

HB0596S02 compared with HB0596S01

~~{Omitted text}~~ shows text that was in HB0596S01 but was omitted in HB0596S02
inserted text shows text that was not in HB0596S01 but was inserted into HB0596S02

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1

Homelessness Amendments
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Steve Eliason
Senate Sponsor: Kirk A. Cullimore



2

3 **LONG TITLE**

4 **General Description:**

5 This bill addresses provisions regarding homeless services.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ modifies and defines terms;
- 9 ▶ amends exceptions for conveyance, lease, or disposal of certain property owned by the Division of Facilities Construction and Management with the consent of the governing body of the municipality in which the property is located;
- 12 ▶ provides funds received from a lease may be used for the operations and maintenance of the leased space;
- 14 ▶ creates the Mitigation Fund Task Force;
- 15 ▶ amends the name of the Shelter Cities Advisory Board to the Shelter Cities Coordinating Council;
- 17 ▶ amends the name of the Shelter Counties Advisory Board to the Shelter Counties Coordinating Council;

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- 19 ▶ ~~{ amends provisions regarding code blue alerts; }~~
20 ▶ permits the office to issue future services payments to a homeless service provider under certain conditions;
22 ▶ creates the Homeless Services Restricted Account (account) to assist counties regarding provisions of homelessness;
24 ▶ allows the office to disburse funds from the account to certain counties for certain purposes;
26 ▶ ~~{ requires the State Tax Commission to transfer certain funds from the Cigarette Tax Restricted Account to the account; }~~
28 ▶ gives the office rulemaking authority under certain conditions for certain purposes;
29 ▶ ~~{ permits a service provider to expand the shelter's bed capacity limit under certain conditions; }~~
31 ▶ makes technical and conforming changes; and
32 ▶ provides a special effective date.

28 Money Appropriated in this Bill:

29 None

30 Other Special Clauses:

31 This bill provides a special effective date.

32 Utah Code Sections Affected:

33 AMENDS:

- 34 **35A-16-102 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, First Special Session, Chapter 16
36 **35A-16-202 (Effective 04/01/26)**, as last amended by Laws of Utah 2024, Chapters 338, 349
38 **35A-16-203 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapter 530
39 **35A-16-204 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapter 530
40 **35A-16-208 (Effective 04/01/26)**, as last amended by Laws of Utah 2025, Chapters 422, 530
42 **35A-16-210 (Effective 04/01/26)**, as enacted by Laws of Utah 2024, Chapter 338
43 **35A-16-210.1 (Effective 04/01/26)**, as enacted by Laws of Utah 2025, Chapter 530
44 **35A-16-212 (Effective 04/01/26) (Repealed 07/01/28)**, as enacted by Laws of Utah 2025, Chapter 41
46 **35A-16-401 (Effective 04/01/26)**, as last amended by Laws of Utah 2024, Chapters 204, 338 and 438

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53 ~~{35A-16-701 (Effective 04/01/26), as last amended by Laws of Utah 2024, Chapters 204, 438}~~
55 ~~{35A-16-702 (Effective 04/01/26), as last amended by Laws of Utah 2024, Chapter 204}~~
48 59-12-205 (Effective 04/01/26), as last amended by Laws of Utah 2025, Chapters 490, 495
58 ~~{59-14-204 (Effective 04/01/26), as last amended by Laws of Utah 2016, Chapter 168}~~
50 63A-5b-902 (Effective 04/01/26), as last amended by Laws of Utah 2024, Chapters 419, 480
52 63I-2-235 (Effective 04/01/26), as last amended by Laws of Utah 2025, Chapter 277
62 ~~{63J-1-602.1 (Effective 04/01/26), as last amended by Laws of Utah 2025, First Special
Session, Chapter 9}~~

53 ENACTS:

54 35A-16-406 (Effective 04/01/26), Utah Code Annotated 1953

55 35A-16-1101 (Effective 04/01/26), Utah Code Annotated 1953

67 ~~{35A-16-1201 (Effective 04/01/26), Utah Code Annotated 1953}~~

68 ~~{35A-16-1301 (Effective 04/01/26), Utah Code Annotated 1953}~~

56

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

58 Section 1. Section 35A-16-102 is amended to read:

59 **35A-16-102. Definitions.**

As used in this chapter:

- 74 (1) "Board" means the Utah Homeless Services Board created in Section 35A-16-204.
75 (2) "Chief executive officer" means the same as that term is defined in Section 11-51-102.
76 (3) "Client" means an individual who is experiencing homelessness or an individual at risk of becoming
homeless.
78 (4) "Collaborative applicant" means the entity designated by a continuum of care to collect and submit
data and apply for funds on behalf of the continuum of care, as required by the United States
Department of Housing and Urban Development.
81 (5) "Congregate shelter" means a facility that provides temporary shelter to individuals in a shared,
open space with limited or no privacy.
83 [(5)] (6) "Continuum of care" means a regional or local planning body designated by the United States
Department of Housing and Urban Development to coordinate services for individuals experiencing
homelessness within an area of the state.
86 [(6)] (7) "Coordinator" means the state homelessness coordinator appointed under Section 63J-4-202.

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- 88 [~~(7)~~] (8) "County of the first class" means the same as that term is defined in Section 17-60-104.
- 90 [~~(8)~~] (9) "County of the second class" means the same as that term is defined in Section 17-60-104.
- 92 [~~(9)~~] (10) "Eligible services" means any activities or services that mitigate the impacts of the location
of an eligible shelter, including direct services, public safety services, and emergency services,
as further defined by rule made by the office in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act.
- 96 (11)
- (a) "Emergency shelter" means a facility that provides immediate, temporary shelter to individuals
experiencing homelessness.
- 98 (b) "Emergency shelter" includes a shelter in response to:
- 99 (i) a subsequent winter response period, as defined in Section 35A-16-501; and
- 100 (ii) a code blue event, as defined in Section 35A-16-701.
- 101 [~~(10)~~] (12) "Executive committee" means the executive committee of the board.
- 102 [~~(11)~~] (13) "Exit destination" means:
- 103 (a) a homeless situation;
- 104 (b) an institutional situation;
- 105 (c) a temporary housing situation;
- 106 (d) a permanent housing situation; or
- 107 (e) other.
- 108 [~~(12)~~] (14) "First-tier eligible municipality" means a municipality that:
- 109 (a) is located within:
- 110 (i) a county of the first or second class, as classified in Section 17-60-104; or
- 111 (ii) a county of the third class, as classified in Section 17-60-104, if the municipality has a population of
100,000 or more;
- 113 (b) as determined by the office, has or is proposed to have an eligible shelter within the municipality's
geographic boundaries within the following fiscal year;
- 115 (c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires
eligible services; and
- 117 (d) is certified as a first-tier eligible municipality in accordance with Section 35A-16-404.
- 118 [~~(13)~~] (15) "Homeless Management Information System" or "HMIS" means an information technology
system that:

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- 120 (a) is used to collect client-level data and data on the provision of housing and services to homeless
individuals and individuals at risk of homelessness in the state; and
- 122 (b) meets the requirements of the United States Department of Housing and Urban Development.
- 124 ~~[(14)]~~ (16) "Homeless services budget" means the comprehensive annual budget and overview of all
homeless services available in the state described in Subsection 35A-16-203(1)(b).
- 127 ~~[(15)]~~ (17) "Local homeless council" means a local planning body designated by the steering committee
to coordinate services for individuals experiencing homelessness within an area of the state.
- 130 (18) "Noncongregate shelter" means a facility in a tier-one or tier-two eligible municipality that
provides temporary shelter to individuals in a separate and private unit.
- 132 ~~[(16)]~~ (19) "Office" means the Office of Homeless Services.
- 133 ~~[(17)]~~ (20) "Residential, vocational and life skills program" means the same as that term is defined in
Section 13-53-102.
- 135 ~~[(18)]~~ (21) "Second-tier eligible municipality" means a municipality that:
- 136 (a) is located within:
- 137 (i) a county of the fourth, fifth, or sixth class; or
- 138 (ii) a county of the third class, if the municipality has a population of less than 100,000;
- 140 (b) as determined by the office, has or is proposed to have an eligible shelter within the municipality's
geographic boundaries within the following fiscal year;
- 142 (c) due to the location of an eligible shelter within the municipality's geographic boundaries, requires
eligible services; and
- 144 (d) is certified as a second-tier eligible municipality in accordance with Section 35A-16-404.
- 146 ~~[(19)]~~ (22)
- (a) "Service provider" means a state agency, a local government, or a private organization that provides
services to clients.
- 148 (b) "Service provider" includes a correctional facility and the Administrative Office of the Courts.
- 150 ~~[(20)]~~ (23) "Steering committee" means the Utah Homeless Network Steering Committee created in
Section 35A-16-206.
- 152 ~~[(21)]~~ (24) "Strategic plan" means the statewide strategic plan to minimize homelessness in the state
described in Subsection 35A-16-203(1)(c).
- 154 ~~[(22)]~~ (25) "Type of homelessness" means:
- 155 (a) chronic homelessness;

