

Housing Policy Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Raymond P. Ward
Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill modifies provisions relating to moderate income housing reports and municipal zoning.

Highlighted Provisions:

This bill:

- defines terms;
- amends the required frequency of a moderate income housing progress report;
- provides that an accessory dwelling unit, internal or external, on a lot containing a detached single family dwelling is a permitted use in a residential zone of an urban municipality;
- provides that an urban municipality may not prohibit the use of a modular unit in a residential zone; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

10-9a-505, as last amended by Laws of Utah 2015, Chapter 327

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

ENACTS:

10-9a-505.1, Utah Code Annotated 1953

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

Section 1. Section **10-9a-408** is amended to read:

31 **10-9a-408 . Moderate income housing report -- Contents -- Prioritization for**
32 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

33 (1) As used in this section:

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

36 (b) "Implementation plan" means the implementation plan adopted as part of the
37 moderate income housing element of a specified municipality's general plan as
38 provided in Subsection 10-9a-403(2)(c).

39 (c) "Initial report" or "initial moderate income housing report" means the one-time report
40 described in Subsection (2).

41 (d) "Moderate income housing strategy" means a strategy described in Subsection
42 10-9a-403(2)(b)(iii).

43 (e) "Report" means an initial report or a subsequent progress report.

44 (f) "Specified municipality" means:

45 (i) a city of the first, second, third, or fourth class; or

46 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located
47 within a county of the first, second, or third class.

48 (g) "Subsequent progress report" means the [~~annual~~] triannual report described in
49 Subsection (3).

50 (2)(a) The legislative body of a specified municipality shall submit an initial report to
51 the division.

52 (b)(i) This Subsection (2)(b) applies to a municipality that is not a specified
53 municipality as of January 1, 2023.

54 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from
55 one class to another or grows in population to qualify as a specified municipality,
56 the municipality shall submit an initial plan to the division on or before August 1
57 of the first calendar year beginning on January 1 in which the municipality
58 qualifies as a specified municipality.

59 (c) The initial report shall:

60 (i) identify each moderate income housing strategy selected by the specified
61 municipality for continued, ongoing, or one-time implementation, restating the
62 exact language used to describe the moderate income housing strategy in
63 Subsection 10-9a-403(2)(b)(iii); and

64 (ii) include an implementation plan.

- 65 (3)(a) After the division approves a specified municipality's initial report under this
66 section, the specified municipality shall, as an administrative act, [~~annually~~] submit
67 to the division a subsequent progress report on or before August 1 of each third year
68 after the year in which the specified municipality is required to submit the initial
69 report.
- 70 (b) The subsequent progress report shall include:
- 71 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
72 ongoing, taken by the specified municipality during the previous [~~12~~] 36-month
73 period to implement the moderate income housing strategies identified in the
74 initial report for implementation;
- 75 (ii) a description of each land use regulation or land use decision made by the
76 specified municipality during the previous [~~12~~] 36-month period to implement the
77 moderate income housing strategies, including an explanation of how the land use
78 regulation or land use decision supports the specified municipality's efforts to
79 implement the moderate income housing strategies;
- 80 (iii) a description of any barriers encountered by the specified municipality in the
81 previous [~~12~~] 36-month period in implementing the moderate income housing
82 strategies;
- 83 (iv) information regarding the number of internal and external or detached accessory
84 dwelling units located within the specified municipality for which the specified
85 municipality:
- 86 (A) issued a building permit to construct; or
87 (B) issued a business license or comparable license or permit to rent;
- 88 (v) the number of residential dwelling units that have been entitled that have not
89 received a building permit as of the submission date of the progress report;
- 90 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
91 tables related to zoning;
- 92 (vii) a description of how the market has responded to the selected moderate income
93 housing strategies, including the number of entitled moderate income housing
94 units or other relevant data; and
- 95 (viii) any recommendations on how the state can support the specified municipality
96 in implementing the moderate income housing strategies.
- 97 (c) For purposes of describing actions taken by a specified municipality under
98 Subsection (3)(b)(i), the specified municipality may include an ongoing action taken

