



## HB0492 compared with HB0492S02

authorizes the board to make loans from the fund ~~{for public infrastructure projects}~~ to  
qualifying political subdivisions to finance system improvements that ~~{facilitate new}~~ will facilitate the  
construction of housing;

- 17           • ~~{make a loan from the fund to the Point of the Mountain State Land Authority for~~  
~~prison infrastructure projects; and}~~
- 19           • ~~{makes rules to administer the fund;}~~
- 14           ▶ establishes certain terms and requirements for the infrastructure loans awarded by the  
board;
- 20           ▶ repeals the Affordable Housing Infrastructure Grant Board and transfers duties for awarding  
affordable housing infrastructure grants to the board;
- 18           ▶ requires the board, in awarding infrastructure loans and affordable housing infrastructure  
grants, to give preference to projects that include certain starter homes;
- 22           ▶ requires the Governor's Office of Economic Opportunity to provide staff support to the board;
- 24           ▶ ~~{provides for}~~ requires annual reporting from the board ~~{to}~~ and provides the ~~{Legislature}~~  
board with rulemaking authority;
- 24           ▶ authorizes the board to use a certain amount of money in the fund to offset administrative  
expenses;
- 25           ▶ increases the maximum amount of bonds ~~{authorized for certain}~~ that may be authorized in  
relation to affordable ~~{housing-related transportation projects}~~ housing infrastructure;and
- 27           ▶ ~~{provides for a state agency's sale of surplus real property to qualifying entities at a pre-~~  
~~appraised value and with deferred payment; and}~~
- 29           ▶ makes technical and conforming changes.

### 29 Money Appropriated in this Bill:

- 30           ▶ **This bill appropriates \$100,000,000 in restricted fund and account transfers for fiscal**  
**year**
- 31           **2027, all of which is from the various sources as detailed in this bill.**
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### 32 Other Special Clauses:

33           None

### 34 Utah Code Sections Affected:

35           AMENDS:

36           ~~{59-12-103 (Effective 07/01/26), as last amended by Laws of Utah 2025, Chapter 285}~~

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36 **63B-34-101** ~~{(Effective 05/06/26)}~~, as enacted by Laws of Utah 2025, Chapter 502  
37 **72-2-121** ~~{(Effective 05/06/26)}~~, as last amended by Laws of Utah 2025, First Special Session,  
Chapter 17  
38 **72-2-501** ~~{(Effective 05/06/26)}~~, as enacted by Laws of Utah 2025, Chapter 502  
39 **72-2-503** ~~{(Effective 05/06/26)}~~, as enacted by Laws of Utah 2025, Chapter 502

40 ENACTS:

41 ~~**63A-2-412** (Effective 05/06/26), Utah Code Annotated 1953}~~  
42 **63N-3-1801** ~~{(Effective 05/06/26)}~~, Utah Code Annotated 1953  
43 **63N-3-1802** ~~{(Effective 05/06/26)}~~, Utah Code Annotated 1953  
44 **63N-3-1803** ~~{(Effective 05/06/26)}~~, Utah Code Annotated 1953  
45 **63N-3-1804** ~~{(Effective 05/06/26)}~~, Utah Code Annotated 1953  
46 **63N-3-1805** ~~{(Effective 05/06/26)}~~, Utah Code Annotated 1953  
47 ~~**63N-3-1806** (Effective 05/06/26), Utah Code Annotated 1953}~~

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

49 ~~{Section 1. Section 59-12-103 is amended to read: }~~

50 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenue.**

- 51 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for  
amounts paid or charged for the following transactions:
- 52 (a) retail sales of tangible personal property made within the state;
- 53 (b) amounts paid for:
- 54 (i) telecommunications service, other than mobile telecommunications service, that originates and  
terminates within the boundaries of this state;
- 55 (ii) mobile telecommunications service that originates and terminates within the boundaries of one state  
only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et  
seq.; or
- 56 (iii) an ancillary service associated with a:
- 57 (A) telecommunications service described in Subsection (1)(b)(i); or
- 58 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 59 (c) sales of the following for commercial use:
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- 68 (i) gas;
- 69 (ii) electricity;
- 70 (iii) heat;
- 71 (iv) coal;
- 72 (v) fuel oil; or
- 73 (vi) other fuels;
- 74 (d) sales of the following for residential use:
- 75 (i) gas;
- 76 (ii) electricity;
- 77 (iii) heat;
- 78 (iv) coal;
- 79 (v) fuel oil; or
- 80 (vi) other fuels;
- 81 (e) sales of prepared food;
- 82 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;
- 92 (g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 95 (i) the tangible personal property; and
- 96 (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1) (g)(i), regardless of whether:
- 98 (A) any parts are actually used in the repairs or renovations of that tangible personal property; or
- 100 (B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;
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- (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted cleaning or washing of tangible personal property;
- 104 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer court accommodations and services;
- 106 (j) amounts paid or charged for laundry or dry cleaning services;
- 107 (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:
- 109 (i) stored;
- 110 (ii) used; or
- 111 (iii) otherwise consumed;
- 112 (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
- 114 (i) stored;
- 115 (ii) used; or
- 116 (iii) consumed;
- 117 (m) amounts paid or charged for a sale:
- 118 (i)
- (A) of a product transferred electronically; or
- 119 (B) of a repair or renovation of a product transferred electronically; and
- 120 (ii) regardless of whether the sale provides:
- 121 (A) a right of permanent use of the product; or
- 122 (B) a right to use the product that is less than a permanent use, including a right:
- 123 (I) for a definite or specified length of time; and
- 124 (II) that terminates upon the occurrence of a condition; and
- 125 (n) sales of leased tangible personal property from the lessor to the lessee made in the state.
- 127 (2)
- (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
- 129 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 130 (A) 4.70%;
- 131 (B) the rate specified in Subsection (6)(a); and

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- 132 (C) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax  
Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is  
in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part  
20, Supplemental State Sales and Use Tax Act; and
- 137 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction  
under this chapter other than this part.
- 139 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local  
tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
- 142 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 143 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under  
this chapter other than this part.
- 145 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts  
paid or charged for food and food ingredients equal to the sum of:
- 147 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of  
1.75%; and
- 149 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or  
charged for food and food ingredients under this chapter other than this part.
- 152 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for  
fuel to a common carrier that is a railroad for use in a locomotive engine at a rate equal to the sum of  
the rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B).
- 156 (e)
- (i)
- (A) The rates described in Subsections (2)(a)(i)(A) and (2)(a)(i)(B) do not apply to car sharing,  
a car sharing program, a shared vehicle driver, or a shared vehicle owner, for a car sharing or  
shared vehicle transaction if a shared vehicle owner certifies to the commission, on a form  
prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle.
- 161 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once  
during the time that the shared vehicle owner owns the shared vehicle.
- 164 (C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by  
verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of  
the shared vehicle.