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- 156 (b) episodic homelessness;
- 157 (c) situational homelessness; or
- 158 (d) family homelessness.

146 Section 2. Section **35A-16-202** is amended to read:

147 **35A-16-202. Powers and duties of the office.**

161 (1) The office shall, under the direction of the coordinator:

- 162 (a) assist in providing homeless services in the state;
- 163 (b) coordinate the provision of homeless services in the state;
- 164 (c) manage, with the concurrence of continuum of care organizations approved by the United States Department of Housing and Urban Development, a Homeless Management Information System for the state that:
 - 167 (i) shares client-level data between service providers in the state;
 - 168 (ii) is effective as a case management system;
 - 169 (iii) except for individuals receiving services who are victims of domestic violence, includes an effective authorization protocol for encouraging individuals who are provided with any homeless services in the state to provide accurate information to providers for inclusion in the HMIS; and
 - 173 (iv) meets the requirements of the United States Department of Housing and Urban Development and other federal requirements;
- 175 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules defining "successful exit," "unsuccessful exit," and "neutral exit"; and
- 177 (e) provide support to the steering committee in developing the formula described in Section 35A-16-211.

179 (2) The office may:

- 180 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, seek federal grants, loans, or participation in federal programs; and
- 182 (b) for any federal program that requires the expenditure of state funds as a condition for participation by the state in a fund, property, or service, with the governor's approval, expend whatever funds are necessary out of the money provided by the Legislature for the use of the office.

186 (3)

- (a) In accordance with Section 63A-5b-902, the office may accept a conveyance, lease, or disposal of property owned by the Division of Facilities Construction and Management, with the written

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consent of the governing body of the municipality in which the property is located, for use as a temporary shelter to individuals experiencing homelessness.

- 191 (b) For a conveyance of property described in Subsection (3)(a), the office, if approved by the board
and with the concurrence of the coordinator, may enter into a lease agreement with a nonprofit
service provider that the office selects to manage a homeless shelter in the leased space.
- 195 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office may
make rules to establish a lease agreement template for a lease described in Subsection (3) that
includes:
- 198 (a) lease terms, including lease rates;
- 199 (b) homeless shelter use restrictions, including whether the homeless shelter may be used as an
overflow or emergency shelter;
- 201 (c) operational requirements for compliance with the standards described in this chapter; and
- 203 (d) a termination clause, including cause for termination of a lease agreement if the housing sponsor
fails to meet the requirements under this chapter.
- 205 (5) Lease rates described in Subsection (4)(a) shall be set at market rate.
- 206 (6) Lease payments received under the lease agreement described in this section may be used for the
operations and maintenance of the leased space.

