

Housing Affordability Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Stephen L. Whyte

LONG TITLE**General Description:**

This bill enacts and amends provisions related to housing and affordable housing funding.

Highlighted Provisions:

This bill:

- defines and amends terms;
- enacts provisions of municipal land use regulation with regard to certain types of parking spaces;
- repeals the Olene Walker Housing Loan Fund;
- repeals the private activity bond program;
- creates the Olene Walker State Housing Fund from the Olene Walker Housing Loan Fund and private activity bond program to consolidate administration of funds allocated for affordable housing across the state;
- provides exceptions; 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-534, as last amended by Laws of Utah 2024, Chapter 415

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

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

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

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

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

31 **59-2-1101**, as last amended by Laws of Utah 2024, Chapter 254
32 **63B-1b-202**, as last amended by Laws of Utah 2022, Chapters 362, 451

33 ENACTS:

34 **35A-8-2501**, Utah Code Annotated 1953
35 **35A-8-2502**, Utah Code Annotated 1953
36 **35A-8-2503**, Utah Code Annotated 1953
37 **35A-8-2504**, Utah Code Annotated 1953
38 **35A-8-2505**, Utah Code Annotated 1953
39 **35A-8-2506**, Utah Code Annotated 1953
40 **35A-8-2507**, Utah Code Annotated 1953
41 **35A-8-2508**, Utah Code Annotated 1953
42 **35A-8-2509**, Utah Code Annotated 1953
43 **35A-8-2510**, Utah Code Annotated 1953
44 **35A-8-2511**, Utah Code Annotated 1953
45 **35A-8-2512**, Utah Code Annotated 1953
46 **35A-8-2513**, Utah Code Annotated 1953
47 **38A-8-2514**, Utah Code Annotated 1953

48 REPEALS:

49 **35A-8-501**, as last amended by Laws of Utah 2017, Chapter 279
50 **35A-8-502**, as renumbered and amended by Laws of Utah 2012, Chapter 212
51 **35A-8-503**, as last amended by Laws of Utah 2024, Chapter 431
52 **35A-8-504**, as last amended by Laws of Utah 2024, Chapter 413
53 **35A-8-505**, as last amended by Laws of Utah 2021, Chapters 102, 333
54 **35A-8-506**, as last amended by Laws of Utah 2017, Chapter 279
55 **35A-8-507**, as last amended by Laws of Utah 2016, Chapter 131
56 **35A-8-508**, as last amended by Laws of Utah 2022, Chapter 406
57 **35A-8-509**, as last amended by Laws of Utah 2024, Chapter 381
58 **35A-8-510**, as last amended by Laws of Utah 2022, Chapter 406
59 **35A-8-511**, as last amended by Laws of Utah 2022, Chapter 406
60 **35A-8-512**, as last amended by Laws of Utah 2022, Chapter 406
61 **35A-8-513**, as last amended by Laws of Utah 2022, Chapter 406
62 **35A-8-2101**, as renumbered and amended by Laws of Utah 2018, Chapter 182
63 **35A-8-2102**, as renumbered and amended by Laws of Utah 2018, Chapter 182
64 **35A-8-2103**, as last amended by Laws of Utah 2024, Chapter 529

65 **35A-8-2104**, as renumbered and amended by Laws of Utah 2018, Chapter 182
 66 **35A-8-2105**, as last amended by Laws of Utah 2022, Chapters 68, 406
 67 **35A-8-2106**, as last amended by Laws of Utah 2022, Chapter 406
 68 **35A-8-2107**, as renumbered and amended by Laws of Utah 2018, Chapter 182
 69 **35A-8-2108**, as renumbered and amended by Laws of Utah 2018, Chapter 182
 70 **35A-8-2109**, as renumbered and amended by Laws of Utah 2018, Chapter 182
 71 **35A-8-2110**, as renumbered and amended by Laws of Utah 2018, Chapter 182

72

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

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

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

77 (1) As used in this section:

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

80 (b) "Implementation plan" means the implementation plan adopted as part of the
 81 moderate income housing element of a specified municipality's general plan as
 82 provided in [~~Subsection 10-9a-403(2)(e)~~] Section 10-9a-403.

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

85 (d) "Moderate income housing strategy" means a strategy described in [~~Subsection~~
 86 ~~10-9a-403(2)(b)(iii)~~] Section 10-9a-403.

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

88 (f) "Specified municipality" means:

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

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

92 (g) "Subsequent progress report" means the annual report described in Subsection (3).

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

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

97 (ii) As of January 1, if a municipality described in Subsection (2)(b)(i) changes from
 98 one class to another or grows in population to qualify as a specified municipality,

99 the municipality shall submit an initial plan to the division on or before August 1
100 of the first calendar year beginning on January 1 in which the municipality
101 qualifies as a specified municipality.

102 (c) The initial report shall:

103 (i) identify each moderate income housing strategy selected by the specified
104 municipality for continued, ongoing, or one-time implementation, restating the
105 exact language used to describe the moderate income housing strategy in [
106 ~~Subsection 10-9a-403(2)(b)(iii)] Section 10-9a-403; and~~

107 (ii) include an implementation plan.

108 (3)(a) After the division approves a specified municipality's initial report under this
109 section, the specified municipality shall, as an administrative act, annually submit to
110 the division a subsequent progress report on or before August 1 of each year after the
111 year in which the specified municipality is required to submit the initial report.

112 (b) The subsequent progress report shall include:

113 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
114 ongoing, taken by the specified municipality during the previous 12-month period
115 to implement the moderate income housing strategies identified in the initial
116 report for implementation;

117 (ii) a description of each land use regulation or land use decision made by the
118 specified municipality during the previous 12-month period to implement the
119 moderate income housing strategies, including an explanation of how the land use
120 regulation or land use decision supports the specified municipality's efforts to
121 implement the moderate income housing strategies;

122 (iii) a description of any barriers encountered by the specified municipality in the
123 previous 12-month period in implementing the moderate income housing
124 strategies;

125 (iv) information regarding the number of internal and external or detached accessory
126 dwelling units located within the specified municipality for which the specified
127 municipality:

128 (A) issued a building permit to construct; or

129 (B) issued a business license or comparable license or permit to rent;

130 (v) the number of residential dwelling units that have been entitled that have not
131 received a building permit as of the submission date of the progress report;

132 (vi) shapefiles, or website links if shapefiles are not available, to current maps and

- 133 tables related to zoning;
- 134 (vii) a description of how the market has responded to the selected moderate income
135 housing strategies, including the number of entitled moderate income housing
136 units or other relevant data; and
- 137 (viii) any recommendations on how the state can support the specified municipality
138 in implementing the moderate income housing strategies.
- 139 (c) For purposes of describing actions taken by a specified municipality under
140 Subsection (3)(b)(i), the specified municipality may include an ongoing action taken
141 by the specified municipality prior to the 12-month reporting period applicable to the
142 subsequent progress report if the specified municipality:
- 143 (i) has already adopted an ordinance, approved a land use application, made an
144 investment, or approved an agreement or financing that substantially promotes the
145 implementation of a moderate income housing strategy identified in the initial
146 report; and
- 147 (ii) demonstrates in the subsequent progress report that the action taken under
148 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
149 specified municipality's implementation plan.
- 150 (d) A specified municipality's report shall be in a form:
- 151 (i) approved by the division; and
- 152 (ii) made available by the division on or before May 1 of the year in which the report
153 is required.
- 154 (4) Within 90 days after the day on which the division receives a specified municipality's
155 report, the division shall:
- 156 (a) post the report on the division's website;
- 157 (b) send a copy of the report to the Department of Transportation, the Governor's Office
158 of Planning and Budget, the association of governments in which the specified
159 municipality is located, and, if the specified municipality is located within the
160 boundaries of a metropolitan planning organization, the appropriate metropolitan
161 planning organization; and
- 162 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 163 (5)(a) An initial report does not comply with this section unless the report:
- 164 (i) includes the information required under Subsection (2)(c);
- 165 (ii) demonstrates to the division that the specified municipality made plans to
166 implement:

- 167 (A) three or more moderate income housing strategies if the specified
168 municipality does not have a fixed guideway public transit station; or
169 (B) subject to [~~Subsection 10-9a-403(2)(b)(iv)] Section 13-9a-403, five or more
170 moderate income housing strategies if the specified municipality has a fixed
171 guideway public transit station; and
172 (iii) is in a form approved by the division.~~
- 173 (b) A subsequent progress report does not comply with this section unless the report:
174 (i) demonstrates to the division that the specified municipality made plans to
175 implement:
176 (A) three or more moderate income housing strategies if the specified
177 municipality does not have a fixed guideway public transit station; or
178 (B) subject to the requirements of [~~Subsection 10-9a-403(2)(a)(iii)(D)] Section
179 10-9a-403, five or more moderate income housing strategies if the specified
180 municipality has a fixed guideway public transit station;
181 (ii) is in a form approved by the division; and
182 (iii) provides sufficient information for the division to:
183 (A) assess the specified municipality's progress in implementing the moderate
184 income housing strategies;
185 (B) monitor compliance with the specified municipality's implementation plan;
186 (C) identify a clear correlation between the specified municipality's land use
187 regulations and land use decisions and the specified municipality's efforts to
188 implement the moderate income housing strategies;
189 (D) identify how the market has responded to the specified municipality's selected
190 moderate income housing strategies; and
191 (E) identify any barriers encountered by the specified municipality in
192 implementing the selected moderate income housing strategies.~~
- 193 (6)(a) A specified municipality qualifies for priority consideration under this Subsection
194 (6) if the specified municipality's report:
195 (i) complies with this section; and
196 (ii) demonstrates to the division that the specified municipality made plans to
197 implement:
198 (A) five or more moderate income housing strategies if the specified municipality
199 does not have a fixed guideway public transit station; or
200 (B) six or more moderate income housing strategies if the specified municipality

- 201 has a fixed guideway public transit station.
- 202 (b) The Transportation Commission may, in accordance with [~~Subsection 72-1-304(3)(e)~~]
203 Section 72-1-304, give priority consideration to transportation projects located within
204 the boundaries of a specified municipality described in Subsection (6)(a) until the
205 Department of Transportation receives notice from the division under Subsection
206 (6)(e).
- 207 (c) Upon determining that a specified municipality qualifies for priority consideration
208 under this Subsection (6), the division shall send a notice of prioritization to the
209 legislative body of the specified municipality and the Department of Transportation.
- 210 (d) The notice described in Subsection (6)(c) shall:
- 211 (i) name the specified municipality that qualifies for priority consideration;
212 (ii) describe the funds or projects for which the specified municipality qualifies to
213 receive priority consideration; and
214 (iii) state the basis for the division's determination that the specified municipality
215 qualifies for priority consideration.
- 216 (e) The division shall notify the legislative body of a specified municipality and the
217 Department of Transportation in writing if the division determines that the specified
218 municipality no longer qualifies for priority consideration under this Subsection (6).
- 219 (7)(a) If the division, after reviewing a specified municipality's report, determines that
220 the report does not comply with this section, the division shall send a notice of
221 noncompliance to the legislative body of the specified municipality.
- 222 (b) A specified municipality that receives a notice of noncompliance may:
- 223 (i) cure each deficiency in the report within 90 days after the day on which the notice
224 of noncompliance is sent; or
225 (ii) request an appeal of the division's determination of noncompliance within 10
226 days after the day on which the notice of noncompliance is sent.
- 227 (c) The notice described in Subsection (7)(a) shall:
- 228 (i) describe each deficiency in the report and the actions needed to cure each
229 deficiency;
230 (ii) state that the specified municipality has an opportunity to:
- 231 (A) submit to the division a corrected report that cures each deficiency in the
232 report within 90 days after the day on which the notice of compliance is sent; or
233 (B) submit to the division a request for an appeal of the division's determination of
234 noncompliance within 10 days after the day on which the notice of

- 235 noncompliance is sent; and
- 236 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
237 specified municipality's ineligibility for funds under Subsection (9).
- 238 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
239 action needed to cure the deficiency as described by the division requires the
240 specified municipality to make a legislative change, the specified municipality may
241 cure the deficiency by making that legislative change within the 90-day cure period.
- 242 (e)(i) If a specified municipality submits to the division a corrected report in
243 accordance with Subsection (7)(b)(i) and the division determines that the
244 corrected report does not comply with this section, the division shall send a
245 second notice of noncompliance to the legislative body of the specified
246 municipality within 30 days after the day on which the corrected report is
247 submitted.
- 248 (ii) A specified municipality that receives a second notice of noncompliance may
249 submit to the division a request for an appeal of the division's determination of
250 noncompliance within 10 days after the day on which the second notice of
251 noncompliance is sent.
- 252 (iii) The notice described in Subsection (7)(e)(i) shall:
- 253 (A) state that the specified municipality has an opportunity to submit to the
254 division a request for an appeal of the division's determination of
255 noncompliance within 10 days after the day on which the second notice of
256 noncompliance is sent; and
- 257 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
258 specified municipality's ineligibility for funds under Subsection (9).
- 259 (8)(a) A specified municipality that receives a notice of noncompliance under
260 Subsection (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
261 noncompliance within 10 days after the day on which the notice of noncompliance is
262 sent.
- 263 (b) Within 90 days after the day on which the division receives a request for an appeal,
264 an appeal board consisting of the following three members shall review and issue a
265 written decision on the appeal:
- 266 (i) one individual appointed by the Utah League of Cities and Towns;
267 (ii) one individual appointed by the Utah Homebuilders Association; and
268 (iii) one individual appointed by the presiding member of the association of

269 governments, established pursuant to an interlocal agreement under Title 11,
270 Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a
271 member.

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

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

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

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

277 (ii) after submitting a report to the division, the division determines that the report
278 does not comply with this section and the specified municipality fails to:

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

281 (B) request an appeal of the division's determination of noncompliance within 10
282 days after the day on which the notice of noncompliance is sent;

283 (iii) after submitting to the division a corrected report to cure the deficiencies in a
284 previously submitted report, the division determines that the corrected report does
285 not comply with this section and the specified municipality fails to request an
286 appeal of the division's determination of noncompliance within 10 days after the
287 day on which the second notice of noncompliance is sent; or

288 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
289 issues a written decision upholding the division's determination of noncompliance.

