
1521	(f) The division may not determine that a specified county that is required to pay a fee
1522	under Subsection (9)(b) is in compliance with the reporting requirements of this
1523	section until the specified county pays all outstanding fees required under Subsection
1524	(9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,

1525	Part 5, Olene Walker Housing Loan Fund.
1526	(10) In a civil action seeking enforcement or claiming a violation of this section or of
1527	Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded
1528	only injunctive or other equitable relief.
1529	Section 13. Section 17-27a-531 is amended to read:
1530	17-27a-531 . Moderate income housing.
1531	(1) A county may only require the development of a certain number of moderate income
1532	housing units as a condition of approval of a land use application if:
1533	(a) the county and the applicant enter into a written agreement regarding the number of
1534	moderate income housing units;[-or]
1535	(b) the county provides incentives for an applicant who agrees to include moderate
1536	income housing units in a development[-]; or
1537	(c) the county offers or approves, and an applicant accepts, an incentive described in
1538	Section 17-27a-403.1 or 17-27a-403.2.
1539	(2) If an applicant does not agree to participate in the development of moderate income
1540	housing units under Subsection (1)(a) or (b), a county may not take into consideration
1541	the applicant's decision in the county's determination of whether to approve or deny a
1542	land use application.
1543	(3) Notwithstanding Subsections (1) and (2), a county of the third class, which has a ski
1544	resort located within the unincorporated area of the county, may require the
1545	development of a certain number of moderate income housing units as a condition of
1546	approval of a land use application if the requirement is in accordance with an ordinance
1547	enacted by the county before January 1, 2022.
1548	Section 14. Section 17B-1-202 is amended to read:
1549	17B-1-202 . Special district may be created Services that may be provided
1550	Limitations.
1551	(1)(a) A special district may be created as provided in this part to provide within its
1552	boundaries service consisting of:
1553	(i) the operation of an airport;
1554	(ii) the operation of a cemetery;
1555	(iii) fire protection, paramedic, and emergency services, including consolidated 911
1556	and emergency dispatch services;
1557	(iv) garbage collection and disposal;
1558	(v) health care, including health department or hospital service;

1559	(vi) the operation of a library;
1560	(vii) abatement or control of mosquitos and other insects;
1561	(viii) the operation of parks or recreation facilities or services;
1562	(ix) the operation of a sewage system;
1563	(x) the operation of a propane system;
1564	[(x)] (xi) the construction and maintenance of a right-of-way, including:
1565	(A) a curb;
1566	(B) a gutter;
1567	(C) a sidewalk;
1568	(D) a street;
1569	(E) a road;
1570	(F) a water line;
1571	(G) a sewage line;
1572	(H) a storm drain;
1573	(I) an electricity line;
1574	(J) a communications line;
1575	(K) a natural gas line; or
1576	(L) street lighting;
1577	[(xi)] (xii) transportation, including public transit and providing streets and roads;
1578	[(xiii)] (xiii) the operation of a system, or one or more components of a system, for the
1579	collection, storage, retention, control, conservation, treatment, supplying,
1580	distribution, or reclamation of water, including storm, flood, sewage, irrigation,
1581	and culinary water, whether the system is operated on a wholesale or retail level
1582	or both;
1583	[(xiii)] (xiv) in accordance with Subsection (1)(c), the acquisition or assessment of a
1584	groundwater right for the development and execution of a groundwater
1585	management plan in cooperation with and approved by the state engineer in
1586	accordance with Section 73-5-15;
1587	[(xiv)] (xv) law enforcement service;
1588	[(xv)] (xvi) subject to Subsection (1)(b), the underground installation of an electric
1589	utility line or the conversion to underground of an existing electric utility line;
1590	[(xvi)] (xvii) the control or abatement of earth movement or a landslide;
1591	[(xvii)] (xviii) the operation of animal control services and facilities;
1592	[(xviii)] (xix) an energy efficiency upgrade, a clean energy system, or electric vehicle