- 99 by the specified municipality prior to the [12] 36-month reporting period applicable to
100 the subsequent progress report if the specified municipality:
- 101 (i) has already adopted an ordinance, approved a land use application, made an
102 investment, or approved an agreement or financing that substantially promotes the
103 implementation of a moderate income housing strategy identified in the initial
104 report; and
- 105 (ii) demonstrates in the subsequent progress report that the action taken under
106 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
107 specified municipality's implementation plan.
- 108 (d) A specified municipality's report shall be in a form:
- 109 (i) approved by the division; and
- 110 (ii) made available by the division on or before May 1 of the year in which the report
111 is required.
- 112 (4) Within 90 days after the day on which the division receives a specified municipality's
113 report, the division shall:
- 114 (a) post the report on the division's website;
- 115 (b) send a copy of the report to the Department of Transportation, the Governor's Office
116 of Planning and Budget, the association of governments in which the specified
117 municipality is located, and, if the specified municipality is located within the
118 boundaries of a metropolitan planning organization, the appropriate metropolitan
119 planning organization; and
- 120 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 121 (5)(a) An initial report does not comply with this section unless the report:
- 122 (i) includes the information required under Subsection (2)(c);
- 123 (ii) demonstrates to the division that the specified municipality made plans to
124 implement:
- 125 (A) three or more moderate income housing strategies if the specified
126 municipality does not have a fixed guideway public transit station; or
- 127 (B) subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income
128 housing strategies if the specified municipality has a fixed guideway public
129 transit station; and
- 130 (iii) is in a form approved by the division.
- 131 (b) A subsequent progress report does not comply with this section unless the report:
- 132 (i) demonstrates to the division that the specified municipality made plans to

- 133 implement:
- 134 (A) three or more moderate income housing strategies if the specified
- 135 municipality does not have a fixed guideway public transit station; or
- 136 (B) subject to the requirements of Subsection 10-9a-403(2)(a)(iii)(D), five or more
- 137 moderate income housing strategies if the specified municipality has a fixed
- 138 guideway public transit station;
- 139 (ii) is in a form approved by the division; and
- 140 (iii) provides sufficient information for the division to:
- 141 (A) assess the specified municipality's progress in implementing the moderate
- 142 income housing strategies;
- 143 (B) monitor compliance with the specified municipality's implementation plan;
- 144 (C) identify a clear correlation between the specified municipality's land use
- 145 regulations and land use decisions and the specified municipality's efforts to
- 146 implement the moderate income housing strategies;
- 147 (D) identify how the market has responded to the specified municipality's selected
- 148 moderate income housing strategies; and
- 149 (E) identify any barriers encountered by the specified municipality in
- 150 implementing the selected moderate income housing strategies.
- 151 (6)(a) A specified municipality qualifies for priority consideration under this Subsection
- 152 (6) if the specified municipality's report:
- 153 (i) complies with this section; and
- 154 (ii) demonstrates to the division that the specified municipality made plans to
- 155 implement:
- 156 (A) five or more moderate income housing strategies if the specified municipality
- 157 does not have a fixed guideway public transit station; or
- 158 (B) six or more moderate income housing strategies if the specified municipality
- 159 has a fixed guideway public transit station.
- 160 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 161 give priority consideration to transportation projects located within the boundaries of
- 162 a specified municipality described in Subsection (6)(a) until the Department of
- 163 Transportation receives notice from the division under Subsection (6)(e).
- 164 (c) Upon determining that a specified municipality qualifies for priority consideration
- 165 under this Subsection (6), the division shall send a notice of prioritization to the
- 166 legislative body of the specified municipality and the Department of Transportation.