290 (b) The following apply to a specified municipality described in Subsection (9)(a) until
291 the division provides notice under Subsection (9)(e):

292 (i) the executive director of the Department of Transportation may not program funds
293 from the Transportation Investment Fund of 2005, including the Transit
294 Transportation Investment Fund, to projects located within the boundaries of the
295 specified municipality in accordance with Subsection 72-2-124(5);

296 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
297 fee to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund
298 in the amount of \$250 per day that the specified municipality:

299 (A) fails to submit the report to the division in accordance with this section,
300 beginning the day after the day on which the report was due; or

301 (B) fails to cure the deficiencies in the report, beginning the day after the day by
302 which the cure was required to occur as described in the notice of

- 303 noncompliance under Subsection (7); and
- 304 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
- 305 a fee to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund
- 306 in the amount of \$500 per day that the specified municipality, in a consecutive
- 307 year:
- 308 (A) fails to submit the report to the division in accordance with this section,
- 309 beginning the day after the day on which the report was due; or
- 310 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 311 which the cure was required to occur as described in the notice of
- 312 noncompliance under Subsection (7).
- 313 (c) Upon determining that a specified municipality is ineligible for funds under this
- 314 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
- 315 division shall send a notice of ineligibility to the legislative body of the specified
- 316 municipality, the Department of Transportation, the State Tax Commission, and the
- 317 Governor's Office of Planning and Budget.
- 318 (d) The notice described in Subsection (9)(c) shall:
- 319 (i) name the specified municipality that is ineligible for funds;
- 320 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 321 (iii) describe the fee the specified municipality is required to pay under Subsection
- 322 (9)(b), if applicable; and
- 323 (iv) state the basis for the division's determination that the specified municipality is
- 324 ineligible for funds.
- 325 (e) The division shall notify the legislative body of a specified municipality and the
- 326 Department of Transportation in writing if the division determines that the provisions
- 327 of this Subsection (9) no longer apply to the specified municipality.
- 328 (f) The division may not determine that a specified municipality that is required to pay a
- 329 fee under Subsection (9)(b) is in compliance with the reporting requirements of this
- 330 section until the specified municipality pays all outstanding fees required under
- 331 Subsection (9)(b) to the [~~Olene Walker Housing Loan Fund, created under Title 35A,~~
- 332 ~~Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] Olene Walker State Housing
- 333 Fund, created in Section 35A-8-2502.
- 334 (10) In a civil action seeking enforcement or claiming a violation of this section or of
- 335 Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded
- 336 only injunctive or other equitable relief.

337 Section 2. Section **10-9a-534** is amended to read:

338 **10-9a-534 . Regulation of building design elements prohibited -- Regulation of**
 339 **parking spaces prohibited -- Exceptions.**

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

341 (a) "Affordable housing" means housing occupied or reserved for occupancy:

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

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

345 (b) [~~"building~~] "Building design element" means:

346 [~~(a)~~] (i) exterior color;

347 [~~(b)~~] (ii) type or style of exterior cladding material;

348 [~~(c)~~] (iii) style, dimensions, or materials of a roof structure, roof pitch, or porch;

349 [~~(d)~~] (iv) exterior nonstructural architectural ornamentation;

350 [~~(e)~~] (v) location, design, placement, or architectural styling of a window or door;

351 [~~(f)~~] (vi) location, design, placement, or architectural styling of a garage door, not
 352 including a rear-loading garage door;

353 [~~(g)~~] (vii) number or type of rooms;

354 [~~(h)~~] (viii) interior layout of a room;

355 [~~(i)~~] (ix) minimum square footage over 1,000 square feet, not including a garage;

356 [~~(j)~~] (x) rear yard landscaping requirements;

357 [~~(k)~~] (xi) minimum building dimensions; or

358 [~~(l)~~] (xii) a requirement to install front yard fencing.

359 (2) Except as provided in Subsection (3), a municipality may not impose a requirement for
 360 a building design element on a one- or two-family dwelling.

361 (3) Subsection (2) does not apply to:

362 (a) a dwelling located within an area designated as a historic district in:

363 (i) the National Register of Historic Places;

364 (ii) the state register as defined in Section 9-8a-402; or

365 (iii) a local historic district or area, or a site designated as a local landmark, created
 366 by ordinance before January 1, 2021, except as provided under Subsection (3)(b);

367 (b) an ordinance enacted as a condition for participation in the National Flood Insurance
 368 Program administered by the Federal Emergency Management Agency;

369 (c) an ordinance enacted to implement the requirements of the Utah Wildland Urban
 370 Interface Code adopted under Section 15A-2-103;

- 371 (d) building design elements agreed to under a development agreement;
- 372 (e) a dwelling located within an area that:
- 373 (i) is zoned primarily for residential use; and
- 374 (ii) was substantially developed before calendar year 1950;
- 375 (f) an ordinance enacted to implement water efficient landscaping in a rear yard;
- 376 (g) an ordinance enacted to regulate type of cladding, in response to findings or evidence
- 377 from the construction industry of:
- 378 (i) defects in the material of existing cladding; or
- 379 (ii) consistent defects in the installation of existing cladding;
- 380 (h) a land use regulation, including a planned unit development or overlay zone, that a
- 381 property owner requests:
- 382 (i) the municipality to apply to the owner's property; and
- 383 (ii) in exchange for an increase in density or other benefit not otherwise available as a
- 384 permitted use in the zoning area or district; or
- 385 (i) an ordinance enacted to mitigate the impacts of an accidental explosion:
- 386 (i) in excess of 20,000 pounds of trinitrotoluene equivalent;
- 387 (ii) that would create overpressure waves greater than .2 pounds per square inch; and
- 388 (iii) that would pose a risk of damage to a window, garage door, or carport of a
- 389 facility located within the vicinity of the regulated area.
- 390 (4) A municipality may not:
- 391 (a) require that the dimensions of a single parking space be:
- 392 (i) for covered parking:
- 393 (A) more than 10 feet wide; or
- 394 (B) more than 20 feet long; or
- 395 (ii) for uncovered parking:
- 396 (A) more than nine feet wide; or
- 397 (B) more than 18 feet long;
- 398 (b) restrict tandem parking spaces from satisfying a minimum parking space requirement;
- 399 (c) except as provided in Subsection (5), restrict the placement of a parking space or
- 400 detached garage on a lot shared by a single-family dwelling;
- 401 (d) except as provided in Subsection (6), require that a parking space be:
- 402 (i) in a garage, whether attached or detached from the single-family dwelling or
- 403 two-family dwelling; or
- 404 (ii) covered by a permanent structure; or

405 (e) include in a development agreement or in any other approval of a land use
 406 application a condition which would violate a provision in Subsections (4)(a)
 407 through (d) unless the applicant first requests the condition in exchange for:
 408 (i) an increase in density; or
 409 (ii) another benefit to the community not otherwise available as a permitted use in the
 410 zoned area or district.

411 (5) A municipality may adopt an ordinance restricting the placement of a parking space or
 412 detached garage on a lot shared by a single-family dwelling:
 413 (a) to ensure standard setbacks in the zoned area or district;
 414 (b) to protect an easement utilized by the municipality or another political subdivision;
 415 (c) for fire prevention in a wildland-urban interface, as defined in Section 65A-8-215; or
 416 (d) for ground water runoff control.

417 (6) A municipality may adopt an ordinance to require on-site paved parking on a lot shared
 418 by a single-family dwelling.

419 Section 3. Section **17-27a-408** is amended to read:

420 **17-27a-408 . Moderate income housing report -- Contents -- Prioritization for**
 421 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

422 (1) As used in this section:

- 423 (a) "Division" means the Housing and Community Development Division within the
 424 Department of Workforce Services.
- 425 (b) "Implementation plan" means the implementation plan adopted as part of the
 426 moderate income housing element of a specified county's general plan as provided in [
 427 ~~Subsection 17-27a-403(2)(g)~~] Section 17-27a-403.
- 428 (c) "Initial report" means the one-time moderate income housing report described in
 429 Subsection (2).
- 430 (d) "Moderate income housing strategy" means a strategy described in [~~Subsection~~
 431 ~~17-27a-403(2)(b)(ii)~~] Section 17-37a-403.
- 432 (e) "Report" means an initial report or a subsequent report.
- 433 (f) "Specified county" means a county of the first, second, or third class, which has a
 434 population of more than 5,000 in the county's unincorporated areas.
- 435 (g) "Subsequent progress report" means the annual moderate income housing report
 436 described in Subsection (3).

437 (2)(a) The legislative body of a specified county shall annually submit an initial report to
 438 the division.

- 439 (b)(i) This Subsection (2)(b) applies to a county that is not a specified county as of
440 January 1, 2023.
- 441 (ii) As of January 1, if a county described in Subsection (2)(b)(i) changes from one
442 class to another or grows in population to qualify as a specified county, the county
443 shall submit an initial plan to the division on or before August 1 of the first
444 calendar year beginning on January 1 in which the county qualifies as a specified
445 county.
- 446 (c) The initial report shall:
- 447 (i) identify each moderate income housing strategy selected by the specified county
448 for continued, ongoing, or one-time implementation, using the exact language
449 used to describe the moderate income housing strategy in [~~Subsection 17-27a-403~~
450 ~~(2)(b)(ii)~~] Section 17-27a-403; and
- 451 (ii) include an implementation plan.
- 452 (3)(a) After the division approves a specified county's initial report under this section,
453 the specified county shall, as an administrative act, annually submit to the division a
454 subsequent progress report on or before August 1 of each year after the year in which
455 the specified county is required to submit the initial report.
- 456 (b) The subsequent progress report shall include:
- 457 (i) subject to Subsection (3)(c), a description of each action, whether one-time or
458 ongoing, taken by the specified county during the previous 12-month period to
459 implement the moderate income housing strategies identified in the initial report
460 for implementation;
- 461 (ii) a description of each land use regulation or land use decision made by the
462 specified county during the previous 12-month period to implement the moderate
463 income housing strategies, including an explanation of how the land use
464 regulation or land use decision supports the specified county's efforts to
465 implement the moderate income housing strategies;
- 466 (iii) a description of any barriers encountered by the specified county in the previous
467 12-month period in implementing the moderate income housing strategies;
- 468 (iv) the number of residential dwelling units that have been entitled that have not
469 received a building permit as of the submission date of the progress report;
- 470 (v) shapefiles, or website links if shapefiles are not available, to current maps and
471 tables related to zoning;
- 472 (vi) information regarding the number of internal and external or detached accessory

- 473 dwelling units located within the specified county for which the specified county:
474 (A) issued a building permit to construct; or
475 (B) issued a business license or comparable license or permit to rent;
- 476 (vii) a description of how the market has responded to the selected moderate income
477 housing strategies, including the number of entitled moderate income housing
478 units or other relevant data; and
- 479 (viii) any recommendations on how the state can support the specified county in
480 implementing the moderate income housing strategies.
- 481 (c) For purposes of describing actions taken by a specified county under Subsection
482 (3)(b)(i), the specified county may include an ongoing action taken by the specified
483 county prior to the 12-month reporting period applicable to the subsequent progress
484 report if the specified county:
- 485 (i) has already adopted an ordinance, approved a land use application, made an
486 investment, or approved an agreement or financing that substantially promotes the
487 implementation of a moderate income housing strategy identified in the initial
488 report; and
- 489 (ii) demonstrates in the subsequent progress report that the action taken under
490 Subsection (3)(c)(i) is relevant to making meaningful progress towards the
491 specified county's implementation plan.
- 492 (d) A specified county's report shall be in a form:
- 493 (i) approved by the division; and
494 (ii) made available by the division on or before May 1 of the year in which the report
495 is required.
- 496 (4) Within 90 days after the day on which the division receives a specified county's report,
497 the division shall:
- 498 (a) post the report on the division's website;
499 (b) send a copy of the report to the Department of Transportation, the Governor's Office
500 of Planning and Budget, the association of governments in which the specified
501 county is located, and, if the unincorporated area of the specified county is located
502 within the boundaries of a metropolitan planning organization, the appropriate
503 metropolitan planning organization; and
- 504 (c) subject to Subsection (5), review the report to determine compliance with this section.
- 505 (5)(a) An initial report does not comply with this section unless the report:
- 506 (i) includes the information required under Subsection (2)(c);

- 507 (ii) subject to Subsection (5)(c), demonstrates to the division that the specified county
508 made plans to implement three or more moderate income housing strategies; and
509 (iii) is in a form approved by the division.
- 510 (b) A subsequent progress report does not comply with this section unless the report:
- 511 (i) subject to Subsection (5)(c), demonstrates to the division that the specified county
512 made plans to implement three or more moderate income housing strategies;
513 (ii) is in a form approved by the division; and
514 (iii) provides sufficient information for the division to:
- 515 (A) assess the specified county's progress in implementing the moderate income
516 housing strategies;
517 (B) monitor compliance with the specified county's implementation plan;
518 (C) identify a clear correlation between the specified county's land use decisions
519 and efforts to implement the moderate income housing strategies;
520 (D) identify how the market has responded to the specified county's selected
521 moderate income housing strategies; and
522 (E) identify any barriers encountered by the specified county in implementing the
523 selected moderate income housing strategies.
- 524 (c)(i) This Subsection (5)(c) applies to a specified county that has created a small
525 public transit district, as defined in Section 17B-2a-802, on or before January 1,
526 2022.
- 527 (ii) In addition to the requirements of Subsections (5)(a) and (b), a report for a
528 specified county described in Subsection (5)(c)(i) does not comply with this
529 section unless the report demonstrates to the division that the specified county:
- 530 (A) made plans to implement the moderate income housing strategy described in [
531 ~~Subsection 17-27a-403(2)(b)(ii)(Q)~~ Section 17-27a-403; and
532 (B) is in compliance with [~~Subsection 63N-3-603(8)~~ Section 63N-3-603.
- 533 (6)(a) A specified county qualifies for priority consideration under this Subsection (6) if
534 the specified county's report:
- 535 (i) complies with this section; and
536 (ii) demonstrates to the division that the specified county made plans to implement
537 five or more moderate income housing strategies.
- 538 (b) The Transportation Commission may, in accordance with [~~Subsection 72-1-304(3)(e)~~
539 Section 72-1-304], give priority consideration to transportation projects located within
540 the unincorporated areas of a specified county described in Subsection (6)(a) until the

- 541 Department of Transportation receives notice from the division under Subsection
542 (6)(e).
- 543 (c) Upon determining that a specified county qualifies for priority consideration under
544 this Subsection (6), the division shall send a notice of prioritization to the legislative
545 body of the specified county and the Department of Transportation.
- 546 (d) The notice described in Subsection (6)(c) shall:
- 547 (i) name the specified county that qualifies for priority consideration;
- 548 (ii) describe the funds or projects for which the specified county qualifies to receive
549 priority consideration; and
- 550 (iii) state the basis for the division's determination that the specified county qualifies
551 for priority consideration.
- 552 (e) The division shall notify the legislative body of a specified county and the
553 Department of Transportation in writing if the division determines that the specified
554 county no longer qualifies for priority consideration under this Subsection (6).
- 555 (7)(a) If the division, after reviewing a specified county's report, determines that the
556 report does not comply with this section, the division shall send a notice of
557 noncompliance to the legislative body of the specified county.
- 558 (b) A specified county that receives a notice of noncompliance may:
- 559 (i) cure each deficiency in the report within 90 days after the day on which the notice
560 of noncompliance is sent; or
- 561 (ii) request an appeal of the division's determination of noncompliance within 10
562 days after the day on which the notice of noncompliance is sent.
- 563 (c) The notice described in Subsection (7)(a) shall:
- 564 (i) describe each deficiency in the report and the actions needed to cure each
565 deficiency;
- 566 (ii) state that the specified county has an opportunity to:
- 567 (A) submit to the division a corrected report that cures each deficiency in the
568 report within 90 days after the day on which the notice of noncompliance is
569 sent; or
- 570 (B) submit to the division a request for an appeal of the division's determination of
571 noncompliance within 10 days after the day on which the notice of
572 noncompliance is sent; and
- 573 (iii) state that failure to take action under Subsection (7)(c)(ii) will result in the
574 specified county's ineligibility for funds and fees owed under Subsection (9).