1593	charging infrastructure as defined in Section 11-42a-102, in accordance with Title
1594	11, Chapter 42a, Commercial Property Assessed Clean Energy Act; or
1595	[(xix)] (xx) the financing of infrastructure, as provided in Chapter 2a, Part 13,
1596	Infrastructure Financing Districts.
1597	(b) Each special district that provides the service of the underground installation of an
1598	electric utility line or the conversion to underground of an existing electric utility line
1599	shall, in installing or converting the line, provide advance notice to and coordinate
1600	with the utility that owns the line.
1601	(c) A groundwater management plan described in Subsection [(1)(a)(xiii)] (1)(a)(xiv)
1602	may include the banking of groundwater rights by a special district in a critical
1603	management area as defined in Section 73-5-15 following the adoption of a
1604	groundwater management plan by the state engineer under Section 73-5-15.
1605	(i) A special district may manage the groundwater rights it acquires under Subsection
1606	17B-1-103(2)(a) or (b) consistent with the provisions of a groundwater
1607	management plan described in this Subsection (1)(c).
1608	(ii) A groundwater right held by a special district to satisfy the provisions of a
1609	groundwater management plan is not subject to the forfeiture provisions of
1610	Section 73-1-4.
1611	(iii)(A) A special district may divest itself of a groundwater right subject to a
1612	determination that the groundwater right is not required to facilitate the
1613	groundwater management plan described in this Subsection (1)(c).
1614	(B) The groundwater right described in Subsection (1)(c)(iii)(A) is subject to
1615	Section 73-1-4 beginning on the date of divestiture.
1616	(iv) Upon a determination by the state engineer that an area is no longer a critical
1617	management area as defined in Section 73-5-15, a groundwater right held by the
1618	special district is subject to Section 73-1-4.
1619	(v) A special district created in accordance with Subsection [(1)(a)(xiii)] (1)(a)(xiv) to
1620	develop and execute a groundwater management plan may hold or acquire a right
1621	to surface waters that are naturally tributary to the groundwater basin subject to
1622	the groundwater management plan if the surface waters are appropriated in
1623	accordance with Title 73, Water and Irrigation, and used in accordance with Title
1624	73, Chapter 3b, Groundwater Recharge and Recovery Act.
1625	(2) As used in this section:

(a) "Operation" means all activities involved in providing the indicated service including

1627	acquisition and ownership of property reasonably necessary to provide the indicated
1628	service and acquisition, construction, and maintenance of facilities and equipment
1629	reasonably necessary to provide the indicated service.
1630	(b) "System" means the aggregate of interrelated components that combine together to
1631	provide the indicated service including, for a sewage system, collection and treatment.
1632	(3)(a) A special district may not be created to provide and may not after its creation
1633	provide more than four of the services listed in Subsection (1).
1634	(b) Subsection (3)(a) may not be construed to prohibit a special district from providing
1635	more than four services if, before April 30, 2007, the special district was authorized
1636	to provide those services.
1637	(4)(a) Except as provided in Subsection (4)(b), a special district may not be created to
1638	provide and may not after its creation provide to an area the same service that may
1639	already be provided to that area by another political subdivision, unless the other
1640	political subdivision gives its written consent.
1641	(b) For purposes of Subsection (4)(a), a special district does not provide the same
1642	service as another political subdivision if it operates a component of a system that is
1643	different from a component operated by another political subdivision but within the
1644	same:
1645	(i) sewage system; or
1646	(ii) water system.
1647	(5)(a) Except for a special district in the creation of which an election is not required
1648	under Subsection 17B-1-214(3)(d), the area of a special district may include all or
1649	part of the unincorporated area of one or more counties and all or part of one or more
1650	municipalities.
1651	(b) The area of a special district need not be contiguous.
1652	(6) For a special district created before May 5, 2008, the authority to provide fire protection
1653	service also includes the authority to provide:
1654	(a) paramedic service; and
1655	(b) emergency service, including hazardous materials response service.
1656	(7) A special district created before May 11, 2010, authorized to provide the construction
1657	and maintenance of curb, gutter, or sidewalk may provide a service described in
1658	Subsection $\left[\frac{(1)(a)(x)}{(1)(a)(xi)}\right]$ on or after May 11, 2010.
1659	(8) A special district created before May 10, 2011, authorized to provide culinary,