- 167 (d) The notice described in Subsection (6)(c) shall:
- 168 (i) name the specified municipality that qualifies for priority consideration;
- 169 (ii) describe the funds or projects for which the specified municipality qualifies to
- 170 receive priority consideration; and
- 171 (iii) state the basis for the division's determination that the specified municipality
- 172 qualifies for priority consideration.
- 173 (e) The division shall notify the legislative body of a specified municipality and the
- 174 Department of Transportation in writing if the division determines that the specified
- 175 municipality no longer qualifies for priority consideration under this Subsection (6).
- 176 (7)(a) If the division, after reviewing a specified municipality's report, determines that
- 177 the report does not comply with this section, the division shall send a notice of
- 178 noncompliance to the legislative body of the specified municipality.
- 179 (b) A specified municipality that receives a notice of noncompliance may:
- 180 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 181 of noncompliance is sent; or
- 182 (ii) request an appeal of the division's determination of noncompliance within 10
- 183 days after the day on which the notice of noncompliance is sent.
- 184 (c) The notice described in Subsection (7)(a) shall:
- 185 (i) describe each deficiency in the report and the actions needed to cure each
- 186 deficiency;
- 187 (ii) state that the specified municipality has an opportunity to:
- 188 (A) submit to the division a corrected report that cures each deficiency in the
- 189 report within 90 days after the day on which the notice of compliance is sent; or
- 190 (B) submit to the division a request for an appeal of the division's determination of
- 191 noncompliance within 10 days after the day on which the notice of
- 192 noncompliance is sent; and
- 193 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
- 194 specified municipality's ineligibility for funds under Subsection (9).
- 195 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
- 196 action needed to cure the deficiency as described by the division requires the
- 197 specified municipality to make a legislative change, the specified municipality may
- 198 cure the deficiency by making that legislative change within the 90-day cure period.
- 199 (e)(i) If a specified municipality submits to the division a corrected report in
- 200 accordance with Subsection (7)(b)(i) and the division determines that the

- 201 corrected report does not comply with this section, the division shall send a
202 second notice of noncompliance to the legislative body of the specified
203 municipality within 30 days after the day on which the corrected report is
204 submitted.
- 205 (ii) A specified municipality that receives a second notice of noncompliance may
206 submit to the division a request for an appeal of the division's determination of
207 noncompliance within 10 days after the day on which the second notice of
208 noncompliance is sent.
- 209 (iii) The notice described in Subsection (7)(e)(i) shall:
- 210 (A) state that the specified municipality has an opportunity to submit to the
211 division a request for an appeal of the division's determination of
212 noncompliance within 10 days after the day on which the second notice of
213 noncompliance is sent; and
- 214 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
215 specified municipality's ineligibility for funds under Subsection (9).
- 216 (8)(a) A specified municipality that receives a notice of noncompliance under
217 Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
218 noncompliance within 10 days after the day on which the notice of noncompliance is
219 sent.
- 220 (b) Within 90 days after the day on which the division receives a request for an appeal,
221 an appeal board consisting of the following three members shall review and issue a
222 written decision on the appeal:
- 223 (i) one individual appointed by the Utah League of Cities and Towns;
224 (ii) one individual appointed by the Utah Homebuilders Association; and
225 (iii) one individual appointed by the presiding member of the association of
226 governments, established pursuant to an interlocal agreement under Title 11,
227 Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a
228 member.
- 229 (c) The written decision of the appeal board shall either uphold or reverse the division's
230 determination of noncompliance.
- 231 (d) The appeal board's written decision on the appeal is final.
- 232 (9)(a) A specified municipality is ineligible for funds under this Subsection (9) if:
- 233 (i) the specified municipality fails to submit a report to the division;
234 (ii) after submitting a report to the division, the division determines that the report

- 235 does not comply with this section and the specified municipality fails to:
- 236 (A) cure each deficiency in the report within 90 days after the day on which the
- 237 notice of noncompliance is sent; or
- 238 (B) request an appeal of the division's determination of noncompliance within 10
- 239 days after the day on which the notice of noncompliance is sent;
- 240 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 241 previously submitted report, the division determines that the corrected report does
- 242 not comply with this section and the specified municipality fails to request an
- 243 appeal of the division's determination of noncompliance within 10 days after the
- 244 day on which the second notice of noncompliance is sent; or
- 245 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
- 246 issues a written decision upholding the division's determination of noncompliance.
- 247 (b) The following apply to a specified municipality described in Subsection (9)(a) until
- 248 the division provides notice under Subsection (9)(e):
- 249 (i) the executive director of the Department of Transportation may not program funds
- 250 from the Transportation Investment Fund of 2005, including the Transit
- 251 Transportation Investment Fund, to projects located within the boundaries of the
- 252 specified municipality in accordance with Subsection 72-2-124(5);
- 253 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
- 254 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
- 255 the specified municipality:
- 256 (A) fails to submit the report to the division in accordance with this section,
- 257 beginning the day after the day on which the report was due; or
- 258 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 259 which the cure was required to occur as described in the notice of
- 260 noncompliance under Subsection (7); and
- 261 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
- 262 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
- 263 the specified municipality, in a consecutive year:
- 264 (A) fails to submit the report to the division in accordance with this section,
- 265 beginning the day after the day on which the report was due; or
- 266 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 267 which the cure was required to occur as described in the notice of
- 268 noncompliance under Subsection (7).