195 Section 3. Section **35A-16-203** is amended to read:

196 **35A-16-203. Powers and duties of the coordinator.**

- 210 (1) The coordinator shall:
- 211 (a) coordinate the provision of homeless services in the state;
- 212 (b) in cooperation with the board, develop and maintain a comprehensive annual budget and overview
of all homeless services available in the state, which homeless services budget shall receive final
approval by the board;
- 215 (c) in cooperation with the board, create a statewide strategic plan to minimize homelessness in the
state, which strategic plan shall receive final approval by the board;
- 218 (d) in cooperation with the board, oversee funding provided for the provision of homeless services,
which funding shall receive final approval by the board, including funding from the:
- 221 (i) Pamela Atkinson Homeless Account created in Section 35A-16-301;
- 222 (ii) Homeless to Housing Reform Restricted Account created in Section 35A-16-303; and
- 224 (iii) Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402;

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- 226 (e) provide administrative support to and serve as a member of the board;
- 227 (f) at the governor's request, report directly to the governor on issues regarding homelessness in the
state and the provision of homeless services in the state; and
- 229 (g) report directly to the president of the Senate and the speaker of the House of Representatives at least
twice each year on issues regarding homelessness in the state and the provision of homeless services
in the state.
- 232 (2) The coordinator, in cooperation with the board, shall ensure that the homeless services budget
described in Subsection (1)(b) includes an overview and coordination plan for all funding sources
for homeless services in the state, including from state agencies, continuum of care organizations,
housing authorities, local governments, federal sources, and private organizations.
- 237 (3) The coordinator, in cooperation with the board and taking into account the metrics established and
data reported in accordance with Section 35A-16-211, shall ensure that the strategic plan described
in Subsection (1)(c):
- 240 (a) outlines specific goals and measurable benchmarks for minimizing homelessness in the state and for
coordinating services for individuals experiencing homelessness among all service providers in the
state;
- 243 (b) identifies best practices or innovative strategies and recommends improvements to the provision of
services to individuals experiencing homelessness in the state to ensure the services are provided in
a safe, cost-effective, and efficient manner;
- 246 (c) identifies best practices or innovative strategies and recommends improvements in coordinating the
delivery of services to the variety of populations experiencing homelessness in the state, including
through the use of electronic databases and improved data sharing among all service providers in the
state;
- 250 (d) identifies gaps and recommends solutions in the delivery of services to the variety of populations
experiencing homelessness in the state; and
- 252 (e) takes into consideration the success of the HOME Court Pilot Program established in Section
26B-5-382.
- 254 (4) In overseeing funding for the provision of homeless services as described in Subsection (1)(d), the
coordinator:
- 256 (a) shall prioritize the funding of programs and providers that have a documented history of
successfully reducing the number of individuals experiencing homelessness, reducing the time

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- individuals spend experiencing homelessness, moving individuals experiencing homelessness to permanent housing, or reducing the number of individuals who return to experiencing homelessness;
- 261 (b) except for a program or provider providing services to victims of domestic violence, may not approve funding to a program or provider that does not enter into a written agreement with the office to collect and share HMIS data regarding the provision of services to individuals experiencing homelessness so that the provision of services can be coordinated among state agencies, local governments, and private organizations; and
- 267 (c) if the board has approved a funding formula developed by the steering committee, as described in Section 35A-16-205:
- 269 (i) except as provided in Subsection (4)(c)(ii), shall utilize that funding formula in disbursing funds for the provision of homeless services; and
- 271 (ii) shall ensure that any federal funds not subject to the funding formula are disbursed in accordance with any applicable federal requirements.
- 273 (5) In cooperation with the board, the coordinator shall update the annual statewide budget and the strategic plan described in this section on an annual basis.
- 275 (6)
- (a) On or before [~~October~~] November 1, the coordinator shall provide a written report to the department for inclusion in the department's annual written report described in Section 35A-1-109.
- 278 (b) The written report shall include:
- 279 (i) the homeless services budget;
- 280 (ii) the strategic plan;
- 281 (iii) recommendations regarding improvements to coordinating and providing services to individuals experiencing homelessness in the state;
- 283 (iv) in coordination with the board, a complete accounting of the office's disbursement of funds during the previous fiscal year from:
- 285 (A) the Pamela Atkinson Homeless Account created in Section 35A-16-301;
- 286 (B) the Homeless to Housing Reform Restricted Account created in Section 35A-16-303;
- 288 (C) the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402;
- 290 (D) the COVID-19 Homeless Housing and Services Grant Program created in Section 35A-16-602; and
- 292 (E) any other grant program created in statute that is administered by the office; and
- 294 (v) the data described in Section 35A-16-211.