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- 167 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared  
vehicle shared through a car-sharing program even if non-certified shared vehicles are also  
available to be shared through the same car-sharing program.
- 171 (ii) A tax imposed under Subsection (2)(a)(i)(C) or (2)(a)(ii) applies to car sharing.
- 172 (iii)
- (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the  
shared vehicle is an individual-owned shared vehicle certified with the commission as described in  
Subsection (2)(e)(i).
- 175 (B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the  
shared vehicle is an individual-owned shared vehicle certified with the commission as described in  
Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction  
imposed on the shared vehicle owner.
- 180 (iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection  
(2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax  
under Subsections (2)(a)(i)(A) and (2)(a)(i)(B) for that tax period.
- 184 (v) A car-sharing program is not required to list or otherwise identify an individual-owned shared  
vehicle on a return or an attachment to a return.
- 186 (vi) A car-sharing program shall:
- 187 (A) retain tax information for each car-sharing program transaction; and
- 188 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the  
commission's request.
- 190 (f)
- (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal  
property other than food and food ingredients, a state tax and a local tax is imposed on the entire  
bundled transaction equal to the sum of:
- 193 (A) the tax rates described in Subsection (2)(a)(i); and
- 194 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in  
Subsection (2)(a)(ii).
- 196 (ii) If an optional computer software maintenance contract is a bundled transaction that consists of  
taxable and nontaxable products that are not separately itemized on an invoice or similar billing

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document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.

- 201 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction  
described in Subsection (2)(f)(i) or (ii):
- 203 (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product,  
or a service that is subject to taxation under this chapter and tangible personal property, a product, or  
service that is not subject to taxation under this chapter, the entire bundled transaction is subject to  
taxation under this chapter unless:
- 208 (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property,  
product, or service that is not subject to taxation under this chapter from the books and records the  
seller keeps in the seller's regular course of business; or
- 212 (II) state or federal law provides otherwise; or
- 213 (B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal  
property, products, or services that are subject to taxation under this chapter at different rates, the  
entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:
- 217 (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property,  
product, or service that is subject to taxation under this chapter at the lower tax rate from the books  
and records the seller keeps in the seller's regular course of business; or
- 221 (II) state or federal law provides otherwise.
- 222 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular  
course of business includes books and records the seller keeps in the regular course of business for  
nontax purposes.
- 225 (g)
- (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a  
transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service  
that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal  
property, other property, a product, or a service that is not subject to taxation under this chapter,  
the entire transaction is subject to taxation under this chapter unless the seller, at the time of the  
transaction:
- 232 (A) separately states the portion of the transaction that is not subject to taxation under this chapter  
on an invoice, bill of sale, or similar document provided to the purchaser; or

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- 235 (B) is able to identify by reasonable and verifiable standards, from the books and records the seller  
keeps in the seller's regular course of business, the portion of the transaction that is not subject  
to taxation under this chapter.
- 238 (ii) A purchaser and a seller may correct the taxability of a transaction if:
- 239 (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction  
that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale,  
or similar document provided to the purchaser because of an error or ignorance of the law; and
- 243 (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the  
seller keeps in the seller's regular course of business, the portion of the transaction that is not subject  
to taxation under this chapter.
- 246 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's  
regular course of business includes books and records the seller keeps in the regular course of  
business for nontax purposes.
- 249 (h)
- (i) If the sales price of a transaction is attributable to two or more items of tangible personal property,  
products, or services that are subject to taxation under this chapter at different rates, the entire  
purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time  
of the transaction:
- 253 (A) separately states the items subject to taxation under this chapter at each of the different rates on  
an invoice, bill of sale, or similar document provided to the purchaser; or
- 256 (B) is able to identify by reasonable and verifiable standards the tangible personal property,  
product, or service that is subject to taxation under this chapter at the lower tax rate from the  
books and records the seller keeps in the seller's regular course of business.
- 260 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular  
course of business includes books and records the seller keeps in the regular course of business for  
nontax purposes.
- 263 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under  
the following shall take effect on the first day of a calendar quarter:
- 265 (i) Subsection (2)(a)(i)(A);
- 266 (ii) Subsection (2)(a)(i)(B);
- 267 (iii) Subsection (2)(b)(i);

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- 268 (iv) Subsection (2)(c)(i); or  
269 (v) Subsection (2)(f)(i)(A).  
270 (j)  
(i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:
- 274 (A) Subsection (2)(a)(i)(A);  
275 (B) Subsection (2)(a)(i)(B);  
276 (C) Subsection (2)(b)(i);  
277 (D) Subsection (2)(c)(i); or  
278 (E) Subsection (2)(f)(i)(A).
- 279 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:
- 282 (A) Subsection (2)(a)(i)(A);  
283 (B) Subsection (2)(a)(i)(B);  
284 (C) Subsection (2)(b)(i);  
285 (D) Subsection (2)(c)(i); or  
286 (E) Subsection (2)(f)(i)(A).  
287 (k)  
(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:
- 290 (A) on the first day of a calendar quarter; and  
291 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 293 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 294 (A) Subsection (2)(a)(i)(A);  
295 (B) Subsection (2)(a)(i)(B);  
296 (C) Subsection (2)(b)(i);  
297 (D) Subsection (2)(c)(i); or  
298 (E) Subsection (2)(f)(i)(A).

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- 299 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission  
may by rule define the term "catalogue sale."
- 301 (1)
- (i) For a location described in Subsection (2)(1)(ii), the commission shall determine the taxable status of  
a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas,  
electricity, heat, coal, fuel oil, or other fuel at the location.
- 305 (ii) Subsection (2)(1)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is  
furnished through a single meter for two or more of the following uses:
- 308 (A) a commercial use;
- 309 (B) an industrial use; or
- 310 (C) a residential use.
- 311 (3)
- (a) The commission shall deposit the following state taxes into the General Fund:
- 312 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 313 (ii) the tax imposed by Subsection (2)(b)(i);
- 314 (iii) the tax imposed by Subsection (2)(c)(i);
- 315 (iv) the tax imposed by Subsection (2)(d); and
- 316 (v) the tax imposed by Subsection (2)(f)(i)(A).
- 317 (b) The commission shall distribute the following local taxes to a county, city, or town as provided in  
this chapter:
- 319 (i) the tax imposed by Subsection (2)(a)(ii);
- 320 (ii) the tax imposed by Subsection (2)(b)(ii);
- 321 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 322 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 323 (4)
- (a) Notwithstanding Subsection (3)(a), for each fiscal year the commission shall make the deposits  
described in Subsections (4)(b) through (4)(h) from the revenue from the taxes imposed by:
- 326 (i) Subsection (2)(a)(i)(A);
- 327 (ii) Subsection (2)(b)(i);
- 328 (iii) Subsection (2)(c)(i); and
- 329 (iv) Subsection (2)(f)(i)(A).