269 (c) Upon determining that a specified municipality is ineligible for funds under this
 270 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
 271 division shall send a notice of ineligibility to the legislative body of the specified
 272 municipality, the Department of Transportation, the State Tax Commission, and the
 273 Governor's Office of Planning and Budget.

274 (d) The notice described in Subsection (9)(c) shall:

275 (i) name the specified municipality that is ineligible for funds;

276 (ii) describe the funds for which the specified municipality is ineligible to receive;

277 (iii) describe the fee the specified municipality is required to pay under Subsection
 278 (9)(b), if applicable; and

279 (iv) state the basis for the division's determination that the specified municipality is
 280 ineligible for funds.

281 (e) The division shall notify the legislative body of a specified municipality and the
 282 Department of Transportation in writing if the division determines that the provisions
 283 of this Subsection (9) no longer apply to the specified municipality.

284 (f) The division may not determine that a specified municipality that is required to pay a
 285 fee under Subsection (9)(b) is in compliance with the reporting requirements of this
 286 section until the specified municipality pays all outstanding fees required under
 287 Subsection (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A,
 288 Chapter 8, Part 5, Olene Walker Housing Loan Fund.

289 (10) In a civil action seeking enforcement or claiming a violation of this section or of
 290 Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded
 291 only injunctive or other equitable relief.

292 Section 2. Section **10-9a-505** is amended to read:

293 **10-9a-505 . Zoning districts.**

294 (1)(a) The legislative body may divide the territory over which it has jurisdiction into
 295 zoning districts of a number, shape, and area that it considers appropriate to carry out
 296 the purposes of this chapter.

297 (b) Within those zoning districts, the legislative body may, subject to Section
 298 10-9a-505.1, regulate and restrict the erection, construction, reconstruction,
 299 alteration, repair, or use of buildings and structures, and the use of land.

300 (c) A municipality may enact an ordinance regulating land use and development in a
 301 flood plain or potential geologic hazard area to:

302 (i) protect life; and

- 303 (ii) prevent:
- 304 (A) the substantial loss of real property; or
- 305 (B) substantial damage to real property.
- 306 (2) The legislative body shall ensure that the regulations are uniform for each class or kind
- 307 of buildings throughout each zoning district, but the regulations in one zone may differ
- 308 from those in other zones.
- 309 (3)(a) There is no minimum area or diversity of ownership requirement for a zone
- 310 designation.
- 311 (b) Neither the size of a zoning district nor the number of landowners within the district
- 312 may be used as evidence of the illegality of a zoning district or of the invalidity of a
- 313 municipal decision.
- 314 (4) A municipality may by ordinance exempt from specific zoning district standards a
- 315 subdivision of land to accommodate the siting of a public utility infrastructure.

316 Section 3. Section **10-9a-505.1** is enacted to read:

317 **10-9a-505.1 . Accessory dwelling unit permitted in an urban municipality.**

- 318 (1) As used in this section:
- 319 (a) "Adjacent neighbor" means the owner of a property that has a shared boundary with
- 320 a property on which an owner has applied to build an external accessory dwelling
- 321 unit.
- 322 (b) "Urban municipality" means a municipality in a county of the first or second class.
- 323 (2) A single accessory dwelling unit, internal or external, is a permitted use if it is built:
- 324 (a) in a residential zone of an urban municipality; and
- 325 (b) on a lot that contains a detached single family dwelling.
- 326 (3) An urban municipality may not require an external accessory dwelling unit to have:
- 327 (a) larger setbacks than are required of a single family dwelling in the same zone; or
- 328 (b) have a larger setback than is required for safety purposes if the impacted adjacent
- 329 neighbor has consented in writing to the placement of the external accessory dwelling
- 330 unit.
- 331 (4) An urban municipality may not prohibit the use of a modular unit in a residential zone if
- 332 the modular unit complies with the requirements of Title 15A, Chapter 1, Part 3, Factory
- 333 Built Housing and Modular Units Administration Act.