- 575 (d) For purposes of curing the deficiencies in a report under this Subsection (7), if the
576 action needed to cure the deficiency as described by the division requires the
577 specified county to make a legislative change, the specified county may cure the
578 deficiency by making that legislative change within the 90-day cure period.
- 579 (e)(i) If a specified county submits to the division a corrected report in accordance
580 with Subsection (7)(b)(i), and the division determines that the corrected report
581 does not comply with this section, the division shall send a second notice of
582 noncompliance to the legislative body of the specified county.
- 583 (ii) A specified county that receives a second notice of noncompliance may request
584 an appeal of the division's determination of noncompliance within 10 days after
585 the day on which the second notice of noncompliance is sent.
- 586 (iii) The notice described in Subsection (7)(e)(i) shall:
- 587 (A) state that the specified county has an opportunity to submit to the division a
588 request for an appeal of the division's determination of noncompliance within
589 10 days after the day on which the second notice of noncompliance is sent; and
590 (B) state that failure to take action under Subsection (7)(e)(iii)(A) will result in the
591 specified county's ineligibility for funds under Subsection (9).
- 592 (8)(a) A specified county that receives a notice of noncompliance under Subsection
593 (7)(a) or (7)(e)(i) may request an appeal of the division's determination of
594 noncompliance within 10 days after the day on which the notice of noncompliance is
595 sent.
- 596 (b) Within 90 days after the day on which the division receives a request for an appeal,
597 an appeal board consisting of the following three members shall review and issue a
598 written decision on the appeal:
- 599 (i) one individual appointed by the Utah Association of Counties;
600 (ii) one individual appointed by the Utah Homebuilders Association; and
601 (iii) one individual appointed by the presiding member of the association of
602 governments, established pursuant to an interlocal agreement under Title 11,
603 Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 604 (c) The written decision of the appeal board shall either uphold or reverse the division's
605 determination of noncompliance.
- 606 (d) The appeal board's written decision on the appeal is final.
- 607 (9)(a) A specified county is ineligible for funds and owes a fee under this Subsection (9)
608 if:

- 609 (i) the specified county fails to submit a report to the division;
- 610 (ii) after submitting a report to the division, the division determines that the report
- 611 does not comply with this section and the specified county fails to:
- 612 (A) cure each deficiency in the report within 90 days after the day on which the
- 613 notice of noncompliance is sent; or
- 614 (B) request an appeal of the division's determination of noncompliance within 10
- 615 days after the day on which the notice of noncompliance is sent;
- 616 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 617 previously submitted report, the division determines that the corrected report does
- 618 not comply with this section and the specified county fails to request an appeal of
- 619 the division's determination of noncompliance within 10 days after the day on
- 620 which the second notice of noncompliance is sent; or
- 621 (iv) after submitting a request for an appeal under Subsection (8), the appeal board
- 622 issues a written decision upholding the division's determination of noncompliance.
- 623 (b) The following apply to a specified county described in Subsection (9)(a) until the
- 624 division provides notice under Subsection (9)(e):
- 625 (i) the executive director of the Department of Transportation may not program funds
- 626 from the Transportation Investment Fund of 2005, including the Transit
- 627 Transportation Investment Fund, to projects located within the unincorporated
- 628 areas of the specified county in accordance with [~~Subsection 72-2-124(6)~~] Section
- 629 72-2-124;
- 630 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
- 631 to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund in
- 632 the amount of \$250 per day that the specified county:
- 633 (A) fails to submit the report to the division in accordance with this section,
- 634 beginning the day after the day on which the report was due; or
- 635 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 636 which the cure was required to occur as described in the notice of
- 637 noncompliance under Subsection (7); and
- 638 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
- 639 to the [~~Olene Walker Housing Loan Fund~~] Olene Walker State Housing Fund in
- 640 the amount of \$500 per day that the specified county, for a consecutive year:
- 641 (A) fails to submit the report to the division in accordance with this section,
- 642 beginning the day after the day on which the report was due; or

643 (B) fails to cure the deficiencies in the report, beginning the day after the day by
 644 which the cure was required to occur as described in the notice of
 645 noncompliance under Subsection (7).

646 (c) Upon determining that a specified county is ineligible for funds under this
 647 Subsection (9), and is required to pay a fee under Subsection (9)(b), if applicable, the
 648 division shall send a notice of ineligibility to the legislative body of the specified
 649 county, the Department of Transportation, the State Tax Commission, and the
 650 Governor's Office of Planning and Budget.

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

652 (i) name the specified county that is ineligible for funds;

653 (ii) describe the funds for which the specified county is ineligible to receive;

654 (iii) describe the fee the specified county is required to pay under Subsection (9)(b),
 655 if applicable; and

656 (iv) state the basis for the division's determination that the specified county is
 657 ineligible for funds.

658 (e) The division shall notify the legislative body of a specified county and the
 659 Department of Transportation in writing if the division determines that the provisions
 660 of this Subsection (9) no longer apply to the specified county.

661 (f) The division may not determine that a specified county that is required to pay a fee
 662 under Subsection (9)(b) is in compliance with the reporting requirements of this
 663 section until the specified county pays all outstanding fees required under Subsection
 664 (9)(b) to the [~~Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,~~
 665 ~~Part 5, Olene Walker Housing Loan Fund]~~ Olene Walker State Housing Fund, created
 666 in Section 35A-8-2502.

667 (10) In a civil action seeking enforcement or claiming a violation of this section or of [
 668 ~~Subsection 17-27a-404(5)(e)] Section 17-27a-404, a plaintiff may not recover damages
 669 but may be awarded only injunctive or other equitable relief.~~

670 Section 4. Section **17C-1-102** is amended to read:

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

672 As used in this title:

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

675 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%,
 676 that an agency is authorized to receive:

- 677 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
678 increment under Subsection 17C-1-403(3);
- 679 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
680 increment under Section 17C-1-406;
- 681 (c) under a project area budget approved by a taxing entity committee; or
- 682 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
683 tax increment.
- 684 (3) "Affordable housing" means housing owned or occupied by a low or moderate income
685 family, as determined by resolution of the agency.
- 686 (4) "Agency" or "community reinvestment agency" means a separate body corporate and
687 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community
688 development and renewal agency under previous law:
- 689 (a) that is a political subdivision of the state;
- 690 (b) that is created to undertake or promote project area development as provided in this
691 title; and
- 692 (c) whose geographic boundaries are coterminous with:
- 693 (i) for an agency created by a county, the unincorporated area of the county; and
694 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 695 (5) "Agency funds" means money that an agency collects or receives for agency operations,
696 implementing a project area plan or an implementation plan as defined in Section
697 17C-1-1001, or other agency purposes, including:
- 698 (a) project area funds;
- 699 (b) income, proceeds, revenue, or property derived from or held in connection with the
700 agency's undertaking and implementation of project area development or
701 agency-wide project development as defined in Section 17C-1-1001;
- 702 (c) a contribution, loan, grant, or other financial assistance from any public or private
703 source;
- 704 (d) project area incremental revenue as defined in Section 17C-1-1001; or
- 705 (e) property tax revenue as defined in Section 17C-1-1001.
- 706 (6) "Annual income" means the same as that term is defined in regulations of the United
707 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as
708 amended or as superseded by replacement regulations.
- 709 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 710 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of

- 711 this title, a property's taxable value as shown upon the assessment roll last equalized
712 during the base year.
- 713 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during
714 which the assessment roll is last equalized:
- 715 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,
716 before the project area plan's effective date;
- 717 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,
718 or a community reinvestment project area plan that is subject to a taxing entity
719 committee:
- 720 (i) before the date on which the taxing entity committee approves the project area
721 budget; or
- 722 (ii) if taxing entity committee approval is not required for the project area budget,
723 before the date on which the community legislative body adopts the project area
724 plan;
- 725 (c) for a project on an inactive airport site, after the later of:
- 726 (i) the date on which the inactive airport site is sold for remediation and
727 development; or
- 728 (ii) the date on which the airport that operated on the inactive airport site ceased
729 operations; or
- 730 (d) for a community development project area plan or a community reinvestment project
731 area plan that is subject to an interlocal agreement, as described in the interlocal
732 agreement.
- 733 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum
734 basic levy under Section 59-2-902.
- 735 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 736 (12) "Budget hearing" means the public hearing on a proposed project area budget required
737 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection
738 17C-3-201(2)(d) for an economic development project area budget, or Subsection
739 17C-5-302(2)(e) for a community reinvestment project area budget.
- 740 (13) "Closed military base" means land within a former military base that the Defense Base
741 Closure and Realignment Commission has voted to close or realign when that action has
742 been sustained by the president of the United States and Congress.
- 743 (14) "Combined incremental value" means the combined total of all incremental values
744 from all project areas, except project areas that contain some or all of a military

- 745 installation or inactive industrial site, within the agency's boundaries under project area
746 plans and project area budgets at the time that a project area budget for a new project
747 area is being considered.
- 748 (15) "Community" means a county or municipality.
- 749 (16) "Community development project area plan" means a project area plan adopted under
750 Chapter 4, Part 1, Community Development Project Area Plan.
- 751 (17) "Community legislative body" means the legislative body of the community that
752 created the agency.
- 753 (18) "Community reinvestment project area plan" means a project area plan adopted under
754 Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 755 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title
756 78A, Judiciary and Judicial Administration, and in a county in which the agency is
757 located if the action is filed in the district court.
- 758 (20) "Development impediment" means a condition of an area that meets the requirements
759 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405
760 for a community reinvestment project area.
- 761 (21) "Development impediment hearing" means a public hearing regarding whether a
762 development impediment exists within a proposed:
- 763 (a) urban renewal project area under [~~Subsection 17C-2-102(1)(a)(i)(C) and Section~~
764 ~~17C-2-302]~~ Sections 17C-2-102 and 17C-2-302; or
- 765 (b) community reinvestment project area under Section 17C-5-404.
- 766 (22) "Development impediment study" means a study to determine whether a development
767 impediment exists within a survey area as described in Section 17C-2-301 for an urban
768 renewal project area or Section 17C-5-403 for a community reinvestment project area.
- 769 (23) "Economic development project area plan" means a project area plan adopted under
770 Chapter 3, Part 1, Economic Development Project Area Plan.
- 771 (24) "Fair share ratio" means the ratio derived by:
- 772 (a) for a municipality, comparing the percentage of all housing units within the
773 municipality that are publicly subsidized income targeted housing units to the
774 percentage of all housing units within the county in which the municipality is located
775 that are publicly subsidized income targeted housing units; or
- 776 (b) for the unincorporated part of a county, comparing the percentage of all housing
777 units within the unincorporated county that are publicly subsidized income targeted
778 housing units to the percentage of all housing units within the whole county that are

- 779 publicly subsidized income targeted housing units.
- 780 (25) "Family" means the same as that term is defined in regulations of the United States
781 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended
782 or as superseded by replacement regulations.
- 783 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 784 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
785 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
786 toxic substance, or identified as hazardous to human health or the environment, under
787 state or federal law or regulation.
- 788 (28) "Housing allocation" means project area funds allocated for housing under Section
789 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 790 (29) "Housing fund" means a fund created by an agency for purposes described in Section
791 17C-1-411 or 17C-1-412 that is comprised of:
- 792 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
793 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
794 described in Section 17C-1-411; or
- 795 (b) an agency's housing allocation.
- 796 (30)(a) "Inactive airport site" means land that:
- 797 (i) consists of at least 100 acres;
- 798 (ii) is occupied by an airport:
- 799 (A)(I) that is no longer in operation as an airport; or
- 800 (II)(Aa) that is scheduled to be decommissioned; and
- 801 (Bb) for which a replacement commercial service airport is under
802 construction; and
- 803 (B) that is owned or was formerly owned and operated by a public entity; and
- 804 (iii) requires remediation because:
- 805 (A) of the presence of hazardous waste or solid waste; or
- 806 (B) the site lacks sufficient public infrastructure and facilities, including public
807 roads, electric service, water system, and sewer system, needed to support
808 development of the site.
- 809 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
810 described in Subsection (30)(a).
- 811 (31)(a) "Inactive industrial site" means land that:
- 812 (i) consists of at least 1,000 acres;

- 813 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
814 facility; and
- 815 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 816 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land
817 described in Subsection (31)(a).
- 818 (32) "Income targeted housing" means housing that is:
- 819 (a) owned and occupied by a family whose annual income is at or below 120% of the
820 median annual income for a family within the county in which the housing is located;
821 or
- 822 (b) occupied by a family whose annual income is at or below 80% of the median annual
823 income for a family within the county in which the housing is located.
- 824 (33) "Incremental value" means a figure derived by multiplying the marginal value of the
825 property located within a project area on which tax increment is collected by a number
826 that represents the adjusted tax increment from that project area that is paid to the
827 agency.
- 828 (34) "Loan fund board" means the [~~Olene Walker Housing Loan Fund Board, established~~
829 ~~under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.~~] Olene Walker
830 State Housing Fund Board, created in Section 35A-8-2503.
- 831 (35)(a) "Local government building" means a building owned and operated by a
832 community for the primary purpose of providing one or more primary community
833 functions, including:
- 834 (i) a fire station;
835 (ii) a police station;
836 (iii) a city hall; or
837 (iv) a court or other judicial building.
- 838 (b) "Local government building" does not include a building the primary purpose of
839 which is cultural or recreational in nature.
- 840 (36) "Major transit investment corridor" means the same as that term is defined in Section
841 10-9a-103.
- 842 (37) "Marginal value" means the difference between actual taxable value and base taxable
843 value.
- 844 (38) "Military installation project area" means a project area or a portion of a project area
845 located within a federal military installation ordered closed by the federal Defense Base
846 Realignment and Closure Commission.