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- 330 (b) The commission shall deposit 15% of the difference between 1.4543% of the revenue described in  
Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Rights Restricted  
Account created in Section 73-2-1.6.
- 333 (c) The commission shall deposit 85% of the difference between 1.4543% of the revenue described  
in Subsection (4)(a) and the deposits made under Subsection (5)(b), into the Water Resources  
Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water  
Resources for:
- 337 (i) preconstruction costs:
- 338 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River  
Development Act; and
- 340 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73,  
Chapter 28, Lake Powell Pipeline Development Act;
- 342 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26,  
Bear River Development Act;
- 344 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by  
Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
- 347 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (5)(b)(iv)  
(B) after funding the uses specified in Subsections (4)(c)(i) through (iii).
- 350 (d) The commission shall deposit 1.4543% of the revenue described in Subsection (4)(a) into the Water  
Infrastructure Restricted Account created in Section 73-10g-103.
- 352 (e)
- (i) Subject to [~~Subsection (4)(e)(ii)] Subsections (4)(e)(ii) through (iv), the commission shall deposit  
26.24% of the revenue described in Subsection (4)(a) into the Transportation Investment Fund of  
2005 created in Section 72-2-124.~~
- 355 (ii) The commission shall annually reduce the deposit described in Subsection (4)(e)(i) by the sum of:
- 357 (A) \$1,813,400;
- 358 (B) the earmark described in Subsection (5)(c); and
- 359 (C) an amount equal to 35% of the revenue generated in the current fiscal year by the portion of the tax  
imposed on motor and special fuel that is sold, used, or received in the state that exceeds 29.4 cents  
per gallon.

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- (iii) The amount described in Subsection (4)(e)(ii)(C) shall be annually deposited into the Transit Transportation Investment Fund created in Section 72-2-124.
- 364 (iv) For the fiscal year beginning on July 1, 2026, the commission shall:
- 365 (A) reduce the deposit described in Subsection (4)(e)(i) by 2.13%; and
- 366 (B) deposit the amount described in Subsection (4)(e)(iv)(A) into the State Housing Infrastructure Partnership Fund created in Section 63N-3-1802.
- 368 (f) The commission shall deposit .44% of the revenue described in Subsection (4)(a) into the Cottonwood Canyons Transportation Investment Fund created in Section 72-2-124.
- 371 (g) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Commuter Rail Subaccount created in Section 72-2-124.
- 373 (h) The commission shall deposit 1% of the revenue described in Subsection (4)(a) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902 as follows:
- 376 (i) into the Outdoor Adventure Infrastructure Restricted Account created in Section 51-9-902, an amount equal to the amount that was deposited into the Outdoor Adventure Infrastructure Restricted Account in fiscal year 2025; and
- 379 (ii) for any amount exceeding the amount described in Subsection (4)(h)(i), 50% into the Outdoor Adventure Infrastructure Restricted Account and 50% to the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.
- 382 (5)
- (a) Notwithstanding Subsection (3)(a), each fiscal year the commission shall make the deposits described in this Subsection (5).
- 384 (b)
- (i)
- (A) The commission shall deposit \$500,000 to the Department of Natural Resources to be used for watershed rehabilitation or restoration.
- 386 (B) At the end of each fiscal year, 100% of any unexpended amount described in Subsection (5) (b)(i)(A) shall lapse into the Water Resources Conservation and Development Fund created in Section 73-10-24.
- 389 (ii) The commission shall deposit \$150,000 to the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

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- (iii) The commission shall deposit \$525,000 into the Division of Conservation created in Section 4-46-401 to implement water related programs.
- 394 (iv) The commission shall deposit \$7,175,000 into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources:
- 397 (A) for the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24;
- 399 (B) to conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
- 405 (C) to fund state required dam safety improvements; and
- 406 (D) to protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- 408 (v) The commission shall deposit \$3,587,500 into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
- 411 (vi) The commission shall deposit \$3,587,500 into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- 414 (A) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
- 417 (B) develop underground sources of water, including springs and wells; and
- 418 (C) develop surface water sources.
- 419 (vii) The commission shall deposit \$2,450,000 to the Division of Wildlife Resources to:
- 421 (A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or
- 423 (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.
- 427 (viii) Funds transferred to the Division of Wildlife Resources under Subsection (5)(b)(vii)(A) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt

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to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531, et seq.

432 (ix) At the end of each fiscal year, any unexpended amounts described in Subsections (5)(b)(vii)(A) and  
433 (B) shall lapse:

434 (A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

436 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

438 (C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

440 (x) The commission shall allocate \$175,000 to the Division of Water Rights to cover the costs incurred  
441 in hiring legal and technical staff for the adjudication of water rights.

443 (xi) At the end of each fiscal year, any unexpended amounts described in Subsection (5)(b)(x) shall  
444 lapse:

445 (A) 50% into the Water Resources Conservation and Development Fund created in Section 73-10-24;

447 (B) 25% into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

449 (C) 25% into the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

451 (c) The commission shall deposit \$45,000,000 into the Active Transportation Investment Fund created  
452 in Section 72-2-124.

453 (d) The commission shall deposit \$533,750 into the Qualified Emergency Food Agencies Fund created  
454 by and expended in accordance with Section 35A-8-1009.

455 (e) The commission shall deposit \$200,000 into the General Fund as a dedicated credit for the sole  
456 use of the Search and Rescue Financial Assistance Program created by and to be expended in  
457 accordance with Title 53, Chapter 2a, Part 11, Search and Rescue Act.

459 (6)

(a) The rate specified in this Subsection (6) is 0.15%.

460 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July  
461 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (6)  
462 (a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(B) into the  
463 Medicaid ACA Fund created in Section 26B-1-315.

465 (7)

(a) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), and as  
466 described in Section 63N-3-610, beginning the first day of a calendar quarter one year after the sales  
467 and use tax boundary for a housing and transit reinvestment zone is established under Title 63N,

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Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

- 474 (b) Beginning no sooner than January 1, 2026, notwithstanding Subsection (3)(a), and except as provided in Subsections (11), (12), and (13), and as described in Section 63N-3-610.1, beginning the first day of a calendar quarter after the year set in the proposal and after the sales and use tax boundary for a convention center reinvestment zone is established in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax increment as defined in Section 63N-3-602 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within an established sales and use tax boundary, as defined in Section 63N-3-602, to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 and specified in the convention center reinvestment zone proposal submitted [pursuant to] in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 487 (8) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), beginning October 1, 2024 the commission shall transfer to the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring within the district sales tax area, as defined in Section 11-70-101.
- 492 (9)
- (a) As used in this Subsection (9):
- 493 (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)
- (b) that the point of the mountain authority acquires after the point of the mountain authority provides the commission a map under Subsection (9)(c).
- 496 (ii) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
- 498 (iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.
- 500 (b) Notwithstanding Subsection (3)(a) and except as provided in Subsections (11), (12), and (13), the commission shall distribute to the point of the mountain authority 50% of the revenue from the

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sales and use tax imposed by Subsection (2)(a)(i)(A), on transactions occurring on the point of the mountain state land.

504 (c) The distribution under Subsection (9)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:

507 (i) accurately describes the point of the mountain state land; and

508 (ii) the point of the mountain authority certifies as accurate.

509 (d) A distribution under Subsection (9)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:

512 (i) accurately describes the point of the mountain state land, including the additional land; and

514 (ii) the point of the mountain authority certifies as accurate.

515 (e)

(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection (9)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.

519 (ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (9)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection (9)(e)(i).