irrigation, sewage, or storm water services may provide a service described in

1661	Subsection $[(1)(a)(xii)]$ $(1)(a)(xiii)$ on or after May 10, 2011.
1662	(9) A special district may not be created under this chapter for two years after the date on
1663	which a special district is dissolved as provided in Section 17B-1-217 if the special
1664	district proposed for creation:
1665	(a) provides the same or a substantially similar service as the dissolved special district;
1666	and
1667	(b) is located in substantially the same area as the dissolved special district.
1668	(10) An infrastructure financing district may not be created unless the estimated cost of the
1669	public infrastructure and improvements to be constructed within the boundary of the
1670	proposed infrastructure financing district exceeds \$1,000,000, as certified under
1671	Subsection 17B-1-208(1)(c).
1672	(11)(a) Except as provided in Subsection (11)(b), the inclusion of an area within an
1673	infrastructure financing district does not affect whether the area may be included
1674	within another special district.
1675	(b) An infrastructure financing district may not include an area included within another
1676	infrastructure financing district.
1677	Section 15. Section 35A-8-202 is amended to read:
1678	35A-8-202 . Powers and duties of division.
1679	(1) The division shall:
1680	(a) assist local governments and citizens in the planning, development, and maintenance
1681	of necessary public infrastructure and services;
1682	(b) cooperate with, and provide technical assistance to, counties, cities, towns, regional
1683	planning commissions, area-wide clearinghouses, zoning commissions, parks or
1684	recreation boards, community development groups, community action agencies, and
1685	other agencies created for the purpose of aiding and encouraging an orderly,
1686	productive, and coordinated development of the state and its political subdivisions;
1687	(c) assist the governor in coordinating the activities of state agencies which have an
1688	impact on the solution of community development problems and the implementation
1689	of community plans;
1690	(d) serve as a clearinghouse for information, data, and other materials which may be
1691	helpful to local governments in discharging their responsibilities and provide
1692	information on available federal and state financial and technical assistance;
1693	(e) carry out continuing studies and analyses of the problems faced by communities

within the state and develop such recommendations for administrative or legislative

1695	action as appear necessary;
1696	(f) assist in funding affordable housing;
1697	(g) support economic development activities through grants, loans, and direct programs
1698	financial assistance;
1699	(h) certify project funding at the local level in conformance with federal, state, and other
1700	requirements;
1701	(i) utilize the capabilities and facilities of public and private universities and colleges
1702	within the state in carrying out its functions; and
1703	(j) assist and support local governments, community action agencies, and citizens in the
1704	planning, development, and maintenance of home weatherization, energy efficiency,
1705	and antipoverty activities.
1706	(2) The division may:
1707	(a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
1708	Procedures Act, seek federal grants, loans, or participation in federal programs;
1709	(b) if any federal program requires the expenditure of state funds as a condition to
1710	participation by the state in any fund, property, or service, with the governor's
1711	approval, expend whatever funds are necessary out of the money provided by the
1712	Legislature for the use of the department;
1713	(c) in accordance with Part 9, Domestic Violence Shelters, assist in developing,
1714	constructing, and improving shelters for victims of domestic violence, as described in
1715	Section 77-36-1, through loans and grants to nonprofit and governmental entities;[
1716	and]
1717	(d) assist, when requested by a county or municipality, in the development of accessible
1718	housing[-] : and
1719	(e) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
1720	Rulemaking Act, regarding the form and content of a moderate income housing
1721	report, as described in Sections 10-9a-408 and 17-27a-408, to:
1722	(i) ensure consistency across reporting political subdivisions; and
1723	(ii) promote better potential analysis of report data.
1724	Section 16. Section <b>63J-4-402</b> is enacted to read:
1725	63J-4-402 . State housing plan.
1726	(1) The office shall develop a state housing plan by December 31, 2025.
1727	(2)(a) The office shall partner with the Legislature, municipal and county governments,
1728	the home building industry and related stakeholders, and the general public in the