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282 Section 4. Section **35A-16-204** is amended to read:

283 **35A-16-204. Utah Homeless Services Board.**

297 (1) There is created within the office the Utah Homeless Services Board.

298 (2)

(a) The board shall consist of the following members:

299 (i) a representative, appointed by the speaker of the House of Representatives;

300 (ii) a representative, appointed by the president of the Senate;

301 (iii) a private sector representative, appointed by the governor;

302 (iv) a representative, appointed by the governor;

303 (v) a statewide philanthropic leader, appointed by the Utah Impact Partnership or the partnership's
successor organization;

305 (vi) the mayor of Salt Lake City;

306 (vii) the chief executive officer appointed by the Shelter Cities [~~Advisory~~] Coordinating Council in
accordance with Section 35A-16-210;

308 (viii) an individual with lived experience of homelessness, appointed by the chair of the board;

310 (ix) a representative, appointed by the Utah Association of Counties or the association's successor
organization;

312 (x) an individual who represents the Utah Homeless Network; and

313 (xi) the coordinator.

314 (b) The governor shall select a board member to serve as chair of the board.

315 (3) The following four members of the board shall serve as the executive committee:

316 (a) the coordinator; and

317 (b) three board members chosen by the board chair, which shall include one of the members described
in Subsection (2)(a)(vi) or (2)(a)(vii).

319 (4)

(a) The board shall meet at least once per calendar quarter.

320 (b) The chair, the coordinator, or three of the board members may call a board meeting.

321 (c) The individual calling the meeting shall provide notice of the meeting to the board members at least
three calendar days in advance of the meeting.

323 (5) A majority of the voting members of the board constitutes a quorum of the board at any meeting,
and the action of the majority of voting members present constitutes the action of the board.

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- 326 (6)
- (a) A majority of members of the executive committee constitutes a quorum of the executive committee at any meeting, and the action of the majority of members present constitutes the action of the executive committee.
- 329 (b) The executive committee is exempt from the requirements described in Title 52, Chapter 4, Open and Public Meetings Act.
- 331 (7)
- (a) Except as required by Subsection (7)(c):
- 332 (i) each appointed member of the board, other than a board member described in Subsection (2)(a)(vii), shall serve a four-year term; and
- 334 (ii) the board member appointed in accordance with Subsection (2)(a)(vii) shall serve a two-year term.
- 336 (b) A board member may serve more than one term.
- 337 (c) The appointing authority, at the time of appointment or reappointment, may adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the appointed board members are appointed every two years.
- 340 (8) When a vacancy occurs in the appointed membership for any reason, the replacement is appointed for the unexpired term.
- 342 (9)
- (a) Except as described in Subsection (9)(b), a member may not receive compensation or benefits for the member's service but may receive per diem and travel expenses in accordance with:
- 345 (i) Section 63A-3-106;
- 346 (ii) Section 63A-3-107; and
- 347 (iii) rules made by the Division of Finance in accordance with Sections 63A-3-106 and 63A-3-107.
- 349 (b) Compensation and expenses of a board member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.
- 352 (10) The office shall provide staff and administrative support to the board.
- 340 Section 5. Section **35A-16-208** is amended to read:
- 341 **35A-16-208. Reporting requirements -- Outcome measures.**
- 355 (1)
- (a) The office shall report, for the state and for each local homeless council:

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- 356 (i) the state's year-to-date progress toward reaching a functional zero level of homelessness for each
type of homelessness and subpopulation, including:
- 358 (A) the number of individuals who are homeless for the first time;
- 359 (B) the number of individuals who returned to homelessness after having exited homelessness within
the two previous years;
- 361 (C) the number of individuals who remained homeless since the last report;
- 362 (D) the number of individuals experiencing homelessness since the last report by household type;
- 364 (E) the number of individuals who exited by exit destination; and
- 365 (F) the number of individuals who are experiencing homelessness for the first time plus the number
of individuals who are returning to homelessness minus the number of individuals who are exiting
homelessness;
- 368 (ii) the percentage of individuals experiencing homelessness who:
- 369 (A) have a mental health disorder;
- 370 (B) have a substance use disorder;
- 371 (C) have a chronic health condition;
- 372 (D) have a physical disability;
- 373 (E) have a developmental disability;
- 374 (F) have HIV/AIDS;
- 375 (G) are survivors of domestic violence;
- 376 (H) are veterans; and
- 377 (I) are unaccompanied youth 24 years old or younger;
- 378 (iii) the number of individuals who exited homeless services since the last report by:
- 379 (A) type of homelessness;
- 380 (B) subpopulation; and
- 381 (C) exit destination;
- 382 (iv) the progress, by project type, on each goal established in accordance with Subsection (3); and
- 384 (v) the data provided by the homeless services provider ombudsman as described in Section
35A-16-1002.
- 386 (b) The reports described in this Subsection (1) shall contain aggregated, de-identified information.
- 388 (2) The office shall report the data described in Subsection (1):
- 389 (a) in the annual report required by Section 35A-16-203; and

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390 [(b) on or before October 1 of each year, through an oral presentation to the Economic Development
and Workforce Services Interim Committee; and]

392 [(e)] (b) on a data dashboard for the public with specific additional data points recommended by the
board.

394 (3) The board and the local homeless councils shall jointly establish quarterly goals for each project
type.

396 (4) The board and the local homeless councils shall jointly make annual progress reports identifying:

398 (a) the percentage of clients:

399 (i) screened for social needs; and

400 (ii) referred for services that match the clients' social needs;

401 (b) the percentage of clients subsequently referred to community-based providers who can:

403 (i) address the client's needs;

404 (ii) follow-up on status of addressing the client's needs; and

405 (iii) report back to the referring entity;

406 (c) the number of youth receiving parent or guardian bereavement support services; and

407 (d) the number of clients with:

408 (i) a successful exit;

409 (ii) an unsuccessful exit;

410 (iii) a neutral exit; and

411 (iv) continued enrollment in the project.

399 Section 6. Section **35A-16-210** is amended to read:

400 **35A-16-210. Shelter Cities Coordinating Council.**

414 (1) There is established the Shelter Cities [~~Advisory Board~~] Coordinating Council.

415 (2) The Shelter Cities [~~Advisory Board~~] Coordinating Council shall consist of the following members:

417 (a) the chief executive officer of each first-tier eligible municipality, or the chief executive officer's
designee; and

419 (b) the chief executive officer of each second-tier eligible municipality, or the chief executive officer's
designee.

421 (3)

(a) The Shelter Cities [~~Advisory Board~~] Coordinating Council shall appoint, in accordance with this
section, one chief executive officer representing a municipality as a member to the board.

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- 424 (b) The members of the Shelter Cities [~~Advisory Board~~] Coordinating Council shall make an
appointment, or fill a vacancy, by a majority vote of all members of the Shelter Cities [~~Advisory~~
~~Board~~] Coordinating Council who are present at the meeting during which an appointment is made.
- 428 (c) The Shelter Cities [~~Advisory Board~~] Coordinating Council may not appoint the chief executive
officer described in Subsection 35A-16-204(2)(a)(vi).
- 430 (d) Section 35A-16-204 governs other terms of appointment.
- 431 (4) The Shelter Cities [~~Advisory Board~~] Coordinating Council may make recommendations to the
board regarding improvements to coordinating and providing services to individuals experiencing
homelessness in the state.
- 434 (5) The office and an association representing at least two municipalities in the state shall jointly
provide staff and administrative support to the Shelter Cities [~~Advisory Board~~] Coordinating
Council.

424 Section 7. Section **35A-16-210.1** is amended to read:

425 **35A-16-210.1. Shelter Counties Coordinating Council.**

- 439 (1) There is established the Shelter Counties [~~Advisory Board~~] Coordinating Council.
- 440 (2) The Shelter Counties [~~Advisory Board~~] Coordinating Council shall consist of the chief executive
officer of each county that maintains a homeless shelter year round, or the chief executive officer's
designee.
- 443 (3) The Shelter Counties [~~Advisory Board~~] Coordinating Council may make recommendations to the
board regarding improvements to coordinating and providing services to individuals experiencing
homelessness in the state.
- 446 (4) The office and an association representing at least two counties in the state shall jointly provide staff
and administrative support to the Shelter Counties [~~Advisory Board~~] Coordinating Council.