334 Section 4. Section **17-27a-408** is amended to read:

335 **17-27a-408 . Moderate income housing report -- Contents -- Prioritization for**

336 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

- 337 (1) As used in this section:
- 338 (a) "Division" means the Housing and Community Development Division within the
339 Department of Workforce Services.
- 340 (b) "Implementation plan" means the implementation plan adopted as part of the
341 moderate income housing element of a specified county's general plan as provided in
342 Subsection 17-27a-403(2)(g).
- 343 (c) "Initial report" means the one-time moderate income housing report described in
344 Subsection (2).
- 345 (d) "Moderate income housing strategy" means a strategy described in Subsection
346 17-27a-403(2)(b)(ii).
- 347 (e) "Report" means an initial report or a subsequent report.
- 348 (f) "Specified county" means a county of the first, second, or third class, which has a
349 population of more than 5,000 in the county's unincorporated areas.
- 350 (g) "Subsequent progress report" means the [~~annual~~] triannual moderate income housing
351 report described in Subsection (3).
- 352 (2)(a) The legislative body of a specified county shall [~~annually~~]submit an initial report
353 to the division.
- 354 (b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of
355 January 1, 2023.
- 356 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one
357 class to another or grows in population to qualify as a specified county, the county
358 shall submit an initial plan to the division on or before August 1 of the first
359 calendar year beginning on January 1 in which the county qualifies as a specified
360 county.
- 361 (c) The initial report shall:
- 362 (i) identify each moderate income housing strategy selected by the specified county
363 for continued, ongoing, or one-time implementation, using the exact language
364 used to describe the moderate income housing strategy in Subsection 17-27a-403
365 (2)(b)(ii); and
- 366 (ii) include an implementation plan.
- 367 (3)(a) After the division approves a specified county's initial report under this section,
368 the specified county shall, as an administrative act, [~~annually~~]submit to the division a
369 subsequent progress report on or before August 1 of each third year after the year in
370 which the specified county is required to submit the initial report.

- 371 (b) The subsequent progress report shall include:
- 372 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
- 373 ongoing, taken by the specified county during the previous [~~12~~] 36-month period
- 374 to implement the moderate income housing strategies identified in the initial
- 375 report for implementation;
- 376 (ii) a description of each land use regulation or land use decision made by the
- 377 specified county during the previous [~~12~~] 36-month period to implement the
- 378 moderate income housing strategies, including an explanation of how the land use
- 379 regulation or land use decision supports the specified county's efforts to
- 380 implement the moderate income housing strategies;
- 381 (iii) a description of any barriers encountered by the specified county in the previous [
- 382 ~~12~~] 36-month period in implementing the moderate income housing strategies;
- 383 (iv) the number of residential dwelling units that have been entitled that have not
- 384 received a building permit as of the submission date of the progress report;
- 385 (v) shapefiles, or website links if shapefiles are not available, to current maps and
- 386 tables related to zoning;
- 387 (vi) information regarding the number of internal and external or detached accessory
- 388 dwelling units located within the specified county for which the specified county:
- 389 (A) issued a building permit to construct; or
- 390 (B) issued a business license or comparable license or permit to rent;
- 391 (vii) a description of how the market has responded to the selected moderate income
- 392 housing strategies, including the number of entitled moderate income housing
- 393 units or other relevant data; and
- 394 (viii) any recommendations on how the state can support the specified county in
- 395 implementing the moderate income housing strategies.
- 396 (c) For purposes of describing actions taken by a specified county under Subsection
- 397 (3)(b)(i), the specified county may include an ongoing action taken by the specified
- 398 county prior to the [~~12~~] 36-month reporting period applicable to the subsequent
- 399 progress report if the specified county:
- 400 (i) has already adopted an ordinance, approved a land use application, made an
- 401 investment, or approved an agreement or financing that substantially promotes the
- 402 implementation of a moderate income housing strategy identified in the initial
- 403 report; and
- 404 (ii) demonstrates in the subsequent progress report that the action taken under