- 847 (39) "Municipality" means a city_or town.
- 848 (40) "Participant" means one or more persons that enter into a participation agreement with
849 an agency.
- 850 (41) "Participation agreement" means a written agreement between a person and an agency
851 under [~~Subsection 17C-1-202(5)~~] Section 17C-1-202.
- 852 (42) "Plan hearing" means the public hearing on a proposed project area plan required
853 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
854 17C-3-102(1)(d) for an economic development project area plan, Subsection 17C-4-102
855 (1)(d) for a community development project area plan, or Subsection 17C-5-104(3)(e)
856 for a community reinvestment project area plan.
- 857 (43) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after
858 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the
859 project area plan's adoption.
- 860 (44) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,
861 1993, whether or not amended subsequent to the project area plan's adoption.
- 862 (45) "Private," with respect to real property, means property not owned by a public entity or
863 any other governmental entity.
- 864 (46) "Project area" means the geographic area described in a project area plan within which
865 the project area development described in the project area plan takes place or is
866 proposed to take place.
- 867 (47) "Project area budget" means a multiyear projection of annual or cumulative revenues
868 and expenses and other fiscal matters pertaining to a project area prepared in accordance
869 with:
- 870 (a) for an urban renewal project area, Section 17C-2-201;
871 (b) for an economic development project area, Section 17C-3-201;
872 (c) for a community development project area, Section 17C-4-204; or
873 (d) for a community reinvestment project area, Section 17C-5-302.
- 874 (48) "Project area development" means activity within a project area that, as determined by
875 the board, encourages, promotes, or provides development or redevelopment for the
876 purpose of implementing a project area plan, including:
- 877 (a) promoting, creating, or retaining public or private jobs within the state or a
878 community;
879 (b) providing office, manufacturing, warehousing, distribution, parking, or other
880 facilities or improvements;

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

- 915 (53) "Public entity" means:
- 916 (a) the United States, including an agency of the United States;
- 917 (b) the state, including any of the state's departments or agencies; or
- 918 (c) a political subdivision of the state, including a county, municipality, school district,
- 919 special district, special service district, community reinvestment agency, or interlocal
- 920 cooperation entity.
- 921 (54) "Publicly owned infrastructure and improvements" means water, sewer, storm
- 922 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,
- 923 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
- 924 facilities, or other facilities, infrastructure, and improvements benefitting the public and
- 925 to be publicly owned or publicly maintained or operated.
- 926 (55) "Record property owner" or "record owner of property" means the owner of real
- 927 property, as shown on the records of the county in which the property is located, to
- 928 whom the property's tax notice is sent.
- 929 (56) "Sales and use tax revenue" means revenue that is:
- 930 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
- 931 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.
- 932 (57) "Superfund site":
- 933 (a) means an area included in the National Priorities List under the Comprehensive
- 934 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.
- 935 9605; and
- 936 (b) includes an area formerly included in the National Priorities List, as described in
- 937 Subsection (57)(a), but removed from the list following remediation that leaves on
- 938 site the waste that caused the area to be included in the National Priorities List.
- 939 (58) "Survey area" means a geographic area designated for study by a survey area
- 940 resolution to determine whether:
- 941 (a) one or more project areas within the survey area are feasible; or
- 942 (b) a development impediment exists within the survey area.
- 943 (59) "Survey area resolution" means a resolution adopted by a board that designates a
- 944 survey area.
- 945 (60) "Taxable value" means:
- 946 (a) the taxable value of all real property a county assessor assesses in accordance with
- 947 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
- 948 (b) the taxable value of all real and personal property the commission assesses in

949 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
950 year; and

951 (c) the year end taxable value of all personal property a county assessor assesses in
952 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
953 prior year's tax rolls of the taxing entity.

954 (61)(a) "Tax increment" means the difference between:

955 (i) the amount of property tax revenue generated each tax year by a taxing entity from
956 the area within a project area designated in the project area plan as the area from
957 which tax increment is to be collected, using the current assessed value of the
958 property and each taxing entity's current certified tax rate as defined in Section
959 59-2-924; and

960 (ii) the amount of property tax revenue that would be generated from that same area
961 using the base taxable value of the property and each taxing entity's current
962 certified tax rate as defined in Section 59-2-924.

963 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
964 on or after January 1, 1994, upon the taxable property in the project area unless:

965 (i) the project area plan was adopted before May 4, 1993, whether or not the project
966 area plan was subsequently amended; and

967 (ii) the taxes were pledged to support bond indebtedness or other contractual
968 obligations of the agency.

969 (62) "Taxing entity" means a public entity that:

970 (a) levies a tax on property located within a project area; or

971 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

972 (63) "Taxing entity committee" means a committee representing the interests of taxing
973 entities, created in accordance with Section 17C-1-402.

974 (64) "Unincorporated" means not within a municipality.

975 (65) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,
976 Part 1, Urban Renewal Project Area Plan.

977 Section 5. Section **17C-1-412** is amended to read:

978 **17C-1-412 . Use of housing allocation -- Separate accounting required -- Issuance**
979 **of bonds for housing -- Action to compel agency to provide housing allocation.**

980 (1)(a) An agency shall use the agency's housing allocation to:

981 (i) pay part or all of the cost of land or construction of income targeted housing

982 within the boundary of the agency, if practicable in a mixed income development

- 983 or area;
- 984 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
985 boundary of the agency;
- 986 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
987 private entity or business, or nonprofit corporation for income targeted housing
988 within the boundary of the agency;
- 989 (iv) plan or otherwise promote income targeted housing within the boundary of the
990 agency;
- 991 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
992 any building, facility, structure, or other housing improvement, including
993 infrastructure improvements, related to housing located in a project area where a
994 board has determined that a development impediment exists;
- 995 (vi) replace housing units lost as a result of the project area development;
- 996 (vii) make payments on or establish a reserve fund for bonds:
- 997 (A) issued by the agency, the community, or the housing authority that provides
998 income targeted housing within the community; and
- 999 (B) all or part of the proceeds of which are used within the community for the
1000 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1001 (viii) if the community's fair share ratio at the time of the first adoption of the project
1002 area budget is at least 1.1 to 1.0, make payments on bonds:
- 1003 (A) that were previously issued by the agency, the community, or the housing
1004 authority that provides income targeted housing within the community; and
- 1005 (B) all or part of the proceeds of which were used within the community for the
1006 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1007 (ix) relocate mobile home park residents displaced by project area development;
- 1008 (x) subject to Subsection (7), transfer funds to a community that created the agency;
1009 or
- 1010 (xi) pay for or make a contribution toward the acquisition, construction, or
1011 rehabilitation of housing that:
- 1012 (A) is located in the same county as the agency;
- 1013 (B) is owned in whole or in part by, or is dedicated to supporting, a public
1014 nonprofit college or university; and
- 1015 (C) only students of the relevant college or university, including the students'
1016 immediate families, occupy.

- 1017 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
 1018 any portion of the agency's housing allocation to:
- 1019 (i) the community for use as described in Subsection (1)(a);
- 1020 (ii) a housing authority that provides income targeted housing within the community
 1021 for use in providing income targeted housing within the community;
- 1022 (iii) a housing authority established by the county in which the agency is located for
 1023 providing:
- 1024 (A) income targeted housing within the county;
- 1025 (B) permanent housing, permanent supportive housing, or a transitional facility, as
 1026 defined in Section 35A-5-302, within the county; or
- 1027 (C) homeless assistance within the county;
- 1028 (iv) [~~the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,~~
 1029 ~~Part 5, Olene Walker Housing Loan Fund]~~ the Olene Walker State Housing Fund,
 1030 created in Section 35A-8-2502, for use in providing income targeted housing
 1031 within the community;
- 1032 (v) pay for or make a contribution toward the acquisition, construction, or
 1033 rehabilitation of income targeted housing that is outside of the community if the
 1034 housing is located along or near a major transit investment corridor that services
 1035 the community and the related project has been approved by the community in
 1036 which the housing is or will be located;
- 1037 (vi) pay for or make a contribution toward the acquisition, construction, or
 1038 rehabilitation of income targeted housing that is outside of the community if there
 1039 is an interlocal agreement between the agency and the receiving community; or
- 1040 (vii) pay for or make a contribution toward the expansion of child care facilities
 1041 within the boundary of the agency, provided that any recipient of funds from the
 1042 agency's housing allocation reports annually to the agency on how the funds were
 1043 used.
- 1044 (2)(a) An agency may combine all or any portion of the agency's housing allocation with
 1045 all or any portion of one or more additional agency's housing allocations if the
 1046 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,
 1047 Interlocal Cooperation Act.
- 1048 (b) An agency that has entered into an interlocal agreement as described in Subsection
 1049 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing
 1050 allocation meets the requirements for at least one agency that is a party to the

1051 interlocal agreement.

1052 (3) The agency shall create a housing fund and separately account for the agency's housing
1053 allocation, together with all interest earned by the housing allocation and all payments or
1054 repayments for loans, advances, or grants from the housing allocation.

1055 (4) An agency may:

1056 (a) issue bonds to finance a housing-related project under this section, including the
1057 payment of principal and interest upon advances for surveys and plans or preliminary
1058 loans; and

1059 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
1060 (4)(a) previously issued by the agency.

1061 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the
1062 housing fund each year in which the agency receives sufficient tax increment to make
1063 a housing allocation required by the project area budget.

1064 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

1065 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing
1066 allocation in accordance with the project area budget and the housing plan adopted
1067 under [~~Subsection 17C-2-204(2)~~] Section 17C-2-204, the loan fund board may bring
1068 legal action to compel the agency to provide the housing allocation.

1069 (b) In an action under Subsection (6)(a), the court:

1070 (i) shall award the loan fund board reasonable attorney fees, unless the court finds
1071 that the action was frivolous; and

1072 (ii) may not award the agency the agency's attorney fees, unless the court finds that
1073 the action was frivolous.

1074 (7) For the purpose of offsetting the community's annual local contribution to the Homeless
1075 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a
1076 calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and
1077 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined
1078 in Subsection 59-12-205(4).

1079 (8) An agency shall spend, encumber, or allot the money contributed to the housing fund
1080 under Subsection (5)(a) within six years from the day on which the agency first receives
1081 the money.

1082 Section 6. Section **35A-8-803** is amended to read:

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

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

- 1085 (a) the division shall:
- 1086 (i) provide a clearinghouse of information for federal, state, and local housing
- 1087 assistance programs;
- 1088 (ii) establish, in cooperation with political subdivisions, model plans and
- 1089 management methods to encourage or provide for the development of affordable
- 1090 housing that may be adopted by political subdivisions by reference;
- 1091 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of
- 1092 problems relating to housing needs, such as:
- 1093 (A) inadequate supply of dwellings;
- 1094 (B) substandard dwellings; and
- 1095 (C) inability of medium and low income families to obtain adequate housing;
- 1096 (iv) provide the information obtained under Subsection (1)(a)(iii) to:
- 1097 (A) political subdivisions;
- 1098 (B) real estate developers;
- 1099 (C) builders;
- 1100 (D) lending institutions;
- 1101 (E) affordable housing advocates; and
- 1102 (F) others having use for the information;
- 1103 (v) advise political subdivisions of serious housing problems existing within their
- 1104 jurisdiction that require concerted public action for solution;
- 1105 (vi) assist political subdivisions in defining housing objectives and in preparing for
- 1106 adoption a plan of action covering a five-year period designed to accomplish
- 1107 housing objectives within their jurisdiction;
- 1108 (vii) for municipalities or counties required to submit an annual moderate income
- 1109 housing report to the department as described in Section 10-9a-408 or 17-27a-408:
- 1110 (A) assist in the creation of the reports; and
- 1111 (B) review the reports to meet the requirements of Sections 10-9a-408 and
- 1112 17-27a-408;
- 1113 (viii) establish and maintain a database of moderate income housing units located
- 1114 within the state; and
- 1115 (ix) on or before December 1, 2022, develop and submit to the Commission on
- 1116 Housing Affordability a methodology for determining whether a municipality or
- 1117 county is taking sufficient measures to protect and promote moderate income
- 1118 housing in accordance with the provisions of Sections 10-9a-403 and 17-27a-403;

1119 and
 1120 (b) within legislative appropriations, the division may accept for and on behalf of, and
 1121 bind the state to, any federal housing or homeless program in which the state is
 1122 invited, permitted, or authorized to participate in the distribution, disbursement, or
 1123 administration of any funds or service advanced, offered, or contributed in whole or
 1124 in part by the federal government.

1125 (2) The administration of any federal housing program in which the state is invited,
 1126 permitted, or authorized to participate in distribution, disbursement, or administration of
 1127 funds or services, except those administered by the Utah Housing Corporation, is
 1128 governed by [~~Sections 35A-8-501 through 35A-8-508~~] Sections 35A-8-2501 through
 1129 35A-8-2514.