523 (10) Notwithstanding Subsection (3)(a), the amount of state sales tax revenues described in Section 63N-2-503.5 is deposited into the Convention Incentive Fund created in Section 63N-2-503.5.

526 (11)

(a) As used in this Subsection (11):

527 (i) "Applicable percentage" means:

528 (A) for a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, 15% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(A);

533 (B) for the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201, the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(B); and

537

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(C) for the Point of the Mountain State Land Authority created in Section 11-59-201, 50% of the revenue from sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (11)(a)(ii)(C).

541 (ii) "Qualified development zone" means:

542 (A) the sales and use tax boundary of a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Act;

545 (B) the district sales tax boundary as defined in Section 11-70-101 for the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201; or

548 (C) the sales and use tax boundary of point of the mountain state land, as defined in Section 11-59-102, under the Point of the Mountain State Land Authority created in Section 11-59-201.

551 (iii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J or a substantially similar form as designated by the commission.

554 (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be deposited into the General Fund.

556 (12)

(a) As used in Subsections (12) and (13):

557 (i) "Applicable percentage" means, for a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, an amount equal to 50% of the sales and use tax increment, as that term is defined in Section 63N-3-602, from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (12)(a)(ii).

563 (ii) "Qualified development zone" means the sales and use tax boundary of a convention center reinvestment zone created in a capital city under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

566 (iii) "Qualifying construction materials" means construction materials that are:

567 (A) delivered to a delivery outlet within a qualified development zone; and

568 (B) intended to be permanently attached to real property within the qualified development zone.

570 (b) For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (12)(c) to a qualified development zone if the seller of the construction materials:

573 (i) establishes a delivery outlet with the commission within the qualified development zone;

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575 (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (12)(b)  
576 (i); and

577 (iii) does not report the sales of the construction materials on a simplified electronic return.

579 (c) For the purposes of Subsection (12)(b), the product is equal to:

580 (i) the sales price or purchase price of the qualifying construction materials; and

581 (ii) the applicable percentage.

582 (13)

(a) As used in this Subsection (13), "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J, or a substantially similar form as designated by the commission.

585 (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the General Fund.

587 Section 2. Section 2 is enacted to read:

588 **63A-2-412. Sale of surplus real property by state agency to qualifying entity for pre-entitlement appraised value -- Deferral of payment.**

590 (1) As used in this section, "qualifying entity" means a state agency or an independent entity, as defined in Section 63E-1-102, that administers public interests in housing.

592 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, a state agency may make rules to provide for:

594 (a) the sale of the state agency's surplus real property to a qualifying entity for a pre-entitlement appraised value; and

596 (b) deferred payment for a qualifying entity's purchase of surplus real property under Subsection (2)(a) until after the development of owner-occupied housing on the real property.

48 Section 1. Section **63B-34-101** is amended to read:

49 **63B-34-101. ~~{Effective 05/06/26}~~ Transportation bonds -- Maximum amount -- Use for transportation projects related to affordable housing initiatives.**

602 (1)

(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed [~~\$70,000,000~~] \$140,000,000.

604 (b) When the Department of Transportation certifies to the commission the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2), the

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commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

- 608 (c) The commission may not issue general obligation bonds authorized under this section if the issuance  
for general obligation bonds would result in the total current outstanding general obligation debt of  
the state exceeding 50% of the limitation described in Utah Constitution, Article XIV, Section 1.
- 612 (2)
- (a) Proceeds from the bonds issued under this section shall be provided to the Department of  
Transportation through the Transportation Investment Fund of 2005 created in Section 72-2-124  
to pay for or to provide funds to public entities for costs related to affordable housing initiatives as  
described in Subsection (2)(b).
- 616 (b) Bond proceeds described under Subsection (2)(a) shall be used to pay for infrastructure to assist  
in affordable housing related grants and allocated as described in Title 72, Chapter 2, Part 5,  
Affordable Housing Infrastructure Grants.
- 619 (c) The costs under this Subsection (2) may include the costs of acquiring land, interests in land,  
easements and rights-of-way, the costs of improving sites, making all improvements necessary,  
incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds  
during the period to be covered by construction of the projects plus a period of six months after the  
end of the construction period, interest estimated to accrue on any bond anticipation notes issued  
under the authority of this title, and all related engineering, architectural, and legal fees.
- 627 (3) The executive director of the Department of Transportation may allocate bond proceeds under this  
section as provided in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

79 Section 2. Section 2 is enacted to read:

81 **63N-3-1801.** ~~{(Effective 05/06/26)}~~ **Definitions.**

18. State Housing Infrastructure Partnership

As used in this part:

- 634 ~~{(1) {"Agency" means the same as that term is defined in Section 17C-1-102.}}~~
- 635 (2){(1)} "Board" means the State Housing Infrastructure Partnership Board, created in Section  
63N-3-1803.
- 637 (3){(2)} "Development agreement" means the same as that term is defined in Section 10-20-102.
- 638 (4){(3)} "Fund" means the State Housing Infrastructure Partnership Fund, created in Section  
63N-3-1802.

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- 640 (5){(4)} "Housing {project} development" means a land development proposal to construct new  
housing that a municipality or a county approves with a land use application, development  
agreement, or zone change.
- 643 (6){(5)} "Infrastructure facility" means a facility used in connection with system-level infrastructure,  
including:
- 644 (a) a drinking water facility;
- 645 (b) a wastewater facility;
- 646 (c) a sewer lift station;
- 647 (d) a stormwater system; {or}
- 648 (e) a water drainage system{-}; or
- 98 (f) a secondary water system.
- 649 (7){(6)} "Infrastructure loan" means a loan of fund money to finance {an infrastructure project} a  
system improvement.
- 100 (7) "Land use application" means the same as that term is defined in Section 10-20-102.
- 101 (8) "Qualifying political subdivision" means:
- 102 (a) a municipality;
- 103 (b) a county;
- 104 (c) an agency, as defined in Section 17C-1-102; or
- 105 (d) the Point of the Mountain State Land Authority, created in Section 11-59-201.
- 106 (9) "Special district" means the same as that term is defined in Section 17B-1-102.
- 650 (8){(10)}
- (a) {"Infrastructure project"} "System improvement" means a project to construct or expand a publicly  
owned:
- 651 (i) road that is part of:
- 652 (A) the statewide long-range transportation plan;
- 653 (B) a regional transportation plan of a metropolitan planning organization; or
- 654 (C) a municipal or county general plan, transportation master plan, or economic development initiative;  
or
- 656 (ii) infrastructure facility that is part of:
- 657 (A) a municipal or county general plan, infrastructure plan, or economic development initiative; or
- 659 (B) a special district infrastructure plan or strategic plan.

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660 (b) ~~{ "Infrastructure project" }~~ "System improvement" may include the costs of:

661 (i) ~~designing a project described in Subsection {(8)(a)}~~ (10)(a); or

662 (ii) ~~acquiring property for a project described in Subsection {(8)(a)}~~ (10)(a).