1729	development of the state housing plan described in Subsection (1).
1730	(b) In developing the state housing plan, the office may develop regional housing plans
1731	within the state housing plan.
1732	(3) The state housing plan shall:
1733	(a) prioritize collaboration over preemption and collaboration across private and public
1734	sectors;
1735	(b) promote a holistic and regional approach to housing;
1736	(c) enable connected communities and center-based development;
1737	(d) acknowledge cross-issue policy alignment;
1738	(e) maintain a long-range vision;
1739	(f) promote opportunity and inclusivity;
1740	(g) recognize complex market forces; and
1741	(h) consider rural and urban contexts.
1742	(4) The state housing plan shall include data and metrics:
1743	(a) about actual and potential housing production;
1744	(b) about actual and potential infrastructure capacity, maintenance, and development; and
1745	(c) allowing the office to measure success of the state housing plan over time.
1746	(5) In gathering data and developing metrics, the office may analyze moderate income
1747	housing reports received by the Division of Housing and Community Development and:
1748	(a) determine which, if any, of the moderate income housing strategies described in
1749	Subsections 10-9a-403(2)(b)(iii) and 17-27a-403(2)(b)(ii) are correlated with an
1750	increase in the supply of moderate income housing, either built or entitled to be built,
1751	in the political subdivision that implements the moderate income housing strategy;
1752	<u>and</u>
1753	(b) draw conclusions regarding any data trends identified by the office as meaningful or
1754	significant.
1755	(6) By no later than October 1 of each year, the office shall provide a written report on the
1756	development and implementation of the state housing plan to the Political Subdivisions
1757	Interim Committee.
1758	Section 17. Section <b>72-1-304</b> is amended to read:
1759	72-1-304. Written project prioritization process for new transportation capacity
1760	projects Rulemaking.
1761	(1)(a) The Transportation Commission, in consultation with the department and the
1762	metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a

1763	written prioritization process for the prioritization of:
1764	(i) new transportation capacity projects that are or will be part of the state highway
1765	system under Chapter 4, Part 1, State Highways;
1766	(ii) paved pedestrian or paved nonmotorized transportation projects described in
1767	Section 72-2-124;
1768	(iii) public transit projects that directly add capacity to the public transit systems
1769	within the state, not including facilities ancillary to the public transit system; and
1770	(iv) pedestrian or nonmotorized transportation projects that provide connection to a
1771	public transit system.
1772	(b)(i) A local government or public transit district may nominate a project for
1773	prioritization in accordance with the process established by the commission in rule.
1774	(ii) If a local government or public transit district nominates a project for
1775	prioritization by the commission, the local government or public transit district
1776	shall provide data and evidence to show that:
1777	(A) the project will advance the purposes and goals described in Section 72-1-211
1778	(B) for a public transit project, the local government or public transit district has
1779	an ongoing funding source for operations and maintenance of the proposed
1780	development; and
1781	(C) the local government or public transit district will provide the percentage of
1782	the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or
1783	72-2-124(9)(e).
1784	(2) The following shall be included in the written prioritization process under Subsection
1785	(1):
1786	(a) a description of how the strategic initiatives of the department adopted under Section
1787	72-1-211 are advanced by the written prioritization process;
1788	(b) a definition of the type of projects to which the written prioritization process applies;
1789	(c) specification of a weighted criteria system that is used to rank proposed projects and
1790	how it will be used to determine which projects will be prioritized;
1791	(d) specification of the data that is necessary to apply the weighted ranking criteria; and
1792	(e) any other provisions the commission considers appropriate, which may include
1793	consideration of:
1794	(i) regional and statewide economic development impacts, including improved local
1795	access to:
1796	(A) employment;