- 405 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
406 specified county's implementation plan.
- 407 (d) A specified county's report shall be in a form:
- 408 (i) approved by the division; and
- 409 (ii) made available by the division on or before May 1 of the year in which the report
410 is required.
- 411 (4) Within 90 days after the day on which the division receives a specified county's report,
412 the division shall:
- 413 (a) post the report on the division's website;
- 414 (b) send a copy of the report to the Department of Transportation, the Governor's Office
415 of Planning and Budget, the association of governments in which the specified
416 county is located, and, if the unincorporated area of the specified county is located
417 within the boundaries of a metropolitan planning organization, the appropriate
418 metropolitan planning organization; and
- 419 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 420 (5)(a) An initial report does not comply with this section unless the report:
- 421 (i) includes the information required under Subsection (2)(c);
- 422 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county
423 made plans to implement three or more moderate income housing strategies; and
- 424 (iii) is in a form approved by the division.
- 425 (b) A subsequent progress report does not comply with this section unless the report:
- 426 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county
427 made plans to implement three or more moderate income housing strategies;
- 428 (ii) is in a form approved by the division; and
- 429 (iii) provides sufficient information for the division to:
- 430 (A) assess the specified county's progress in implementing the moderate income
431 housing strategies;
- 432 (B) monitor compliance with the specified county's implementation plan;
- 433 (C) identify a clear correlation between the specified county's land use decisions
434 and efforts to implement the moderate income housing strategies;
- 435 (D) identify how the market has responded to the specified county's selected
436 moderate income housing strategies; and
- 437 (E) identify any barriers encountered by the specified county in implementing the
438 selected moderate income housing strategies.

- 439 (c)(i) This Subsection (5)(c) applies to a specified county that has created a small
440 public transit district, as defined in Section 17B-2a-802, on or before January 1,
441 2022.
- 442 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a
443 specified county described in Subsection (5)(c)(i) does not comply with this
444 section unless the report demonstrates to the division that the specified county:
445 (A) made plans to implement the moderate income housing strategy described in
446 Subsection 17-27a-403(2)(b)(ii)(Q); and
447 (B) is in compliance with Subsection 63N-3-603(8).
- 448 (6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
449 the specified county's report:
- 450 (i) complies with this section; and
451 (ii) demonstrates to the division that the specified county made plans to implement
452 five or more moderate income housing strategies.
- 453 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
454 give priority consideration to transportation projects located within the
455 unincorporated areas of a specified county described in Subsection (6)(a) until the
456 Department of Transportation receives notice from the division under Subsection
457 (6)(e).
- 458 (c) Upon determining that a specified county qualifies for priority consideration under
459 this Subsection (6), the division shall send a notice of prioritization to the legislative
460 body of the specified county and the Department of Transportation.
- 461 (d) The notice described in Subsection (6)(c) shall:
- 462 (i) name the specified county that qualifies for priority consideration;
463 (ii) describe the funds or projects for which the specified county qualifies to receive
464 priority consideration; and
465 (iii) state the basis for the division's determination that the specified county qualifies
466 for priority consideration.
- 467 (e) The division shall notify the legislative body of a specified county and the
468 Department of Transportation in writing if the division determines that the specified
469 county no longer qualifies for priority consideration under this Subsection (6).
- 470 (7)(a) If the division, after reviewing a specified county's report, determines that the
471 report does not comply with this section, the division shall send a notice of
472 noncompliance to the legislative body of the specified county.

- 473 (b) A specified county that receives a notice of noncompliance may:
- 474 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 475 of noncompliance is sent; or
- 476 (ii) request an appeal of the division's determination of noncompliance within 10
- 477 days after the day on which the notice of noncompliance is sent.
- 478 (c) The notice described in Subsection (7)(a) shall:
- 479 (i) describe each deficiency in the report and the actions needed to cure each
- 480 deficiency;
- 481 (ii) state that the specified county has an opportunity to:
- 482 (A) submit to the division a corrected report that cures each deficiency in the
- 483 report within 90 days after the day on which the notice of noncompliance is
- 484 sent; or
- 485 (B) submit to the division a request for an appeal of the division's determination of
- 486 noncompliance within 10 days after the day on which the notice of
- 487 noncompliance is sent; and
- 488 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
- 489 specified county's ineligibility for funds and fees owed under Subsection (9).
- 490 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
- 491 action needed to cure the deficiency as described by the division requires the
- 492 specified county to make a legislative change, the specified county may cure the
- 493 deficiency by making that legislative change within the 90-day cure period.
- 494 (e)(i) If a specified county submits to the division a corrected report in accordance
- 495 with Subsection (7)(b)(i), and the division determines that the corrected report
- 496 does not comply with this section, the division shall send a second notice of
- 497 noncompliance to the legislative body of the specified county.
- 498 (ii) A specified county that receives a second notice of noncompliance may request
- 499 an appeal of the division's determination of noncompliance within 10 days after
- 500 the day on which the second notice of noncompliance is sent.
- 501 (iii) The notice described in Subsection (7)(e)(i) shall:
- 502 (A) state that the specified county has an opportunity to submit to the division a
- 503 request for an appeal of the division's determination of noncompliance within
- 504 10 days after the day on which the second notice of noncompliance is sent; and
- 505 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
- 506 specified county's ineligibility for funds under Subsection (9).