663 ~~{(9) { "Land use application" means the same as that term is defined in Section 10-20-102. } }~~

664 ~~{(10) { "Special district" means the same as that term is defined in Section 17B-1-102. } }~~

120 Section 3. Section 3 is enacted to read:

121 **63N-3-1802.** ~~{(Effective 05/06/26)}~~ **State Housing Infrastructure Partnership Fund.**

667 (1) There is created a revolving loan fund known as the "State Housing Infrastructure Partnership Fund."

669 (2) The fund consists of money generated from the following revenue sources:

670 (a) appropriations made to the fund by the Legislature;

671 ~~{(b) { the sales and use tax revenue deposited into the fund in accordance with Section 59-12-103; } }~~

673 (c) ~~{(b)}~~ amounts received for the repayment of infrastructure loans made by the board under this part;

675 (d) ~~{(c)}~~ grants, gifts, loans, or other funding from:

676 (i) the federal government; or

677 (ii) other public or private sources; and

678 (e) ~~{(d)}~~ interest or other earnings deposited under Subsection (3).

679 (3) The state treasurer shall:

680 (a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and

682 (b) deposit all interest or other earnings derived from those investments into the fund.

683 (4) The board ~~{shall}~~ may use ~~{the}~~ money in the fund only to:

684 (a) ~~{provide}~~ make infrastructure loans in accordance with ~~{Section 63N-3-1804}~~ this part; and

685 ~~{(b) { subject to Subsection 63N-3-1806(5), pay the Governor's Office of Economic Opportunity the costs of administering the fund, providing infrastructure loans, monitoring related infrastructure projects, and obtaining repayments of infrastructure loans. } }~~

138 (b) pay the office's administrative costs related to this part, in an amount that does not exceed 0.5% of the revenues of the fund, including any appropriation to the fund.

140 Section 4. Section 4 is enacted to read:

141 **63N-3-1803.** ~~{(Effective 05/06/26)}~~ **State Housing Infrastructure Partnership Board.**

692

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(1) There is created within the office the State Housing Infrastructure Partnership Board composed of  
{ five members as follows } :

144 (a) five voting members as follows:

694 (a){(i)} the executive director of the office or the executive director's designee;

695 (b){(ii)} the executive director of the Department of Transportation or the executive director's designee;

697 {(e) {the legislative fiscal analyst or the legislative fiscal analyst's designee;}}

148 (iii) one member appointed by the governor;

698 (d){(iv)} one member appointed by the president of the Senate; and

699 (e){(v)} one member appointed by the speaker of the House of Representatives{-}; and

151 (b) any number of nonvoting members appointed by the chair and vice chair of the board.

700 (2)

(a) The members described in Subsections {(1)(d)} (1)(a)(iv) and {(e)} (v) shall serve a four-year  
term.

701 (b) When a vacancy occurs in a position described in Subsections {(1)(d)} (1)(a)(iv) and {(e)} (v), the  
person that appointed the member shall appoint a new member for the unexpired term.

703 (c) If a member described in Subsections {(1)(d)} (1)(a)(iv) and {(e)} (v) leaves elected office, the  
appointing entity shall appoint a new member for the unexpired term.

705 (3)

(a) The voting members of the board shall elect a chair and vice chair from the {board membership}  
board's voting members.

707 (b) The chair and vice chair of the board shall serve a term of one year.

708 (c) The chair of the board is responsible for the call and conduct of board meetings.

162 (4)

(a) A majority of the voting members of the board constitutes a quorum.

163 (b) Action by a majority vote of a quorum of the board constitutes action by the board

164 (5)

(a) A voting member of the board who is a legislator shall be paid salary and expenses in accordance  
with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

709 (4){(b)} A voting member of the board who is not a legislator may not receive compensation or benefits  
for the member's service, but may receive per diem and travel expenses in accordance with:

711 (a){(i)} Section 63A-3-106;

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- 712 (b){(ii)} Section 63A-3-107; and
- 713 (c){(iii)} rules made by the Division of Finance in accordance with Sections 63A-3-106 and  
63A-3-107.
- 715 (5){(6)} A voting member of the board shall comply with the conflict of interest provisions described in  
Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- 717 {(6) }
- {(a) {A majority of the members of the board constitutes a quorum.}}
- 718 {(b) {Action by a majority vote of a quorum of the board constitutes action by the board.}}
- 719 (7) The office shall provide staff support to the board.
- 177 Section 5. Section 5 is enacted to read:
- 178 **63N-3-1804. ~~{(Effective 05/06/26)}~~Board duties -- {Infrastructure loans -- Affordable  
housing infrastructure grants --} Annual report-- Rulemaking.**
- 723 (1) The board shall:
- 724 (a) make infrastructure loans {from the fund to municipalities, counties, and agencies} to qualifying  
political subdivisions for {infrastructure projects required to} system improvements that will  
facilitate the construction of housing {that the municipality or county approves} in accordance with  
Section 63N-3-1805;
- 727 (b) for the infrastructure loans described in Subsection (1)(a):
- 728 (i) establish criteria for determining infrastructure loan eligibility {under this part} ;
- 729 (ii) establish criteria by which an infrastructure loan will be made and repaid; and
- 730 (iii) determine the order in which {infrastructure projects} system improvements will be funded;
- 731 (c) award affordable housing infrastructure grants to public entities {within a county of the first class  
from the funding sources specified in Section 72-2-502,} in accordance with Title 72, Chapter  
2, Part 5, Affordable Housing Infrastructure Grants {, and any rules made by the office under  
Subsection 72-2-503(3)} ;and
- 735 {(d) {in accordance with Subsection 63N-3-1806(6), make a loan from the fund to the Point of the  
Mountain State Land Authority, created in Section 11-59-201, for prison infrastructure projects;  
and}}
- 738 (e){(d)} administer the fund in a manner that will keep a portion of the fund revolving.
- 739 {(2) {The board may:}}
- 740 {(a) {sue and be sued in accordance with applicable law; and}}

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- 741 {~~(b) {qualify for, accept, and administer grants, gifts, loans, or other funding from:}~~}
- 742 {~~(i) {the federal government; and}~~}
- 743 {~~(ii) {other public or private sources.}~~}
- 744 (3){(2)} On or before September 1 of each year, the board shall submit a written report to the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee that includes:
- 747 (a) information regarding the activities of the board;
- 748 (b) the number and types of infrastructure loans made;
- 749 (c) a list of {~~municipalities, counties, and agencies~~} qualifying political subdivisions that received an infrastructure loan;
- 750 (d) the number of constructed housing units that each infrastructure loan facilitated; and
- 751 (e) any {~~recommendation~~} recommendations for legislation.
- 198 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board may make rules governing:
- 200 (a) management of the fund; and
- 201 (b) infrastructure loan application requirements and eligibility review criteria.
- 202 Section 6. Section 6 is enacted to read:
- 203 63N-3-1805. ~~{(Effective 05/06/26)}~~{~~Board rulemaking authority~~} Infrastructure loans to
- qualifying political subdivisions -- Application -- Loan requirements.
- 205 (1) A qualifying political subdivision may receive an infrastructure loan under this part to finance a system improvement that will facilitate the construction of a housing development.
- 208 (2) To receive an infrastructure loan, a qualifying political subdivision shall submit an application to the board that:
- 210 (a) demonstrates:
- 211 (i) the qualifying political subdivision has approved or will approve a housing development;
- 213 (ii) the infrastructure loan will accelerate the completion of the housing development;
- 214 (iii) the builder or developer of the housing development has agreed to, or will agree to, a specific timeline to complete the housing development if the board approves the infrastructure loan;
- 217 (iv) the qualifying political subdivision will provide matching funds for the system improvement in an amount determined by the board;
- 219