1797	(B) educational facilities;
1798	(C) recreation;
1799	(D) commerce; and
1800	(E) residential areas, including moderate income housing as demonstrated in the
1801	local government's or public transit district's general plan pursuant to Section
1802	10-9a-403 or 17-27a-403;
1803	(ii) the extent to which local land use plans relevant to a project support and
1804	accomplish the strategic initiatives adopted under Section 72-1-211; and
1805	(iii) any matching funds provided by a political subdivision or public transit district
1806	in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)
1807	and 72-2-124(9)(e).
1808	(3)(a) When prioritizing a public transit project that increases capacity, the commission:
1809	(i) may give priority consideration to projects that are part of a transit-oriented
1810	development or transit-supportive development as defined in Section 17B-2a-802
1811	and
1812	(ii) shall give priority consideration to projects that are within the boundaries of a
1813	housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3,
1814	Part 6, Housing and Transit Reinvestment Zone Act.
1815	(b) When prioritizing a transportation project that increases capacity, the commission
1816	may give priority consideration to projects that are:
1817	(i) part of a transportation reinvestment zone created under Section 11-13-227 if:
1818	(A) the state is a participant in the transportation reinvestment zone; or
1819	(B) the commission finds that the transportation reinvestment zone provides a
1820	benefit to the state transportation system; or
1821	(ii) within the boundaries of a housing and transit reinvestment zone created pursuant
1822	to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
1823	(c) If the department receives a notice of prioritization for a municipality as described in
1824	Subsection $[10-9a-408(5)]$ $\underline{10-9a-408(6)}$ , or a notice of prioritization for a county as
1825	described in Subsection [17-27a-408(5)] 17-27a-408(6), the commission may give
1826	priority consideration to transportation projects that are within the boundaries of the
1827	municipality or the unincorporated areas of the county until the department receives
1828	notification from the Housing and Community Development Division within the
1829	Department of Workforce Services that the municipality or county no longer qualifies
1830	for prioritization under this Subsection (3)(c).

1831	(4) In developing the written prioritization process, the commission:
1832	(a) shall seek and consider public comment by holding public meetings at locations
1833	throughout the state; and
1834	(b) may not consider local matching dollars as provided under Section 72-2-123 unless
1835	the state provides an equal opportunity to raise local matching dollars for state
1836	highway improvements within each county.
1837	(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1838	Transportation Commission, in consultation with the department, shall make rules
1839	establishing the written prioritization process under Subsection (1).
1840	(6) The commission shall submit the proposed rules under this section to a committee or
1841	task force designated by the Legislative Management Committee for review prior to
1842	taking final action on the proposed rules or any proposed amendment to the rules
1843	described in Subsection (5).
1844	Section 18. Section 72-2-124 is amended to read:
1845	72-2-124 . Transportation Investment Fund of 2005.
1846	(1) There is created a capital projects fund entitled the Transportation Investment Fund of
1847	2005.
1848	(2) The fund consists of money generated from the following sources:
1849	(a) any voluntary contributions received for the maintenance, construction,
1850	reconstruction, or renovation of state and federal highways;
1851	(b) appropriations made to the fund by the Legislature;
1852	(c) registration fees designated under Section 41-1a-1201;
1853	(d) the sales and use tax revenues deposited into the fund in accordance with Section
1854	59-12-103; and
1855	(e) revenues transferred to the fund in accordance with Section 72-2-106.
1856	(3)(a) The fund shall earn interest.
1857	(b) All interest earned on fund money shall be deposited into the fund.
1858	(4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
1859	money to pay:
1860	(i) the costs of maintenance, construction, reconstruction, or renovation to state and
1861	federal highways prioritized by the Transportation Commission through the
1862	prioritization process for new transportation capacity projects adopted under
1863	Section 72-1-304;
1864	(ii) the costs of maintenance, construction, reconstruction, or renovation to the