1130 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1131 department shall make rules describing the review process for moderate income housing
 1132 reports described in Subsection (1)(a)(vii).

1133 Section 7. Section **35A-8-2401** is amended to read:

1134 **35A-8-2401 . Pass-through funding agreements -- Accounting for expenditures of**
 1135 **a housing organization.**

1136 (1) As used in this section:

1137 (a) "Housing organization" means an entity that:

1138 (i) manages a portfolio of investments;

1139 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of
 1140 affordable housing through property investment; and

1141 (iii) is controlled by a registered nonprofit.

1142 (b) "Pass-through funding" means state money appropriated by the Legislature to the
 1143 department with the intent that the department grant or otherwise disburse the state
 1144 money to a third party.

1145 (c) "Rural" means the same as that term is defined in [~~Section 35A-8-501~~] Section
 1146 35A-8-2501.

1147 (2)(a) This section applies to funds appropriated by the Legislature to the department for
 1148 pass-through to a housing organization.

1149 (b) The department shall ensure that pass-through funding granted or distributed before
 1150 May 1, 2024 to a housing organization is subject to an agreement as described in this
 1151 section, either through amending existing agreements or canceling existing
 1152 agreements and issuing new agreements.

- 1153 (3)(a) The department shall create agreements governing the use of pass-through
1154 funding as described in this section.
- 1155 (b) Before a housing organization may accept pass-through funding pursuant to this
1156 section, the entity shall enter into an agreement with the department governing the
1157 use of pass-through funding.
- 1158 (4) An agreement for pass-through funding shall require, at a minimum:
- 1159 (a) the housing organization match pass-through funding with private funding at no less
1160 than a 70% private, 30% state split;
- 1161 (b) all pass-through funding be used by the housing organization to invest in housing
1162 units that are rented at rates affordable to households with an annual income at or
1163 below 80% of the area median income for a family within the county in which the
1164 housing is located;
- 1165 (c) that 50% of pass-through funding be used by the housing organization to invest in
1166 housing units that are rented at rates affordable to households with an annual income
1167 at or below 50% of the area median income for a family within the county in which
1168 the housing is located;
- 1169 (d) that at least 30% of pass-through funding be used by the housing organization to
1170 invest in housing units that are located in a rural county;
- 1171 (e) that any property purchased with pass-through funding be subject to a deed
1172 restriction for a minimum of 40 years to ensure the property remains a rental property
1173 affordable to households as described in Subsection (4)(b);
- 1174 (f) that returns on investment generated by pass-through funding shall be reinvested by
1175 the housing organization the same as if the returns on investment are pass-through
1176 funding; and
- 1177 (g) that the housing organization shall provide the division with the following
1178 information at the end of each fiscal year:
- 1179 (i) the housing organization's annual audit, including:
- 1180 (A) a third-party independent auditor's findings on the housing organization's
1181 compliance with this section and the terms of the housing organization's
1182 agreement for pass-through funding; and
- 1183 (B) the audited financial statements for a legal entity used by the housing
1184 organization to carry out activities authorized by this section;
- 1185 (ii) allocation of pass-through funds by county and housing type;
- 1186 (iii) progress and status of funded projects; and

1187 (iv) impact of pass-through funds on the availability of affordable housing across the
1188 state and by region.

1189 (5) The department shall include in the annual written report described in Section
1190 35A-1-109 a report accounting for the expenditures authorized by a housing
1191 organization pursuant to an agreement with the department.

1192 Section 8. Section **35A-8-2501** is enacted to read:

1193 **Part 25. Olene Walker State Housing Fund**

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

1195 As used in this part:

1196 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
1197 whose incomes are at or below certain income requirements as defined by a funding
1198 source or rule approved by the board.

1199 (2) "Allocated volume cap" means a volume cap for which:

1200 (a) a certificate of allocation is in effect; or

1201 (b) bonds have been issued.

1202 (3) "Allotment accounts" means the accounts created under Section 35A-8-2509.

1203 (4) "Board" means the Olene Walker State Housing Fund Board created under Section
1204 35A-8-2503.

1205 (5) "Bond" means any obligation for which an allocation of volume cap is required by the
1206 code.

1207 (6) "Code" means the Internal Revenue Code of 1986, as amended, and related Internal
1208 Revenue Service regulations.

1209 (7) "Division" means the Housing and Community Development Division within the
1210 Department of Workforce Services.

1211 (8) "Fiscal year" means the state's fiscal year.

1212 (9) "Form 8038" means the Department of the Treasury tax for 8038 (OMB No.
1213 1545-0720) or any other federal tax for or other method of reporting required by the
1214 Department of the Treasury under Section 149(e) of the code.

1215 (10) "Fund" means the Olene Walker State Housing Fund created under Section
1216 35A-8-2502.

1217 (11)(a) "Housing sponsor" means a person that constructs, develops, rehabilitates,
1218 purchases, or owns a housing development that is or will be subject to legally
1219 enforceable restrictive covenants that require the housing development to provide, at
1220 least in part, affordable housing.

- 1221 (b) "Housing sponsor" may include:
- 1222 (i) a local public body;
- 1223 (ii) a nonprofit, limited profit, or for-profit corporation;
- 1224 (iii) a limited partnership;
- 1225 (iv) a limited liability company;
- 1226 (v) a joint venture;
- 1227 (vi) a subsidiary of the Utah Housing Corporation;
- 1228 (vii) a cooperative;
- 1229 (viii) a mutual housing organization;
- 1230 (ix) a local government;
- 1231 (x) a local housing authority;
- 1232 (xi) a regional or statewide nonprofit housing or assistance organization; or
- 1233 (xii) any other entity that helps provide affordable housing.
- 1234 (c) "Issuing authority" means, for private activity bonds:
- 1235 (i) a county, city, or town in the state;
- 1236 (ii) a nonprofit corporation or joint agency, or other entity acting on behalf of one or
- 1237 more county, city, or town, or a combination of a county, city, or town;
- 1238 (iii) the state; or
- 1239 (iv) any other entity authorized by state law to issue bonds.
- 1240 (d) "Income targeted housing" means the same as that term is defined in Section
- 1241 17C-1-102.
- 1242 (12) "Low-income individual" means an individual whose household income is:
- 1243 (a) equal to or less than 80% of the area median income; or
- 1244 (b) as defined by a funding source.
- 1245 (13) "Rural" means:
- 1246 (a) a county of the third, fourth, fifth, or sixth class;
- 1247 (b) a municipality within a county of the second class if the municipality has a
- 1248 population of 10,000 or less; or
- 1249 (c) as defined by the United States Department of Agriculture or the United States
- 1250 Department of Housing and Urban Development.
- 1251 (14) "State" means the state of Utah, including any state agency, department, or institution.
- 1252 (15) "Volume cap" means the private activity bond volume cap for the state as computed in
- 1253 accordance with Section 146 of the code.
- 1254 Section 9. Section **35A-8-2502** is enacted to read:

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

- 1256 (1) There is created an enterprise fund known as the Olene Walker State Housing Fund,
1257 administered by the department.
- 1258 (2) The fund shall consist of:
- 1259 (a) grants, paybacks, bonuses, entitlements, and other money received by the department
1260 from the federal government to preserve, rehabilitate, build, restore, or renew housing
1261 or for other activities authorized by the fund;
- 1262 (b) transfers, grants, gifts, bequests, and money made available from any source to
1263 implement this part; and
- 1264 (c) money appropriated to the fund by the Legislature.
- 1265 (3) The money in the fund shall be invested by the state treasurer in accordance with Title
1266 51, Chapter 7, State Money Management Act, except that all interest or other earnings
1267 derived from money in the fund shall be deposited into the fund.

1268 Section 10. Section **35A-8-2503** is enacted to read:

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

- 1270 (1) There is created the Olene Walker State Housing Fund Board.
- 1271 (2) The board comprises 15 members as follows:
- 1272 (a) one senator appointed by the president of the Senate;
- 1273 (b) one member appointed by the speaker of the House of Representatives;
- 1274 (c) the director of the department or the director's designee;
- 1275 (d) five members appointed by the governor with the advice and consent of the Senate,
1276 and in accordance with Title 63G, Chapter 24, Part 2, Vacancies as follows:
- 1277 (i) one member from the governor's office;
- 1278 (ii) one member from the Department of Financial Institutions, nominated by the
1279 commissioner of the Department of Financial Institutions;
- 1280 (iii) two members from the Association of Governments, nominated by the Board of
1281 Directors of the Associations of Governments to represent rural communities; and
- 1282 (iv) one member to represent the Utah Board of Higher Education, nominated by the
1283 Utah Board of Higher Education; and
- 1284 (e) seven members appointed by the executive director of the department as follows:
- 1285 (i) one member to represent housing advocacy organizations;
- 1286 (ii) one member with municipal bond experience;
- 1287 (iii) one municipal bond attorney;
- 1288 (iv) two members to represent home builder interests, of which;

- 1289 (A) one member shall have expertise in single-family residential construction; and
1290 (B) one member shall have expertise in multi-family residential construction; and
1291 (v) two members from the mortgage lending community, of which:
1292 (A) one member shall have expertise in single-family mortgage lending; and
1293 (B) one member shall have expertise in multi-family mortgage lending.
- 1294 (3)(a) The executive director of the department shall select a board member to serve as
1295 the chair of the board for a two-year term.
- 1296 (b) The chair is nonvoting except in the case of a tie vote.
- 1297 (c) The chair shall serve as the state official designated to make certifications required to
1298 be made under Section 146 of the code, including the certification required by
1299 Section 149(e)(2)(F) of the code.
- 1300 (4) The members of the board shall annually elect a vice-chair from among the voting
1301 members.
- 1302 (5)(a) The board may establish one or more subcommittees to assist and advise the board
1303 on specified topics or issues relevant to the board's duties described in Section
1304 35A-8-2504, including:
- 1305 (i) modular housing;
1306 (ii) municipal bonds;
1307 (iii) rental housing;
1308 (iv) manufactured housing; or
1309 (v) transit-oriented developments.
- 1310 (b) Each subcommittee established under Subsection (5)(a):
- 1311 (i) serves under the direction of the board;
1312 (ii) shall assist the board in fulfilling the board's duties under this part; and
1313 (iii) shall comprise of members that represent a range of views and expertise in the
1314 topics or issues described in Subsection (5)(a).
- 1315 (6)(a) Except as provided in Subsection (6)(b), a board member shall serve a term of
1316 four years.
- 1317 (b) At the time of appointment or reappointment, the appointing authority may adjust the
1318 length of terms to ensure that the terms of board members are staggered so that
1319 approximately half of the appointed board members are appointed every two years.
- 1320 (c) When a vacancy occurs in the appointed membership for any reason, the replacement
1321 is appointed for the unexpired term.
- 1322 (d) A board member may not serve more than two terms.

- 1323 (7)(a) The board shall:
- 1324 (i) meet at least once per quarter to conduct business of the board on dates fixed by
- 1325 the board;
- 1326 (ii) meet twice per year to provide information to and receive input from the public
- 1327 regarding the state's housing policies and needs;
- 1328 (iii) hold at least one meeting required under Subsection (7)(a)(ii) in a rural area of
- 1329 the state; and
- 1330 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and
- 1331 Public Meetings Act.
- 1332 (b) Eight members of the board constitute a quorum.
- 1333 (c) The governor, the chair, or a majority of the board may call a meeting of the board.
- 1334 (d) Formal action by the board requires a majority vote of a quorum.
- 1335 (8) A member may not receive compensation or benefits for the member's service, but may
- 1336 receive per diem and travel expenses in accordance with:
- 1337 (a) Section 63A-3-106;
- 1338 (b) Section 63A-3-107; and
- 1339 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
- 1340 63A-3-107.
- 1341 (9) The department shall provide staff to the board.
- 1342 Section 11. Section **35A-8-2504** is enacted to read:
- 1343 **35A-8-2504 . Duties of the board -- Private activity bond allocation of volume cap**
- 1344 **and carryover.**
- 1345 (1) The board shall:
- 1346 (a) review the housing needs in the state;
- 1347 (b) determine the relevant operational aspects of any grant, loan, private activity bond
- 1348 allocation, or revenue collection program established in accordance with this chapter;
- 1349 (c) determine the means to implement the policies and goals of this chapter;
- 1350 (d) elect specific projects to receive grant or loan money;
- 1351 (e) determine the amount of volume cap to be allocated with respect to approved
- 1352 applications;
- 1353 (f) subject to the code, make allocations of volume cap to issuing authorities;
- 1354 (g) maintain a record of all certificates of allocation issued under Section 35A-8-2510
- 1355 and all applications filed by private activity bond issuing authorities under Section
- 1356 35A-8-2511;

- 1357 (h) maintain a record of all private activity bonds issued by issuing authorities during
1358 each calendar year;
- 1359 (i) determine the amount of volume cap to be treated as a carryforward under Section
1360 146(f) of the code and allocate the carryforward to one or more qualified carryover
1361 purposes;
- 1362 (j) determine how all funds and sources under this part shall be allocated and distributed;
- 1363 (k) review and approve rules proposed by the division or the executive director of the
1364 department or the executive director's designee;
- 1365 (l) charge reasonable fees for the performance of duties described in this part, including:
1366 (i) application fees;
1367 (ii) filing fees; and
1368 (iii) processing fees;
- 1369 (m) make available upon reasonable request a certified copy or summary of records
1370 relating to private activity bonds, including information relating to the volume cap for
1371 each year and any amounts available for volume cap allocation;
- 1372 (n) account for expenditures authorized by the board; and
- 1373 (o) evaluate the effectiveness of the program.
- 1374 (2)(a) The board shall approve a qualified allocation plan, as defined in Section
1375 59-10-1010, developed by the Utah Housing Corporation in accordance with Title
1376 63H, Chapter 8, Utah Housing Corporation Act.
- 1377 (b) The board shall approve the plan described in Subsection (2)(a) before the review
1378 and approval of the plan by the governor and the submission of the plan to the
1379 Legislature.
- 1380 (3) The volume cap for each year shall be distributed by the board to the allotment accounts
1381 as described in Section 35A-8-2509.
- 1382 (4) The board shall provide evidence of an allocation of volume cap by issuing a certificate
1383 in accordance with Section 35A-8-2510.
- 1384 (5)(a) Subject to Subsection (5)(c), beginning on January 1 and ending on June 30 of
1385 each year, the board shall set aside at least 50% of the Small Issue Bond Account that
1386 may only be allocated to manufacturing projects.
- 1387 (b) Subject to Subsection (5)(c), beginning on July 1 and ending on August 15 of each
1388 year, the board shall set aside at least 50% of the Pool Account that may only be
1389 allocated to manufacturing projects.
- 1390 (c) The board is not required to set aside any unused volume cap under Section