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- 221 (v) the qualifying political subdivision has a primary revenue source for repaying the infrastructure loan; and
- 222 (vi) if the qualifying political subdivision is a municipality or county, the qualifying political subdivision has adopted a moderate income housing plan that complies with Section 10-21-202 or 17-80-202;
- 224 (b) identifies the qualifying political subdivision's current bonding capacity; and
- 225 (c) includes any other information the board requires.
- 226 (3) In considering an application for an infrastructure loan, the board shall:
- 227 (a) give preference to a housing development that includes, as a substantial component, the construction of detached single-family owner-occupied starter homes; and
- 229 (b) consider criteria including:
- 230 (i) the number of housing units that may be built compared to the requested infrastructure loan amount;
- 232 (ii) geographic diversity, including whether the applicant is urban or rural;
- 233 (iii) the inclusion of affordable housing in the housing development;
- 234 (iv) the inclusion of for-sale owner-occupied housing units in the housing development;
- 236 (v) the likelihood that the housing development will be completed in accordance with the timeline described in Subsection (2)(a)(iii);
- 238 (vi) the amount of matching funds the qualifying political subdivision will provide for the system improvement;
- 240 (vii) other available sources of funding that may be used to construct the system improvement; and
- 242 (viii) existing public facilities and services nearby the housing development.
- 243 (4) The board shall ensure that each infrastructure loan:
- 244 (a) is secured by any combination of revenue sources for the loan recipient, whether the revenue is actualized or anticipated, and which may include revenue the loan recipient receives from:
- 247 (i) the imposition of property taxes;
- 248 (ii) the collection of impact fees;
- 249 (iii) the issuance of bonds; or
- 250 (iv) any other revenue source the board determines to be sufficient for securing the infrastructure loan;
- 252 (b) has a term that does not exceed 20 years, except as provided in Subsection (5)(b)(ii);
- 253 (c) charges interest:
- 254 (i) to a presumed repayment date established by the board, regardless of the actual repayment date; and

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- 256 (ii) at a rate that is within 1.5% of the federal funds rate target;  
257 (A) established by the Federal Open Market Committee; and  
258 (B) in effect on January 1 of the year in which the loan is made; and  
259 (d) specifies the terms and revenue sources for the loan recipient's repayment of the loan.  
260 (5)

The board may make ~~{ rules in accordance with Title 63G, Chapter 3, Utah }~~ one infrastructure loan to the Point of the Mountain State Land Authority created in Section 11-59-201.

~~{ Administrative Rulemaking Act, governing: }~~

- 262 (b) The infrastructure loan described in Subsection (5)(a) may not exceed:  
756 (1){ (i) {management} an amount of {the fund} \$18,000,000; and  
264 (ii) a term of three years.  
757 (2){ (6) In making infrastructure {loan application requirements and eligibility review criteria.} loans,  
the board may:  
266 (a) restructure all or part of a loan recipient's liability to repay an infrastructure loan for extenuating  
circumstances, subject to the requirements of Subsections (4) and (5); and  
268 (b) condition approval of an infrastructure loan on whatever assurances the board considers necessary to  
ensure that loan proceeds are used in accordance with this part.

758 Section 9. Section 9 is enacted to read:

759 **63N-3-1806. Infrastructure loan eligibility -- Review by board -- Loan requirements -- Loan**  
**to Point of the Mountain State Land Authority for prison infrastructure -- Administration costs.**

- 762 (1) To receive an infrastructure loan under this part, a municipality, county, or agency shall submit an  
application to the board:  
764 (a) demonstrating that:  
765 (i) the municipality or county approved a housing project;  
766 (ii) the infrastructure loan is necessary to accelerate the completion of the housing project;  
768 (iii) a qualified builder or developer has agreed or will agree to a specific timeline to build the housing  
project if the board approves the infrastructure loan;  
770 (iv) the applicant will provide funding to build the infrastructure project that is equal to a portion of the  
infrastructure loan amount, as specified by the board;  
772 (v) the applicant has a primary revenue source that the applicant will use for repayment; and  
774

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- (vi) the municipality or county has a moderate income housing plan that complies with Section 10-21-202 or 17-80-202; and
- 776 (b) that includes any other information the board requires by rule.
- 777 (2) In determining eligibility for an infrastructure loan under this part, the board shall consider:
- 779 (a) the number of housing units that may be built compared to the amount of the infrastructure loan the applicant requests;
- 781 (b) the inclusion of affordable housing in the housing project;
- 782 (c) the inclusion of for-sale housing units in the housing project;
- 783 (d) the likelihood that the builder or developer will build the housing project in accordance with the timeline described in Subsection (1)(a)(iii);
- 785 (e) the amount of funding the applicant will provide to build the infrastructure project;
- 786 (f) other available sources of funding that may be used to build the infrastructure project; and
- 788 (g) existing public facilities and services nearby the housing project.
- 789 (3) The board may restructure all or part of an infrastructure loan recipient's liability to repay an infrastructure loan for extenuating circumstances.
- 791 (4) Subject to Subsection (5), the board shall:
- 792 (a) review an infrastructure loan application and may condition approval of the infrastructure loan on whatever assurances the board considers necessary to ensure that proceeds of the infrastructure loan will be used in accordance with this part; and
- 795 (b) ensure that each infrastructure loan specifies:
- 796 (i) the terms for repayment; and
- 797 (ii) the funding sources the loan recipient will use to repay the infrastructure loan.
- 798 (5) The board shall ensure an infrastructure loan under this part:
- 799 (a) is secured by any combination of funding sources for the infrastructure loan recipient, whether the funding is actualized or anticipated, and which may include funding the loan recipient obtains from:
- 802 (i) the imposition of property taxes;
- 803 (ii) the collection of impact fees;
- 804 (iii) the issuance of bonds; or
- 805 (iv) any other funding source the board determines to be sufficient for securing the infrastructure loan;
- 807 (b) has a term that does not exceed 20 years; and
- 808 (c) charges interest at a rate that is within 0.5% of the federal funds rate target;

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- 809 (i) established by the Federal Open Markets Committee; and  
810 (ii) in effect on January 1 of the year in which the loan is made.  
811 (6)  
(a) In addition to making infrastructure loans under this part, the board shall make a loan from the fund  
to the Point of the Mountain State Land Authority for prison infrastructure projects.  
814 (b) The board shall ensure that the loan described in Subsection (6)(a):  
815 (i) does not exceed:  
816 (A) an amount of \$18,000,000; and  
817 (B) a term of three years; and  
818 (ii) specifies the terms and funding sources for repayment of the loan.  
819 (7) The board shall allocate from the fund to the office funding necessary for the administration of the  
fund, in an amount that does not exceed 2% of the annual receipts to the fund.