1865	highway projects described in Subsections 63B-18-401(2), (3), and (4);
1866	(iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1867	minus the costs paid from the County of the First Class Highway Projects Fund in
1868	accordance with Subsection 72-2-121(4)(e);
1869	(iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1870	Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
1871	amount certified by Salt Lake County in accordance with Subsection 72-2-121.3
1872	(4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds
1873	issued by Salt Lake County;
1874	(v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1875	for projects prioritized in accordance with Section 72-2-125;
1876	(vi) all highway general obligation bonds that are intended to be paid from revenues
1877	in the Centennial Highway Fund created by Section 72-2-118;
1878	(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1879	Class Highway Projects Fund created in Section 72-2-121 to be used for the
1880	purposes described in Section 72-2-121;
1881	(viii) if a political subdivision provides a contribution equal to or greater than 40% of
1882	the costs needed for construction, reconstruction, or renovation of paved
1883	pedestrian or paved nonmotorized transportation for projects that:
1884	(A) mitigate traffic congestion on the state highway system;
1885	(B) are part of an active transportation plan approved by the department; and
1886	(C) are prioritized by the commission through the prioritization process for new
1887	transportation capacity projects adopted under Section 72-1-304;
1888	(ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
1889	reconstruction, or renovation of or improvement to the following projects:
1890	(A) the connector road between Main Street and 1600 North in the city of
1891	Vineyard;
1892	(B) Geneva Road from University Parkway to 1800 South;
1893	(C) the SR-97 interchange at 5600 South on I-15;
1894	(D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
1895	South Jordan Parkway;
1896	(E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
1897	(F) improvements to 1600 North in Orem from 1200 West to State Street;
1898	(G) widening I-15 between mileposts 6 and 8;

1899	(H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
1900	(I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
1901	in Spanish Fork Canyon;
1902	(J) I-15 northbound between mileposts 43 and 56;
1903	(K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
1904	43 and 45.1;
1905	(L) east Zion SR-9 improvements;
1906	(M) Toquerville Parkway;
1907	(N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
1908	(O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
1909	for construction of an interchange on Bangerter Highway at 13400 South; and
1910	(P) an environmental impact study for Kimball Junction in Summit County; and
1911	(x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
1912	costs based upon a statement of cash flow that the local jurisdiction where the
1913	project is located provides to the department demonstrating the need for money
1914	for the project, for the following projects in the following amounts:
1915	(A) \$5,000,000 for Payson Main Street repair and replacement;
1916	(B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
1917	(C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
1918	(D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
1919	40 between mile markers 7 and 10.
1920	(b) The executive director may use fund money to exchange for an equal or greater
1921	amount of federal transportation funds to be used as provided in Subsection (4)(a).
1922	(c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
1923	not commence until a right-of-way not owned by a federal agency that is required
1924	for the realignment and extension of U-111, as described in the department's 2023
1925	environmental study related to the project, is dedicated to the department.
1926	(ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
1927	project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
1928	department may proceed with the project, except that the project will be limited to
1929	two lanes on U-111 from Herriman Parkway to 11800 South.
1930	(5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
1931	ineligibility for a municipality as described in Subsection [10-9a-408(7)] 10-9a-408(9),
1932	the executive director may not program fund money to a project prioritized by the