- 1391 35A-8-2510 to satisfy the requirements of Subsection (5)(a) or (b).
- 1392 (6) The board shall allocate the Carryover Account established in Section 35A-8-2509 to
 1393 projects or programs qualifying under Section 146(f) of the code.
- 1394 (7) On or before August 1 of each year, the board shall submit a written report to the
 1395 department on how the board fulfilled the board's statutory duties for inclusion in the
 1396 annual written report described in Section 35A-1-109.
- 1397 Section 12. Section **35A-8-2505** is enacted to read:
- 1398 **35A-8-2505 . Fund distribution.**
- 1399 (1) As used in this section, "community" means the same as that term is defined in Section
 1400 17C-1-102.
- 1401 (2) The department shall:
- 1402 (a) as directed by the board, make grants and loans from the fund for any of the activities
 1403 authorized by Section 35A-8-2506;
- 1404 (b) with the approval of the board, establish the criteria by which loans and grants will
 1405 be made;
- 1406 (c) with the approval of the board, determine the order in which projects will be funded;
- 1407 (d) as directed by the board, distribute any federal money contained in the fund
 1408 according to the procedures, conditions, and restrictions placed upon the use of the
 1409 money by the federal government;
- 1410 (e) as directed by the board, distribute any funds received under Section 17C-1-412 to
 1411 pay the costs of providing income targeted housing within the community that
 1412 created the community reinvestment agency under Title 17C, Limited Purpose Local
 1413 Government Entities - Community Reinvestment Agency Act; and
- 1414 (f) with the approval of the board, enact rules in accordance with Title 63G, Chapter 3,
 1415 Utah Administrative Rulemaking Act:
- 1416 (i) addressing the distribution of the money in the fund to benefit persons whose
 1417 annual income is at or below certain median family income thresholds for the
 1418 state; and
- 1419 (ii) addressing the allocation of volume cap under this part.
- 1420 (3)(a) Except for federal money, money received under Section 17C-1-412, and money
 1421 appropriated for use in accordance with Section 35A-8-2506, the department shall
 1422 distribute, as directed by the board, money in the fund in accordance with the rules
 1423 created under Subsection (2)(f).
- 1424 (b) The executive director may use up to 6% of the revenues of the fund, including any

- 1425 appropriation to the fund, to offset department or board administrative expenses.
- 1426 (c) If the department makes a loan in accordance with this section, the interest rate of the
- 1427 loan shall be based on the borrower's ability to pay.
- 1428 (4) The department may, with the approval of the board:
- 1429 (a) enact policies and procedures for the distribution of the funds described in this part;
- 1430 and
- 1431 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
- 1432 servicing of loans made by the fund.
- 1433 Section 13. Section **35A-8-2506** is enacted to read:
- 1434 **35A-8-2506 . Fund application process and priorities -- Carryover allocation --**
- 1435 **Private activity bond volume cap.**
- 1436 (1)(a) In each fiscal year that fund money is available for distribution, the division shall,
- 1437 under the direction of the board and at least once in that fiscal year, announce a grant
- 1438 and loan application period by posting notice on the department's website.
- 1439 (b) The division shall accept fund grant and loan applications that are received in a
- 1440 timely manner.
- 1441 (2) The division may, with the advice of the board, give preference to fund grant and loan
- 1442 applications that demonstrate the following:
- 1443 (a) a high degree of leverage with other sources of financing;
- 1444 (b) high recipient contributions to total project costs, including allied contributions from
- 1445 other sources such as professional, craft, and trade services and lender interest rate
- 1446 subsidies;
- 1447 (c) high local government project contributions in the form of infrastructure
- 1448 improvements, or other assistance;
- 1449 (d) projects that encourage ownership, management, and other project-related
- 1450 responsibility opportunities;
- 1451 (e) projects that demonstrate a strong probability of serving the original target group or
- 1452 income level for at least 15 years;
- 1453 (f) projects where the applicant has demonstrated the ability, stability, and resources to
- 1454 complete the project;
- 1455 (g) projects that appear to serve the greatest need;
- 1456 (h) projects that provide housing for individuals and families with the lowest income;
- 1457 (i) projects that promote economic development benefits;
- 1458 (j) projects that align with a local government plan to address housing and homeless

- 1459 services; and
- 1460 (k) projects that would mitigate or correct existing health, safety, or welfare problems.
- 1461 (3) The division may give consideration to projects that increase the supply of accessible
- 1462 housing.
- 1463 (4)(a) In each calendar year that volume cap or carryover is available for allocation, the
- 1464 division shall, at least once in that year, announce a private activity bond application
- 1465 period by posting notice on the department's website.
- 1466 (b) To obtain an allocation of volume cap or carryover, an issuing authority shall submit
- 1467 to the division an application containing information required by the board.
- 1468 (5)(a) The board shall establish criteria for making allocations of volume cap or
- 1469 carryover that are consistent with the purposes of the code and this part.
- 1470 (b) In making an allocation of volume cap or carryover the board shall consider the
- 1471 following:
- 1472 (i) the principal amount of the bonds proposed to be issued;
- 1473 (ii) the nature and the location of the project or the type of program;
- 1474 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- 1475 (iv) whether the project or program could obtain adequate financing without an
- 1476 allocation of volume cap;
- 1477 (v) the degree to which an allocation of volume cap or carryover is required for the
- 1478 project or program to proceed or continue;
- 1479 (vi) the social, health, economic, and educational effects of the project or program on
- 1480 the local community and the state as a whole;
- 1481 (vii) the anticipated economic development created or retained within the local
- 1482 community and the state as a whole;
- 1483 (viii) the anticipated number of jobs, both temporary and permanent, created or
- 1484 retained within the local community and the state as a whole;
- 1485 (ix) if the project is a residential rental project, the degree to which the residential
- 1486 rental project:
- 1487 (A) targets certain area median family income thresholds; and
- 1488 (B) is accessible housing; and
- 1489 (x) any conditions or requirements found in the code for the type of proposed project
- 1490 or program.
- 1491 (6)(a) The division shall review the project applications described in Sections
- 1492 35A-8-2513 and 35A-8-2514.

- 1493 (b) The division shall give preference to projects:
- 1494 (i) that include significant additional or matching funds from an individual, private
- 1495 organization, or local government entity;
- 1496 (ii) that include significant contributions by the applicant to total project costs,
- 1497 including contributions secured by the applicant from other sources such as
- 1498 professional, craft, and trade services and lender interest rate subsidies;
- 1499 (iii) with significant local government contributions in the form of infrastructure,
- 1500 improvements, or other assistance;
- 1501 (iv) where the applicant has demonstrated the ability, stability, and resources to
- 1502 complete the project;
- 1503 (v) that will serve the greatest need;
- 1504 (vi) that promote economic development benefits;
- 1505 (vii) that allow integration into a local government housing plan;
- 1506 (viii) that will mitigate or correct existing health, safety, or welfare concerns; or
- 1507 (ix) that remedy a gap in the supply of and demand for affordable housing.
- 1508 (c) The board may approve a project that meets the requirements of Section 35A-8-2513
- 1509 to receive funds from the Rural Housing Fund.
- 1510 (d) The board may approve a project that meets the requirements of Section 35A-8-2514
- 1511 to receive funds from the Economic Revitalization and Investment Fund.

1512 Section 14. Section **35A-8-2507** is enacted to read:

1513 **35A-8-2507 . Activities authorized to receive fund money -- Issuing bonds --**

1514 **Department powers.**

- 1515 (1) At the direction of the board, the department may:
- 1516 (a) provide fund money for the following activities:
- 1517 (i) the acquisition, rehabilitation, or new construction of affordable housing units;
- 1518 (ii) matching funds for social services projects directly related to providing housing
- 1519 for special-need renters in assisted projects;
- 1520 (iii) the development and construction of accessible housing designed for low-income
- 1521 individuals;
- 1522 (iv) the construction or improvement of a shelter or transitional housing facility that
- 1523 provides services intended to prevent or minimize homelessness among members
- 1524 of a specific homeless subpopulation;
- 1525 (v) the purchase of an existing facility to provide temporary or transitional housing
- 1526 for the homeless in an area that does not require rezoning before providing the

- 1527 temporary or transitional housing;
- 1528 (vi) the purchase of land that will be used as the site of affordable housing units;
- 1529 (vii) the preservation of existing affordable housing units;
- 1530 (viii) providing loan guarantees under the program established in Section 35A-8-2512;
- 1531 (ix) the award of predevelopment grants in accordance with Section 35A-8-2508;
- 1532 (x) the creation or financial support of a mediation program for landlords and tenants
- 1533 designed to minimize the loss of housing for low-income individuals, which
- 1534 program may include:
- 1535 (A) funding for the hiring or training of mediators;
- 1536 (B) connecting landlords and tenants with mediation services; and
- 1537 (C) providing a limited amount of gap funding to assist a tenant in making a good
- 1538 faith payment towards attorney fees, damages, or other costs associated with
- 1539 eviction proceedings or avoiding eviction proceedings;
- 1540 (xi) other activities to assist in minimizing homelessness or improving the availability
- 1541 or quality of housing in the state for low-income individuals; and
- 1542 (xii) other housing purposes as directed by the Legislature; and
- 1543 (b) do all things necessary or convenient to the exercise of the powers granted by this
- 1544 part, including:
- 1545 (i) making or executing contracts and other instruments necessary or convenient for
- 1546 the performance of the department and board's duties and the exercise of the
- 1547 department and board's powers and functions under this part, including contracts
- 1548 or agreements for the servicing and originating of mortgage loans;
- 1549 (ii) procuring insurance against a loss in connection with property or other assets held
- 1550 by the fund, including mortgage loans, in amounts and from insurers the
- 1551 department determines appropriate;
- 1552 (iii) entering into agreements with a department, agency, or instrumentality of the
- 1553 United States or the state and with mortgagors and mortgage lenders for the
- 1554 purpose of planning and regulating and providing for the financing and
- 1555 refinancing, purchase, construction, reconstruction, rehabilitation, leasing,
- 1556 management, maintenance, operation, sale, or other disposition of residential
- 1557 housing undertaken with the assistance of the department under this part;
- 1558 (iv) proceeding with a foreclosure action, to own, lease, clear, reconstruct,
- 1559 rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or
- 1560 otherwise dispose of real or personal property obtained by the fund as a result of a

- 1561 default on a mortgage loan held by the fund in preparation for disposition of the
1562 property, taking assignments of leases and rentals, proceeding with foreclosure
1563 actions, and taking other actions necessary or incidental to the performance of the
1564 department's duties under this part;
- 1565 (v) selling, at a public or private sale, with public bidding, a mortgage or other
1566 obligation held by the fund; and
- 1567 (vi) granting or lending fund money to a housing sponsor.
- 1568 (2) The department is recognized as an issuing authority, as defined in Section 35A-8-2501
1569 and is entitled to issue bonds from the Small Issue Bond Account created in Section
1570 35A-8-2509 as a part of the state's private activity bond volume cap authorized by the
1571 code and computed under Section 146 of the code.
- 1572 (3) To promote and encourage the issuance of bonds from the Small Issue Bond Account
1573 for manufacturing projects, the department may:
- 1574 (a) develop campaigns and materials that inform qualified small manufacturing
1575 businesses about the existence of the program and the application process;
- 1576 (b) assist small businesses in applying for and qualifying for bonds; and
- 1577 (c) develop strategies to lower the cost to small businesses of applying for and
1578 qualifying for bonds, including making arrangements with financial advisors,
1579 underwriters, bond counsel, and other professionals involved in the issuance process
1580 to provide services at a reduced rate when the department is able to provide such
1581 service providers with a high volume of applicants or issues.
- 1582 (4) The department may distribute funds from the Economic Revitalization and Investment
1583 Fund and the Rural Housing Fund for any of the following activities undertaken as part
1584 of an approved project:
- 1585 (a) the acquisition, rehabilitation, or new construction of a building that includes
1586 moderate income housing units;
- 1587 (b) the purchase of land for the construction of a building that will include moderate
1588 income housing units; or
- 1589 (c) predevelopment work, including planning, studies, design, and site work for a
1590 building that will include moderate income housing units.
- 1591 (5) The department shall monitor the activities of recipients of grants and loans issued
1592 under this part on a yearly basis to ensure compliance with the terms and conditions
1593 imposed on the recipient by the department with the approval of the board or by this part.
- 1594 (6) On or before July 1, 2027, an entity that receives money from the fund under this part

1595 shall provide the department with an annual accounting of how the funds received are
1596 spent.

1597 (7) The division shall make an annual report to the board accounting for the expenditures
1598 authorized by the board under this section.

1599 Section 15. Section **35A-8-2508** is enacted to read:

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

1601 (1) The department may, under the direction of the board, award one or more
1602 predevelopment grants to a nonprofit or for-profit entity:

1603 (a) in preparation for a project that:

1604 (i) involves the construction of moderate income housing units; and

1605 (ii) is located within:

1606 (A) a city of the fifth or sixth class or a town in a rural area of the state; or

1607 (B) a municipality or unincorporated area in a county of the fourth, fifth, or sixth
1608 class; and

1609 (b) in an amount of no more than \$50,000 per project.

1610 (2) The department shall, under the direction of the board, award each predevelopment
1611 grant in accordance with this section and the requirements of this part regarding grant
1612 applications, grant awards, and reporting.

1613 (3) The recipient of a predevelopment grant:

1614 (a) may use grant funds to offset the predevelopment funds needed to prepare for the
1615 construction of low-income housing units, including market studies, surveys,
1616 environmental and impact studies, technical assistance, and preliminary architecture,
1617 engineering, or legal work; and

1618 (b) may not use grant funds to pay for staff salaries or construction costs.