270 Section 7. Section **72-2-121** is amended to read:

271 **72-2-121. ~~{(Effective 05/06/26)}~~County of the First Class Highway Projects Fund.**

- 824 (1) There is created a special revenue fund within the Transportation Fund known as the "County of the  
First Class Highway Projects Fund."  
826 (2) The fund consists of money generated from the following revenue sources:  
827 (a) any voluntary contributions received for new construction, major renovations, and improvements to  
highways within a county of the first class;  
829 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b) deposited into or  
transferred to the fund;  
831 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or transferred to  
the fund;  
833 (d) a portion of the local option highway construction and transportation corridor preservation fee  
imposed in a county of the first class under Section 41-1a-1222 deposited into or transferred to the  
fund; and  
836 (e) the portion of the sales and use tax transferred into the fund as described in Subsections  
59-12-2220(4)(a) and 59-12-2220(11)(b).  
838 (3)  
(a) The fund shall earn interest.  
839 (b) All interest earned on fund money shall be deposited into the fund.

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- 840 (4) Subject to Subsection (11), the executive director shall use the fund money only:
- 841 (a) to pay debt service and bond issuance costs for bonds issued under Sections 63B-16-102,  
63B-18-402, and 63B-27-102;
- 843 (b) for right-of-way acquisition, new construction, major renovations, and improvements to highways  
within a county of the first class and to pay any debt service and bond issuance costs related to those  
projects, including improvements to a highway located within a municipality in a county of the first  
class where the municipality is located within the boundaries of more than a single county;
- 848 (c) for the construction, acquisition, use, maintenance, or operation of:
- 849 (i) an active transportation facility for nonmotorized vehicles;
- 850 (ii) multimodal transportation that connects an origin with a destination; or
- 851 (iii) a facility that may include a:
- 852 (A) pedestrian or nonmotorized vehicle trail;
- 853 (B) nonmotorized vehicle storage facility;
- 854 (C) pedestrian or vehicle bridge; or
- 855 (D) vehicle parking lot or parking structure;
- 856 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3  
the amount required in Subsection 72-2-121.3(4)(c) minus the amounts transferred in accordance  
with Subsection 72-2-124(4)(a)(v);
- 859 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond issuance costs for  
\$30,000,000 of the bonds issued under Section 63B-18-401 for the projects described in Subsection  
63B-18-401(4)(a);
- 862 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has verified that the  
amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount  
equal to 50% of the revenue generated by the local option highway construction and transportation  
corridor preservation fee imposed under Section 41-1a-1222 in a county of the first class:
- 867 (i) to the legislative body of a county of the first class; and
- 868 (ii) to be used by a county of the first class for:
- 869 (A) highway construction, reconstruction, or maintenance projects; or
- 870 (B) the enforcement of state motor vehicle and traffic laws;
- 871 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the  
amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under

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Subsection (4)(e) has been made, to annually transfer an amount of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:

- 877 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section  
63B-27-102; and
- 879 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued under Sections  
63B-31-102 and 63B-31-103;
- 881 (h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is  
available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection  
(4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to  
a public transit district in a county of the first class to fund a system for public transit;
- 886 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount  
required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)  
(i) has been made, through fiscal year 2027, to annually transfer 20%, and beginning with fiscal  
year 2028, and each year thereafter for 20 years, to annually transfer 33% of the amount deposited  
into the fund under Subsection (2)(b) to the legislative body of a county of the first class for the  
following purposes:
- 894 (i) to fund parking facilities in a county of the first class that facilitate significant economic  
development and recreation and tourism within the state; and
- 896 (ii) to be used for purposes allowed in Section 17-78-702;
- 897 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for 15 years  
thereafter, to annually transfer the following amounts to the following cities and the county of the  
first class for priority projects to mitigate congestion and improve transportation safety:
- 901 (i) \$2,000,000 to Sandy;
- 902 (ii) \$2,300,000 to Taylorsville;
- 903 (iii) \$1,100,000 to Salt Lake City;
- 904 (iv) \$1,100,000 to West Jordan;
- 905 (v) \$1,100,000 to West Valley City;
- 906 (vi) \$800,000 to Herriman;
- 907 (vii) \$700,000 to Draper;

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- 908 (viii) \$700,000 to Riverton;
- 909 (ix) \$700,000 to South Jordan;
- 910 (x) \$500,000 to Bluffdale;
- 911 (xi) \$500,000 to Midvale;
- 912 (xii) \$500,000 to Millcreek;
- 913 (xiii) \$500,000 to Murray;
- 914 (xiv) \$400,000 to Cottonwood Heights; and
- 915 (xv) \$300,000 to Holladay;
- 916 (k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances after the distributions under Subsection (4)(j), to reimburse the following municipalities for the amounts and projects indicated, as each project progresses and as revenue balances allow:
- 920 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from Grandville Avenue to Mountain View Corridor;
- 922 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street and 700 West;
- 924 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements throughout Salt Lake City;
- 926 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard and 2300 East;
- 928 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800 South and I-15;
- 930 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 931 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 932 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail between 11800 South and 13800 South;
- 934 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700 South;
- 936 (x) \$470,000 to the department for construction of a sound wall on Bangerter Highway at approximately 11200 South;
- 938 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800 South and 5300 South;
- 940 (xii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100 South;
- 942 (xiii) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111 and Old Bingham Highway;
- 944

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- (xiv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East between 3300 South and Atkin Avenue;
- 946 (xv) \$1,230,000 to Holladay for improvements to Highland Drive between Van Winkle Expressway and Arbor Lane;
- 948 (xvi) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215 interchange;
- 950 (xvii) \$3,750,000 to West Valley City for improvements to 4000 West between 4100 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter Highway;
- 953 (xviii) \$1,700,000 to South Jordan for improvements to Prosperity Road between Crimson View Drive and Copper Hawk Drive;
- 955 (xix) \$2,300,000 to West Valley City for a road connecting U-111 at approximately 6200 South, then east and turning north and connecting to 5400 South;
- 957 (xx) \$1,400,000 to Magna for improvements to 8000 West between 3500 South to 4100 South;
- 959 (xxi) \$1,300,000 to Taylorsville for improvements on 4700 South between Redwood Road and 2700 West; and
- 961 (xxii) \$3,000,000 to West Jordan for improvements to 1300 West between 6600 South and 7800 South; and
- 963 (1) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay debt service and bond issuance costs for [~~\$70,000,000~~] \$140,000,000 of the bonds issued under Section 63B-34-201 for the grants awarded under Part 5, Affordable Housing Infrastructure Grants.
- 967 (5)
- (a) If revenue in the fund is insufficient to satisfy all of the transfers described in Subsection (4)(j), the executive director shall proportionately reduce the amounts transferred as described in Subsection (4)(j).
- 970 (b) A local government may not use revenue described in Subsection (4)(j) to supplant existing class B or class C road funds that a local government has budgeted for transportation projects.
- 973 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes described under Section 72-2-123.
- 977 (7) The department may expend up to \$3,000,000 of revenue deposited into the account as described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as provided in Part 4, Public Transit Innovation Grants.