1933	commission under Section 72-1-304, including fund money from the Transit
1934	Transportation Investment Fund, within the boundaries of the municipality until the
1935	department receives notification from the Housing and Community Development
1936	Division within the Department of Workforce Services that ineligibility under this
1937	Subsection (5) no longer applies to the municipality.
1938	(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
1939	director:
1940	(i) may program fund money in accordance with Subsection (4)(a) for a
1941	limited-access facility or interchange connecting limited-access facilities;
1942	(ii) may not program fund money for the construction, reconstruction, or renovation
1943	of an interchange on a limited-access facility;
1944	(iii) may program Transit Transportation Investment Fund money for a
1945	multi-community fixed guideway public transportation project; and
1946	(iv) may not program Transit Transportation Investment Fund money for the
1947	construction, reconstruction, or renovation of a station that is part of a fixed
1948	guideway public transportation project.
1949	(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1950	director before July 1, 2022, for projects prioritized by the commission under Section
1951	72-1-304.
1952	(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
1953	ineligibility for a county as described in Subsection [17-27a-408(7)] 17-27a-408(9),
1954	the executive director may not program fund money to a project prioritized by the
1955	commission under Section 72-1-304, including fund money from the Transit
1956	Transportation Investment Fund, within the boundaries of the unincorporated area of
1957	the county until the department receives notification from the Housing and
1958	Community Development Division within the Department of Workforce Services
1959	that ineligibility under this Subsection (6) no longer applies to the county.
1960	(b) Within the boundaries of the unincorporated area of a county described in Subsection
1961	(6)(a), the executive director:
1962	(i) may program fund money in accordance with Subsection (4)(a) for a
1963	limited-access facility to a project prioritized by the commission under Section
1964	72-1-304;
1965	(ii) may not program fund money for the construction, reconstruction, or renovation

of an interchange on a limited-access facility;

1967	(iii) may program Transit Transportation Investment Fund money for a
1968	multi-community fixed guideway public transportation project; and
1969	(iv) may not program Transit Transportation Investment Fund money for the
1970	construction, reconstruction, or renovation of a station that is part of a fixed
1971	guideway public transportation project.
1972	(c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1973	director before July 1, 2022, for projects prioritized by the commission under Section
1974	72-1-304.
1975	(7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1976	any fiscal year, the department and the commission shall appear before the Executive
1977	Appropriations Committee of the Legislature and present the amount of bond
1978	proceeds that the department needs to provide funding for the projects identified in
1979	Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1980	or next fiscal year.
1981	(b) The Executive Appropriations Committee of the Legislature shall review and
1982	comment on the amount of bond proceeds needed to fund the projects.
1983	(8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1984	of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1985	Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1986	service or sinking fund.
1987	(9)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1988	Transportation Investment Fund.
1989	(b) The fund shall be funded by:
1990	(i) contributions deposited into the fund in accordance with Section 59-12-103;
1991	(ii) appropriations into the account by the Legislature;
1992	(iii) deposits of sales and use tax increment related to a housing and transit
1993	reinvestment zone as described in Section 63N-3-610;
1994	(iv) transfers of local option sales and use tax revenue as described in Subsection
1995	59-12-2220(11)(b) or (c);
1996	(v) private contributions; and
1997	(vi) donations or grants from public or private entities.
1998	(c)(i) The fund shall earn interest.
1999	(ii) All interest earned on fund money shall be deposited into the fund.
2000	(d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:

2001	(i) for public transit capital development of new capacity projects and fixed guideway
2002	capital development projects to be used as prioritized by the commission through
2003	the prioritization process adopted under Section 72-1-304;
2004	(ii) to the department for oversight of a fixed guideway capital development project
2005	for which the department has responsibility; or
2006	(iii) up to \$500,000 per year, to be used for a public transit study.
2007	(e)(i) Subject to Subsections (9)(g), (h), and (i), the commission may only prioritize
2008	money from the fund for a public transit capital development project or pedestrian
2009	or nonmotorized transportation project that provides connection to the public
2010	transit system if the public transit district or political subdivision provides funds of
2011	equal to or greater than 30% of the costs needed for the project.
2012	(ii) A public transit district or political subdivision may use money derived from a
2013	loan granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank
2014	Fund, to provide all or part of the 30% requirement described in Subsection
2015	(9)(e)(i) if:
2016	(A) the loan is approved by the commission as required in Title 72, Chapter 2,
2017	Part 2, State Infrastructure Bank Fund; and
2018	(B) the proposed capital project has been prioritized by the commission pursuant
2019	to Section 72-1-303.
2020	(f) Before July 1, 2022, the department and a large public transit district shall enter into
2021	an agreement for a large public transit district to pay the department \$5,000,000 per
2022	year for 15 years to be used to facilitate the purchase of zero emissions or low
2023	emissions rail engines and trainsets for regional public transit rail systems.
2024	(g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
2025	(i) the commission may prioritize money from the fund for public transit projects,
2026	operations, or maintenance within the county of the first class; and
2027	(ii) Subsection (9)(e) does not apply.
2028	(h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
2029	(i) the commission may prioritize public transit projects, operations, or maintenance
2030	in the county from which the revenue was generated; and
2031	(ii) Subsection (9)(e) does not apply.
2032	(i) The requirement to provide funds equal to or greater than 30% of the costs needed for
2033	the project described in Subsection (9)(e) does not apply to a public transit capital
2034	development project or pedestrian or nonmotorized transportation project that the