1619 (4) The department shall, under the direction of the board, prioritize the award of a
1620 predevelopment grant for a project that is located within:

1621 (a) a county of the fifth or sixth class; and

1622 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the
1623 following conditions:

1624 (i) limited or no availability of natural gas;

1625 (ii) limited or no availability of a sewer system;

1626 (iii) limited or no availability of broadband Internet;

1627 (iv) unpaved residential streets; or

1628 (v) limited local construction professionals, vendors, or services.

1629 Section 16. Section **35A-8-2509** is enacted to read:

1630 **35A-8-2509 . Private activity bond allotment accounts -- Creation.**

1631 (1) The following private activity bond allotment accounts are created in this section:

- 1632 (a) the Single Family Housing Account, for which eligible issuing authorities are
1633 authorized under the code and state statute to issue qualified mortgage bonds under
1634 Section 143 of the code;
- 1635 (b) the Student Loan Account, for which eligible issuing authorities are authorized under
1636 the code and state statute to issue qualified student loan bonds under Section 144(b)
1637 of the code; and
- 1638 (c) the Small Issue Bond Account, for which eligible issuing authorities are authorized
1639 under the code and state statute to issue:
- 1640 (i) qualified small issue bonds under Section 144(a) of the code;
1641 (ii) qualified exempt facility bonds for qualified residential rental projects under
1642 Section 142(d) of the code; and
1643 (iii) qualified redevelopment bonds under Section 144(c) of the code;
- 1644 (d) the Exempt Facilities Account, for which eligible issuing authorities are authorized
1645 under the code and state statute to issue bonds requiring an allocation of volume cap
1646 other than for purposes described in Subsections (1)(a) through (c);
- 1647 (e) the Pool Account, for which eligible issuing authorities are authorized under the code
1648 and state statute to issue bonds requiring an allocation of volume cap; and
- 1649 (f) the Carryforward Account, for which eligible issuing authorities are those with
1650 projects or programs that qualify under Section 146(f) of the code.

1651 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of
1652 each year as follows:

- 1653 (i) 42% to the Single Family Housing Account;
1654 (ii) 33% to the Student Loan Account;
1655 (iii) 1% to the Exempt Facilities Account; and
1656 (iv) 24% to the Small Issue Bond Account.
- 1657 (b) Beginning on July 1 and ending on September 30 of each year, the board may
1658 transfer any unallocated volume cap from the Exempt Facilities Account or the Small
1659 Issue Bond Account to the Pool Account.
- 1660 (c) Upon written notification to the board by the issuing authority that all or a portion of
1661 the eligible volume cap allocation from the Single Family Housing Account or the
1662 Student Loan Account distributed into the allotment account may not be used, the

- 1663 board may transfer the unused volume cap to any other allotment account.
- 1664 (d) Beginning on October 1 and ending on the third Friday of December of each year,
- 1665 the board shall transfer all unallocated volume cap into the Pool Account.
- 1666 (e) On the third Saturday of December of each year, the board shall transfer uncollected
- 1667 volume cap, or allocated volume cap for which bonds have not been issued prior to
- 1668 the third Saturday in December, into the Carryforward Account.
- 1669 (f) If the authority to issue bonds designated in an allotment account is rescinded by
- 1670 amendment to the code, the board may transfer any unallocated volume cap from the
- 1671 allotment account that is rescinded to another allotment account.

1672 Section 17. Section **35A-8-2510** is enacted to read:

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

- 1674 (1)(a) After an allocation of volume cap for a project or program is approved by the
- 1675 board, the board shall issue a numbered certificate of allocation containing:
- 1676 (i) the amount of the allocation;
- 1677 (ii) the allotment account from which the allocation is being made; and
- 1678 (iii) the expiration date of the allocation.
- 1679 (b) A certificate of allocation shall be mailed to the issuing authority no later than 10
- 1680 business days from the day the certificate of allocation is approved.
- 1681 (c) A bond is not entitled to an allocation of the volume cap unless the issuing authority
- 1682 receives a certificate of allocation.
- 1683 (d)(i) A certificate of allocation shall remain in effect for no more than 100 days from
- 1684 earliest of the day on which the certificate is approved or on the day of the next
- 1685 regularly scheduled board meeting.
- 1686 (ii) If bonds for which a certificate is approved are not issued within the period
- 1687 described in Subsection (1)(d)(i), the certificate of allocation is void and volume
- 1688 cap shall be returned to the applicable allotment account for reallocation by the
- 1689 board.
- 1690 (2)(a) An issuing authority receiving an allocation of volume cap from the Carryforward
- 1691 Account shall receive a certificate of allocation as described in Subsection (1).
- 1692 (b)(i) If an issuing authority or person responsible for a project or program receiving
- 1693 an allocation from the Carryforward Account does not provide for the issuance of
- 1694 bonds for the project or program, and because of a lack of diligence, the volume
- 1695 cap cannot be used, the board may exclude from consideration an application of
- 1696 the issuing authority for a period determined by the board.

1697 (ii) The board may review and modify the board's decision relating to the exclusion
 1698 described in Subsection (2)(b)(i).

1699 Section 18. Section **35A-8-2511** is enacted to read:

1700 **35A-8-2511 . Private activity bond issuing authorities -- Limitations.**

1701 (1)(a) Notwithstanding any other provision of law, an issuing authority that issues a
 1702 bond under Section 35A-8-2510 without a certificate of allocation or after the
 1703 expiration of a certificate of allocation may not receive an allocation of the volume
 1704 cap for the bond.

1705 (b) An issuing authority that issues a bond in excess of the amount provided for in the
 1706 bond certificate of allocation may not receive an allocation of the volume cap for the
 1707 excess amount.

1708 (2) Each issuing authority shall advise the board of:

1709 (a) no later than 15 business days from the day on which a bond is issued:

1710 (i) the principal amount of bonds issued under each certificate of allocation; and

1711 (ii) a copy of Form 8038;

1712 (b) if all or a stated portion of the bonds for which a certificate of allocation was
 1713 received is not issued, no later than 15 business days from the earliest of the day on
 1714 which the following occurs:

1715 (i) the final decision not to issue all or a stated portion of the bond; or

1716 (ii) the expiration of the certificate of allocation.

1717 (c) If an issuing authority fails to notify the board of the requirements described in this
 1718 Subsection (2), the board may, in the discretion of the board, deny consideration of
 1719 future applications from the issuing authority.

1720 Section 19. Section **35A-8-2512** is enacted to read:

1721 **35A-8-2512 . Low-income accessory dwelling unit guarantee program.**

1722 (1) As used in this section:

1723 (a) "Accessory dwelling unit" or "ADU" means the same as that term is defined in
 1724 Section 10-9a-103.

1725 (b) "Borrower" means a residential property owner who receives a low-income ADU
 1726 loan from a lender.

1727 (c) "Lender" means a trust company, savings bank, savings and loan association, bank,
 1728 credit union, or any other entity that provides low-income ADU loans directly to
 1729 borrowers.

1730 (d) "Low-income ADU loan" means a loan made by a lender to a borrower for the

- 1731 purpose of financing the construction of an accessory dwelling unit that is:
1732 (i) located on the borrower's residential property; and
1733 (ii) rented to a low-income individual.
- 1734 (2) Subject to available funding, the division may establish a program to provide loan
1735 guarantees on behalf of borrowers for the purpose of ensuring the repayment of
1736 low-income ADU loans.
- 1737 (3) The department may not provide a loan guarantee for a low-income ADU loan under the
1738 program unless:
- 1739 (a) the lender:
- 1740 (i) agrees in writing to participate in the program;
1741 (ii) makes available to prospective borrowers the option of receiving a low-income
1742 ADU loan that:
- 1743 (A) has a term of no less than 15 years; and
1744 (B) charges interest at a fixed rate;
- 1745 (iii) monitors the activities of the borrower on a yearly basis during the term of the
1746 loan to ensure the borrower's compliance with:
- 1747 (A) Subsection (3)(c); and
1748 (B) any other term or condition of the loan; and
- 1749 (iv) promptly notifies the department in writing if the borrower fails to comply with:
1750 (A) Subsection (3)(c); or
1751 (B) any other term or condition of the loan;
- 1752 (b) the loan terms of the low-income ADU loan:
- 1753 (i) are consistent with the loan terms described in Subsection (3)(a)(ii); or
1754 (ii) if different from the loan terms described in Subsection (3)(a)(ii), mutually agreed
1755 upon by the lender and the borrower; and
- 1756 (c) the borrower:
- 1757 (i) agrees in writing to participate in the program;
1758 (ii) constructs an accessory dwelling unit on the borrower's residential property
1759 within one year from the date on which the borrower receives funding for the loan;
1760 (iii) occupies the primary residence to which the accessory dwelling unit is associated:
1761 (A) on the day that the accessory dwelling unit is completed; and
1762 (B) for the remainder of the term of the loan; and
- 1763 (iv) rents the accessory dwelling unit to a low-income individual:
1764 (A) on the day that the accessory dwelling unit is completed; and

- 1765 (B) for the remainder of the term of the loan.
- 1766 (4) At the direction of the board, the department shall make rules in accordance with Title
 1767 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish:
- 1768 (a) the minimum criteria for lenders and borrowers to participate in the program;
 1769 (b) the terms and conditions for loan guarantees under the loan program as described
 1770 under Subsection (3); and
- 1771 (c) procedures for the program's loan guarantee process.
- 1772 (5) The division shall prepare a report on the program for inclusion in the annual written
 1773 report described in Section 35A-1-109.
- 1774 Section 20. Section **35A-8-2513** is enacted to read:
- 1775 **35A-8-2513 . Rural housing fund -- Creation -- Requirements -- Repayment.**
- 1776 (1) There is created an enterprise fund known as the "Rural Housing Fund."
- 1777 (2) The Rural Housing Fund consists of money from the following:
- 1778 (a) money appropriated to the account by the Legislature;
 1779 (b) private contributions;
 1780 (c) donations or grants from public or private entities; and
 1781 (d) money returned to the department under Subsection (7).
- 1782 (3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural
 1783 Housing Fund.
- 1784 (4) Subject to appropriation and funding availability, the department may expend funds in
 1785 the Rural Housing Fund to provide loans for projects that:
- 1786 (a) are located within:
- 1787 (i) a county of the third, fourth, fifth, or sixth class;
 1788 (ii) a municipality in a county of the second class with a total population of no more
 1789 than 10,000; or
 1790 (iii) a rural area as defined by the United States Department of Agriculture or the
 1791 United States Department of Housing and Urban Development;
- 1792 (b) include moderate income housing units; and
 1793 (c) have been approved by the board in accordance with Section 35A-8-2506.
- 1794 (5)(a) A housing sponsor may apply to the department to receive a loan under this
 1795 section.
- 1796 (b) An application under Subsection (5)(a) shall specify:
- 1797 (i) the location of the project;
 1798 (ii) the number, size, and income requirements of moderate income housing units that

- 1799 will be included in the project; and
- 1800 (iii) a written commitment to enter into a deed restriction that reserves for a period of
- 1801 no less than 50 years the moderate income housing units described in Subsection
- 1802 (5)(b)(ii).
- 1803 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing
- 1804 unit is occupied by a household that met the income requirement for moderate
- 1805 income housing when the household originally entered into the lease agreement for
- 1806 the housing unit.
- 1807 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1808 department may make rules establishing procedures and requirements for housing
- 1809 sponsors to apply for and receive loans under this section.
- 1810 (6) The executive director may expend no more than 3% of the revenues of the Rural
- 1811 Housing Fund, including any appropriation to the Rural Housing Fund, to offset
- 1812 department or board administrative expenses.
- 1813 (7) Upon the earlier of no more than 30 years from the day on which an approved project is
- 1814 placed in service or the sale or transfer of the affordable housing units acquired,
- 1815 constructed, or rehabilitated as part of an approved project funded under Section
- 1816 35A-8-2507, the housing sponsor shall remit to the department:
- 1817 (a) the total amount of money distributed by the department to the housing sponsor for
- 1818 the project; and
- 1819 (b) an additional amount of money determined by contract with the department before
- 1820 the initial disbursement of money is made.
- 1821 (8) A claim arising under Subsection (7) is a lien against the real property funded under this
- 1822 chapter.
- 1823 (9) Money returned to the department under Subsection (7) from a housing sponsor that
- 1824 received funds from the Rural Housing Fund shall be deposited into the Rural Housing
- 1825 Fund.
- 1826 Section 21. Section **38A-8-2514** is enacted to read:
- 1827 **38A-8-2514 . Economic revitalization and investment fund -- Creation --**
- 1828 **Requirements -- Repayment.**
- 1829 (1) There is created an enterprise fund known as the "Economic Revitalization and
- 1830 Investment Fund."
- 1831 (2) The Economic Revitalization and Investment Fund consists of money from the
- 1832 following:

- 1833 (a) money appropriated to the account by the Legislature;
1834 (b) private contributions;
1835 (c) donations or grants from public or private entities; and
1836 (d) money returned to the department under Subsection (7).
- 1837 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be
1838 deposited into the Economic Revitalization and Investment Fund.
- 1839 (4) The department may distribute money from the Economic Revitalization and
1840 Investment Fund to one or more projects that:
- 1841 (a) include affordable housing units for households whose income is no more than 30%
1842 of the area median income for households of the same size in the county or
1843 municipality where the project is located; and
- 1844 (b) are approved by the board in accordance with Section 35A-8-2506.
- 1845 (5)(a) A housing sponsor may apply to the department to receive a distribution under
1846 Subsection (4).
- 1847 (b) The application described in Subsection (5)(a) shall include:
- 1848 (i) the location of the project;
1849 (ii) the number, size, and tenant income requirements of affordable housing units
1850 described in Subsection (4)(a) that will be included in the project; and
1851 (iii)(A) a written commitment to enter into a deed restriction that reserves for a
1852 period of no less than 30 years the affordable housing units described in
1853 Subsection (5)(b)(ii); or
- 1854 (B) a written commitment to enter into an agreement for occupancy by households
1855 that meet the income requirements described in Subsection (5)(b)(ii).
- 1856 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- 1857 (i) occupied or reserved for occupancy by a household whose income is no more than
1858 30% of the area median income for households of the same size in the county or
1859 municipality where the project is located; or
- 1860 (ii) occupied by a household whose income is no more than 60% of the area median
1861 income for households of the same size in the county or municipality where the
1862 project is located if that household met the income requirement described in
1863 Subsection (4)(a) when the household originally entered into the lease agreement
1864 for the housing unit.
- 1865 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1866 department may make additional rules providing procedures for a person to apply to