- 507 (8)(a) A specified county that receives a notice of noncompliance under Subsection
508 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
509 noncompliance within 10 days after the day on which the notice of noncompliance is
510 sent.
- 511 (b) Within 90 days after the day on which the division receives a request for an appeal,
512 an appeal board consisting of the following three members shall review and issue a
513 written decision on the appeal:
- 514 (i) one individual appointed by the Utah Association of Counties;
515 (ii) one individual appointed by the Utah Homebuilders Association; and
516 (iii) one individual appointed by the presiding member of the association of
517 governments, established pursuant to an interlocal agreement under Title 11,
518 Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 519 (c) The written decision of the appeal board shall either uphold or reverse the division's
520 determination of noncompliance.
- 521 (d) The appeal board's written decision on the appeal is final.
- 522 (9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9)
523 if:
- 524 (i) the specified county fails to submit a report to the division;
525 (ii) after submitting a report to the division, the division determines that the report
526 does not comply with this section and the specified county fails to:
- 527 (A) cure each deficiency in the report within 90 days after the day on which the
528 notice of noncompliance is sent; or
529 (B) request an appeal of the division's determination of noncompliance within 10
530 days after the day on which the notice of noncompliance is sent;
- 531 (iii) after submitting to the division a corrected report to cure the deficiencies in a
532 previously submitted report, the division determines that the corrected report does
533 not comply with this section and the specified county fails to request an appeal of
534 the division's determination of noncompliance within 10 days after the day on
535 which the second notice of noncompliance is sent; or
- 536 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
537 issues a written decision upholding the division's determination of noncompliance.
- 538 (b) The following apply to a specified county described in Subsection (9)(a) until the
539 division provides notice under Subsection (9)(e):
- 540 (i) the executive director of the Department of Transportation may not program funds

- 541 from the Transportation Investment Fund of 2005, including the Transit
542 Transportation Investment Fund, to projects located within the unincorporated
543 areas of the specified county in accordance with Subsection 72-2-124(6);
- 544 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
545 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
546 specified county:
- 547 (A) fails to submit the report to the division in accordance with this section,
548 beginning the day after the day on which the report was due; or
- 549 (B) fails to cure the deficiencies in the report, beginning the day after the day by
550 which the cure was required to occur as described in the notice of
551 noncompliance under Subsection (7); and
- 552 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
553 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
554 specified county, for a consecutive year:
- 555 (A) fails to submit the report to the division in accordance with this section,
556 beginning the day after the day on which the report was due; or
- 557 (B) fails to cure the deficiencies in the report, beginning the day after the day by
558 which the cure was required to occur as described in the notice of
559 noncompliance under Subsection (7).
- 560 (c) Upon determining that a specified county is ineligible for funds under this
561 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
562 division shall send a notice of ineligibility to the legislative body of the specified
563 county, the Department of Transportation, the State Tax Commission, and the
564 Governor's Office of Planning and Budget.
- 565 (d) The notice described in Subsection (9)(c) shall:
- 566 (i) name the specified county that is ineligible for funds;
- 567 (ii) describe the funds for which the specified county is ineligible to receive;
- 568 (iii) describe the fee the specified county is required to pay under Subsection (9)(b),
569 if applicable; and
- 570 (iv) state the basis for the division's determination that the specified county is
571 ineligible for funds.
- 572 (e) The division shall notify the legislative body of a specified county and the
573 Department of Transportation in writing if the division determines that the provisions
574 of this Subsection (9) no longer apply to the specified county.

575 (f) The division may not determine that a specified county that is required to pay a fee
576 under Subsection (9)(b) is in compliance with the reporting requirements of this
577 section until the specified county pays all outstanding fees required under Subsection
578 (9)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,
579 Part 5, Olene Walker Housing Loan Fund.

580 (10) In a civil action seeking enforcement or claiming a violation of this section or of
581 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded
582 only injunctive or other equitable relief.

583 Section 5. **Effective date.**

584 This bill takes effect on May 7, 2025.