2035	department proposes.
2036	(j) In accordance with Part 3, Public Transit Innovation Grants, the commission may
2037	prioritize money from the fund for public transit innovation grants, as defined in
2038	Section 72-2-401, for public transit capital development projects requested by a
2039	political subdivision within a public transit district.
2040	(10)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
2041	Canyons Transportation Investment Fund.
2042	(b) The fund shall be funded by:
2043	(i) money deposited into the fund in accordance with Section 59-12-103;
2044	(ii) appropriations into the account by the Legislature;
2045	(iii) private contributions; and
2046	(iv) donations or grants from public or private entities.
2047	(c)(i) The fund shall earn interest.
2048	(ii) All interest earned on fund money shall be deposited into the fund.
2049	(d) The Legislature may appropriate money from the fund for public transit or
2050	transportation projects in the Cottonwood Canyons of Salt Lake County.
2051	(e) The department may use up to 2% of the revenue deposited into the account under
2052	Subsection 59-12-103(7)(b) to contract with local governments as necessary for
2053	public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
2054	(11)(a) There is created in the Transportation Investment Fund of 2005 the Active
2055	Transportation Investment Fund.
2056	(b) The fund shall be funded by:
2057	(i) money deposited into the fund in accordance with Section 59-12-103;
2058	(ii) appropriations into the account by the Legislature; and
2059	(iii) donations or grants from public or private entities.
2060	(c)(i) The fund shall earn interest.
2061	(ii) All interest earned on fund money shall be deposited into the fund.
2062	(d) The executive director may only use fund money to pay the costs needed for:
2063	(i) the planning, design, construction, maintenance, reconstruction, or renovation of
2064	paved pedestrian or paved nonmotorized trail projects that:
2065	(A) are prioritized by the commission through the prioritization process for new
2066	transportation capacity projects adopted under Section 72-1-304;
2067	(B) serve a regional purpose; and
2068	(C) are part of an active transportation plan approved by the department or the

2069	plan described in Subsection (11)(d)(ii);
2070	(ii) the development of a plan for a statewide network of paved pedestrian or paved
2071	nonmotorized trails that serve a regional purpose; and
2072	(iii) the administration of the fund, including staff and overhead costs.
2073	(12)(a) As used in this Subsection (12), "commuter rail" means the same as that term is
2074	defined in Section 63N-3-602.
2075	(b) There is created in the Transit Transportation Investment Fund the Commuter Rail
2076	Subaccount.
2077	(c) The subaccount shall be funded by:
2078	(i) contributions deposited into the subaccount in accordance with Section 59-12-103;
2079	(ii) appropriations into the subaccount by the Legislature;
2080	(iii) private contributions; and
2081	(iv) donations or grants from public or private entities.
2082	(d)(i) The subaccount shall earn interest.
2083	(ii) All interest earned on money in the subaccount shall be deposited into the
2084	subaccount.
2085	(e) As prioritized by the commission through the prioritization process adopted under
2086	Section 72-1-304 or as directed by the Legislature, the department may only use
2087	money from the subaccount for projects that improve the state's commuter rail
2088	infrastructure, including the building or improvement of grade-separated crossings
2089	between commuter rail lines and public highways.
2090	(f) Appropriations made in accordance with this section are nonlapsing in accordance
2091	with Section 63J-1-602.1.
2092	Section 19. Effective Date.
2093	This hill takes effect on May 7, 2025