- 1867 the department to receive a distribution described in Subsection (4).
- 1868 (6) The executive director may expend no more than 3% of the revenues of the Economic
 1869 Revitalization and Investment Fund, including any appropriation to the Economic
 1870 Revitalization and Investment Fund, to offset department or board administrative
 1871 expenses.
- 1872 (7) Upon the earlier of no more than 30 years from the date on which an approved project is
 1873 placed in service or the sale or transfer of the affordable housing units acquired,
 1874 constructed, or rehabilitated as part of an approved project funded under Section
 1875 35A-8-2507, the housing sponsor shall remit to the department:
- 1876 (a) the total amount of money distributed by the department to the housing sponsor for
 1877 the project; and
- 1878 (b) an additional amount of money determined by contract with the department before
 1879 the initial disbursement of money is made.
- 1880 (8) A claim arising under Subsection (7) is a lien against the real property funded under this
 1881 chapter.
- 1882 (9) Money returned to the department under Subsection (7) from a housing sponsor that
 1883 received funds from the Economic Revitalization and Investment Fund shall be
 1884 deposited into the Economic Revitalization and Investment Fund.
- 1885 Section 22. Section **59-2-1101** is amended to read:
- 1886 **59-2-1101 . Definitions -- Exemption of certain property -- Proportional**
 1887 **payments for certain property -- Exception -- County legislative body authority to adopt**
 1888 **rules or ordinances.**
- 1889 (1) As used in this section:
- 1890 (a) "Charitable purposes" means:
- 1891 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined
 1892 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d
 1893 880 (Utah 1994); and
- 1894 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift
 1895 to the community.
- 1896 (b) "Compliance period" means a period equal to 15 taxable years beginning with the
 1897 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal
 1898 Revenue Code, or Section 59-7-607 or 59-10-1010.
- 1899 (c)(i) "Educational purposes" means purposes carried on by an educational
 1900 organization that normally:

- 1901 (A) maintains a regular faculty and curriculum; and
 1902 (B) has a regularly enrolled body of pupils and students.
- 1903 (ii) "Educational purposes" includes:
 1904 (A) the physical or mental teaching, training, or conditioning of competitive
 1905 athletes by a national governing body of sport recognized by the United States
 1906 Olympic Committee that qualifies as being tax exempt under Section
 1907 501(c)(3), Internal Revenue Code; and
 1908 (B) an activity in support of or incidental to the teaching, training, or conditioning
 1909 described in this Subsection (1)(c)(ii).
- 1910 (d) "Exclusive use exemption" means a property tax exemption under Subsection
 1911 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more
 1912 of the following purposes:
 1913 (i) religious purposes;
 1914 (ii) charitable purposes; or
 1915 (iii) educational purposes.
- 1916 (e)(i) "Farm machinery and equipment" means tractors, milking equipment and
 1917 storage and cooling facilities, feed handling equipment, irrigation equipment,
 1918 harvesters, choppers, grain drills and planters, tillage tools, scales, combines,
 1919 spreaders, sprayers, haying equipment, including balers and cubers, and any other
 1920 machinery or equipment used primarily for agricultural purposes.
 1921 (ii) "Farm machinery and equipment" does not include vehicles required to be
 1922 registered with the Motor Vehicle Division or vehicles or other equipment used
 1923 for business purposes other than farming.
- 1924 (f) "Gift to the community" means:
 1925 (i) the lessening of a government burden; or
 1926 (ii)(A) the provision of a significant service to others without immediate
 1927 expectation of material reward;
 1928 (B) the use of the property is supported to a material degree by donations and gifts
 1929 including volunteer service;
 1930 (C) the recipients of the charitable activities provided on the property are not
 1931 required to pay for the assistance received, in whole or in part, except that if in
 1932 part, to a material degree;
 1933 (D) the beneficiaries of the charitable activities provided on the property are
 1934 unrestricted or, if restricted, the restriction bears a reasonable relationship to

- 1935 the charitable objectives of the nonprofit entity that owns the property; and
1936 (E) any commercial activities provided on the property are subordinate or
1937 incidental to charitable activities provided on the property.
- 1938 (g) "Government exemption" means a property tax exemption provided under
1939 Subsection (3)(a)(i), (ii), or (iii).
- 1940 (h)(i) "Nonprofit entity" means an entity:
- 1941 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
1942 entity's nonprofit purpose, and that makes no dividend or other form of
1943 financial benefit available to a private interest;
- 1944 (B) for which, upon dissolution, the entity's assets are distributable only for
1945 exempt purposes under state law or to the government for a public purpose; and
- 1946 (C) for which none of the net earnings or donations made to the entity inure to the
1947 benefit of private shareholders or other individuals, as the private inurement
1948 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 1949 (ii) "Nonprofit entity" includes an entity:
- 1950 (A) if the entity is treated as a disregarded entity for federal income tax purposes
1951 and wholly owned by, and controlled under the direction of, a nonprofit entity;
1952 and
- 1953 (B) for which none of the net earnings and profits of the entity inure to the benefit
1954 of any person other than a nonprofit entity.
- 1955 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection
1956 (1)(h)(i) if the entity jointly owns a property that:
- 1957 (A) is used for the purpose of providing permanent supportive housing;
- 1958 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
1959 housing authority that operates the permanent supportive housing;
- 1960 (C) has an owner that receives public funding from a federal, state, or local
1961 government entity to provide support services and rental subsidies to the
1962 permanent supportive housing;
- 1963 (D) is intended to be transferred at or before the end of the compliance period to
1964 an entity described in Subsection (1)(h)(i) or a housing authority that will
1965 continue to operate the property as permanent supportive housing; and
- 1966 (E) has been certified by the Utah Housing Corporation as meeting the
1967 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 1968 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection

- 1969 (1)(h)(i) if:
- 1970 (A) the entity is a housing organization as defined in Subection 35A-8-2401(1)(a);
- 1971 and
- 1972 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
- 1973 authority.
- 1974 (i) "Permanent supportive housing" means a housing facility that:
- 1975 (i) provides supportive services;
- 1976 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing
- 1977 facility when the housing facility is placed in service;
- 1978 (iii) receives an allocation of federal low-income housing tax credits in accordance
- 1979 with 26 U.S.C. Sec. 42; and
- 1980 (iv) leases each unit to a tenant:
- 1981 (A) who, immediately before leasing the housing, was homeless as defined in 24
- 1982 C.F.R. 583.5; and
- 1983 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 1984 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
- 1985 has a legal right to possess.
- 1986 (ii) "Property of" includes a lease of real property if:
- 1987 (A) the property is wholly leased to a state or political subdivision entity listed in
- 1988 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 1989 (B) the lease is in effect for the entire calendar year.
- 1990 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 1991 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for
- 1992 the real estate taxes, building insurance, and maintenance of the property separate
- 1993 from and in addition to the rental price.
- 1994 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be
- 1995 allowed only if the claimant is the owner of the property as of January 1 of the year
- 1996 the exemption is claimed.
- 1997 (b) A claimant shall collect and pay a proportional tax based upon the length of time that
- 1998 the property was not owned by the claimant if:
- 1999 (i) the claimant is a federal, state, or political subdivision entity described in
- 2000 Subsection (3)(a)(i), (ii), or (iii); or
- 2001 (ii) pursuant to Subsection (3)(a)(iv):
- 2002 (A) the claimant is a nonprofit entity; and

- 2003 (B) the property is used exclusively for religious, charitable, or educational
 2004 purposes.
- 2005 (3)(a) The following property is exempt from taxation:
- 2006 (i) property exempt under the laws of the United States;
- 2007 (ii) property of:
- 2008 (A) the state;
- 2009 (B) school districts; and
- 2010 (C) public libraries;
- 2011 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property
 2012 of:
- 2013 (A) counties;
- 2014 (B) cities;
- 2015 (C) towns;
- 2016 (D) special districts;
- 2017 (E) special service districts; and
- 2018 (F) all other political subdivisions of the state;
- 2019 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity
 2020 used exclusively for one or more of the following purposes:
- 2021 (A) religious purposes;
- 2022 (B) charitable purposes; or
- 2023 (C) educational purposes;
- 2024 (v) places of burial not held or used for private or corporate benefit;
- 2025 (vi) farm machinery and equipment;
- 2026 (vii) a high tunnel, as defined in Section 10-9a-525;
- 2027 (viii) intangible property; and
- 2028 (ix) the ownership interest of an out-of-state public agency, as defined in Section
 2029 11-13-103:
- 2030 (A) if that ownership interest is in property providing additional project capacity,
 2031 as defined in Section 11-13-103; and
- 2032 (B) on which a fee in lieu of ad valorem property tax is payable under Section
 2033 11-13-302.
- 2034 (b) For purposes of a property tax exemption for property of school districts under
 2035 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter
 2036 Schools, is considered to be a school district.

- 2037 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a
2038 government exemption ceases to qualify for the exemption because of a change in the
2039 ownership of the property:
- 2040 (a) the new owner of the property shall pay a proportional tax based upon the period of
2041 time:
- 2042 (i) beginning on the day that the new owner acquired the property; and
2043 (ii) ending on the last day of the calendar year during which the new owner acquired
2044 the property; and
- 2045 (b) the new owner of the property and the person from whom the new owner acquires
2046 the property shall notify the county assessor, in writing, of the change in ownership
2047 of the property within 30 days from the day that the new owner acquires the property.
- 2048 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
- 2049 (a) is subject to any exclusive use exemption or government exemption that the property
2050 is entitled to under the new ownership of the property; and
2051 (b) applies only to property that is acquired after December 31, 2005.
- 2052 (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
- 2053 (i) the nonprofit entity that owns the property participates in or intervenes in any
2054 political campaign on behalf of or in opposition to any candidate for public office,
2055 including the publishing or distribution of statements; or
2056 (ii) a substantial part of the activities of the nonprofit entity that owns the property
2057 consists of carrying on propaganda or otherwise attempting to influence
2058 legislation, except as provided under Subsection 501(h), Internal Revenue Code.
- 2059 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)
2060 shall be determined using the standards described in Section 501, Internal Revenue
2061 Code.
- 2062 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:
- 2063 (a) the property is used for a purpose that is not religious, charitable, or educational; and
2064 (b) the use for a purpose that is not religious, charitable, or educational is more than de
2065 minimis.
- 2066 (8) A county legislative body may adopt rules or ordinances to:
- 2067 (a) effectuate an exemption under this part; and
2068 (b) designate one or more persons to perform the functions given to the county under
2069 this part.
- 2070 (9) If a person is dissatisfied with an exemption decision made under designated

2071 decision-making authority as described in Subsection (8)(b), that person may appeal the
 2072 decision to the commission under Section 59-2-1006.

2073 Section 23. Section **63B-1b-202** is amended to read:

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

2075 (1)(a) There is created within the Division of Finance an officer responsible for the care,
 2076 custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
 2077 documents, and other evidences of indebtedness:

2078 (i) owned or administered by the state or any of its agencies; and

2079 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

2080 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not
 2081 responsible for the care, custody, safekeeping, collection, and accounting of a bond,
 2082 note, contract, trust document, or other evidence of indebtedness relating to the:

2083 (i) Agriculture Resource Development Fund, created in Section 4-18-106;

2084 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;

2085 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;

2086 (iv) [~~Olene Walker Housing Loan Fund, created in Section 35A-8-502~~] Olene Walker
 2087 State Housing Fund, created in Section 35A-8-2502;

2088 (v) Brownfields Fund, created in Section 19-8-120; and

2089 (vi) Rural Opportunity Fund, created in Section 63N-4-805.

2090 (2)(a) Each authorizing agency shall deliver to this officer for the officer's care, custody,
 2091 safekeeping, collection, and accounting all bonds, notes, contracts, trust documents,
 2092 and other evidences of indebtedness:

2093 (i) owned or administered by the state or any of its agencies; and

2094 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

2095 (b) This officer shall:

2096 (i) establish systems, programs, and facilities for the care, custody, safekeeping,
 2097 collection, and accounting for the bonds, notes, contracts, trust documents, and
 2098 other evidences of indebtedness submitted to the officer under this Subsection (2);
 2099 and

2100 (ii) shall make available updated reports to each authorizing agency as to the status of
 2101 loans under their authority.

2102 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in
 2103 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the
 2104 officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and

2105 other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).
2106 Section 24. **Repealer.**
2107 This bill repeals:
2108 Section **35A-8-501, Definitions.**
2109 Section **35A-8-502, Creation and administration.**
2110 Section **35A-8-503, Housing loan fund board -- Duties -- Expenses.**
2111 Section **35A-8-504, Distribution of fund money.**
2112 Section **35A-8-505, Activities authorized to receive fund money -- Powers of the**
2113 **executive director.**
2114 Section **35A-8-506, Authority of the executive director.**
2115 Section **35A-8-507, Application process and priorities.**
2116 Section **35A-8-508, Annual accounting.**
2117 Section **35A-8-509, Economic Revitalization and Investment Fund.**
2118 Section **35A-8-510, Housing loan fund board approval.**
2119 Section **35A-8-511, Activities authorized to receive account money.**
2120 Section **35A-8-512, Repayment of funds.**
2121 Section **35A-8-513, Annual accounting.**
2122 Section **35A-8-2101, Title -- Purpose.**
2123 Section **35A-8-2102, Definitions.**
2124 Section **35A-8-2103, Private Activity Bond Review Board.**
2125 Section **35A-8-2104, Powers, functions, and duties of the board of review.**
2126 Section **35A-8-2105, Allocation of volume cap.**
2127 Section **35A-8-2106, Allotment accounts.**
2128 Section **35A-8-2107, Certificates of allocation.**
2129 Section **35A-8-2108, Issuing authorities -- Limitations -- Duties.**
2130 Section **35A-8-2109, Procedures -- Adjudicative proceedings.**
2131 Section **35A-8-2110, Duties of the department.**
2132 Section 25. **Effective Date.**
2133 This bill takes effect on May 7, 2025.