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- 980 (8) The additional administrative costs of the department to administer this fund shall be paid from  
money in the fund.
- 982 (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on the use or  
expenditure of the revenue sources deposited into this fund, the Department of Transportation may  
use the money in this fund for any of the purposes detailed in Subsection (4).
- 986 (10) Subject to Subsection (11), any revenue deposited into the fund as described in Subsection (2)  
(e) shall be used to provide funding or loans for public transit projects, operations, and supporting  
infrastructure in the county of the first class.
- 989 (11) For the first three years after a county of the first class imposes a sales and use tax authorized  
in Section 59-12-2220, revenue deposited into the fund as described in Subsection (2)(e) shall be  
allocated as follows:
- 992 (a) 10% to the department to construct an express bus facility on 5600 West; and
- 993 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section 72-2-302.
- 443 Section 8. Section **72-2-501** is amended to read:
- 444 **72-2-501. ~~{(Effective 05/06/26)}~~Definitions.**
- As used in this part:
- 998 (1) "Affordable housing unit" means a dwelling that:
- 999 (a) is offered for rent at a rental price affordable to a household with a gross income of no more than  
80% of the area median income for the county in which the residential unit is offered for rent; or
- 1002 (b) is offered for sale to an owner-occupier at a purchase price affordable to a household with a gross  
income of no more than 120% of the area median income for the county in which the residential unit  
is offered for sale and is deed restricted for no fewer than five years.
- 1006 (2) "Board" means the [~~affordable housing infrastructure grant board~~] State Housing Infrastructure  
Partnership Board created in Section [~~72-2-503~~] 63N-3-1803.
- 1008 (3) "Grant" means a grant issued to a public entity in a county of the first class as provided in this part.
- 458 Section 9. Section **72-2-503** is amended to read:
- 459 **72-2-503. ~~{(Effective 05/06/26)}~~Affordable housing infrastructure grant administration.**
- 1013 [~~(1) There is created the affordable housing infrastructure grant board consisting of the following  
members:]~~
- 1015 [~~(a) the executive director of the department, or the executive director's designee;~~]
- 1016

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~~[(b) the executive director of the Governor's Office of Economic Opportunity appointed under Section 63N-1a-302, or the executive director's designee; and]~~

1018 ~~[(c) an employee of the governor's office that is an expert or advisor on housing strategy, appointed by the governor.]~~

1020 ~~[(2)] (1)~~

(a) The Governor's Office of Economic Opportunity shall provide staff support for the board and the grant program.

1022 (b) The Governor's Office of Economic Opportunity may use and the department shall transfer grant funds for the costs of the Governor's Office of Economic Opportunity to administer the grant program under this part.

1025 (c) The Governor's Office of Economic Opportunity and the department shall enter into a memorandum of understanding to facilitate the calculation and transfer of funds for the administrative costs described in Subsection ~~[(2)(b)] (1)(b)~~.

1028 ~~[(3)] (2)~~ The Governor's Office of Economic Opportunity, in consultation with the board, shall develop a process for the prioritization of grant proposals that includes:

1030 (a) instructions on making and submitting a grant proposal;

1031 (b) methodology for selecting grants; and

1032 (c) methodology for awarding grants.

1033 ~~[(4)] (3)~~ In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Governor's Office of Economic Opportunity shall make rules to establish the process described in Subsection ~~[(3)] (2)~~ and as otherwise necessary to implement this part.

1036 ~~[(5)] (4)~~ The board shall:

1037 (a) accept grant applications;

1038 (b) rank grant proposals; and

1039 (c) award grants in accordance with this part.

1040 ~~[(6)] (5)~~ A grant applicant shall ensure that each grant proposal includes:

1041 (a) information about the proposed project, including the projected number of affordable housing units, which may not be less than 50 units of affordable housing;

1043 (b) the projected time line of the proposed project;

1044 (c) data and information regarding the proposed types of affordable housing; and

1045 (d) information about the public infrastructure and other improvements needed.

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1046 [(7)] (6)

(a) In considering a grant proposal, the board shall:

494 (i) give priority to a project that includes, as a substantial component, the construction of detached  
single-family owner-occupied starter homes; and

496 (ii) consider criteria including:

1047 (i) (A) the value and number of housing units the project will produce;

1048 (ii) (B) the value of any matching contribution from the grant applicant, including information  
about how the public entity determined the value of the matching assets; and

1051 (iii) (C) any other criteria the board determines relevant.

1052 (b) For a grant proposal including highway infrastructure, the board may not award a grant unless  
the grant applicant provides a minimum matching contribution of the right-of-way needed for the  
highway improvements.

1055 (c) If a grant proposal includes highway infrastructure, the board shall give priority to the construction  
of public highways that are highways of regional significance that connect to other highways or  
points of regional significance.

1058 [(8)] (7)

(a) Subject to available funding, and subject to Subsection [(8)(b)] (7)(b), the board may award a grant  
to a recipient that the board determines advisable.

1060 (b) For every \$20,000 of grant funding awarded to a recipient, the infrastructure shall support at least  
one unit of affordable housing.

1062 (c) The board may not award a grant to a recipient if the board determines that the recipient will not be  
able to satisfy the requirement under Subsection [(8)(b)] (7)(b).

1064 [(9)] (8) If the board approves the award of a grant as provided in this part, the department shall transfer  
the money to the grant recipient in accordance with Subsection [(10)] (9).

1066 [(10)] (9)

(a) Before the department may provide grant money to a public entity for a project related to a grant  
awarded by the board, the public entity shall provide a detailed cost estimate of costs to complete  
the planning and design of the project.

1069 (b) If the executive director approves the cost estimate described in Subsection [(10)(a)] (9)(a), the  
department may provide to the public entity grant money reasonably necessary to complete the  
planning and design of the project.

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1072 (c) After completion of the planning and design of a project related to a grant awarded by the board,  
the public entity shall provide to the department a detailed estimate of the costs to construct and  
complete the project described in Subsection [(10)(b)] (9)(b).

1075 (d) If the executive director approves the cost estimates described in Subsection [(10)(e)] (9)(c), the  
department may provide grant money to a public entity to construct and complete the project  
described in Subsection [(10)(b)] (9)(b).

### 528 Section . **FY 2027 Appropriations.**

529 The following sums of money are appropriated for the fiscal year beginning July 1,  
530 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
531 fiscal year 2027.

### 532 Subsection 10(a). **Restricted Fund and Account Transfers**

533 The Legislature authorizes the State Division of Finance to transfer the following  
534 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
535 the funds to which the money is transferred must be authorized by an appropriation.

536 To State Housing Infrastructure Partnership Fund

537 100,000,000

539 Schedule of Programs:

540 100,000,000

### 541 Section 11. **Effective date.**

Effective Date.

1079 (1) {~~Except as provided in Subsection (2), this~~} This bill takes effect May 6, 2026.

1080 {(2) {~~The actions affecting Section 59-12-103 (Effective 07/01/26) take effect on July 1, 2026.~~}}

2-18-26 9:06 AM