436 Section 8. Section **35A-16-212** is amended to read:

437 **35A-16-212. Property Loss Related to Homelessness Compensation Enterprise Fund.**

- 452 (1) As used in this part:
- 453 (a) "Fund" means the Property Loss Related to Homelessness Compensation Enterprise Fund created in
Subsection (3).
- 455 (b) "Homeless services facility" means an eligible shelter under Subsection [~~35A-16-401(5)(a) or (5)~~
~~(b)~~] 35A-16-401(5)(a), (b), or (c).
- 457 (c) "Property loss" means:

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- 458 (i) documented damage to or theft of personal property; or
459 (ii) documented cost of cleaning, sanitizing, repairing, or restoring real property.
- 460 (2) Documentation required for Subsection (1)(c) shall include closed insurance claim information with
any settlement amount.
- 462 (3) There is created an enterprise fund known as the Property Loss Related to Homelessness
Compensation Enterprise Fund.
- 464 (4) The fund shall consist of:
- 465 (a) gifts, grants, donations, and loan repayments or any other conveyance of money that may be made to
the fund from private sources; and
- 467 (b) additional amounts as appropriated by the Legislature.
- 468 (5) The fund shall be administered by the office.
- 469 (6) Funds may be used to:
- 470 (a) provide a no-interest loan to a business that:
- 471 (i) meets the requirements of Subsection (6)(b); and
- 472 (ii) enters into an agreement with the department to:
- 473 (A) use loan funds for documented costs for property loss or for documented costs to mitigate property
loss as a direct result of the presence of the homeless services facility; and
- 476 (B) repay the loan no later than one year from the day on which the loan is disbursed to the business;
- 478 (b) except as provided in Subsection (12), compensate a business that:
- 479 (i) is located within 1/5 of a mile of a homeless services facility; and
- 480 (ii) experiences property loss as a direct result of the presence of the homeless services facility; or
- 482 (c) compensate an individual who:
- 483 (i) lives within 1/5 of a mile from a homeless services facility; and
- 484 (ii) experiences property loss as a direct result of the presence of the homeless services facility.
- 486 (7) An individual who receives compensation from the fund shall:
- 487 (a) be a resident of Utah; and
- 488 (b) have a need that meets the requirements of this section.
- 489 (8)
- (a) A business that receives compensation or a loan from the fund shall be in good standing with the
State Tax Commission and Department of Commerce.

491

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(b) The State Tax Commission and Department of Commerce may charge a business described in Subsection (8)(a) a nominal fee to obtain a certificate of good standing to meet the requirements under this section.

494 (9)

(a) The fund may not duplicate or supplant a service or support mechanism provided to an individual or business by another government entity or private agency.

496 (b) The fund may supplement a service or support mechanism provided to an individual or business by another government entity or private agency, if the service or support mechanism does not fully cover the cost of the individual's or business's property loss.

499 (10) Administrative and operating expenses for the fund shall be paid from the fund.

500 (11) The executive director may expend up to 4% of the revenues of the fund, including any appropriations to the fund, for administrative expenses.

502 (12) A business located at parcel record number 15-26-326-016-0000 is not eligible to receive compensation for property loss as a direct result of the presence of a homeless services facility.

505 (13) The office shall:

506 (a) administer the loan program, including:

507 (i) in each calendar year that money is available from the fund for distribution by the office, announcing, at least once in that year, a loan application period by sending notice to interested persons;

510 (ii) accepting applications received in a timely manner;

511 (iii) reviewing loan applications;

512 (iv) determining eligibility in accordance with this section; and

513 (v) distributing loan money to an approved loan recipient; and

514 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to administer the program, including:

516 (i) loan application requirements;

517 (ii) procedures to approve a loan;

518 (iii) procedures for distributing money to loan recipients;

519 (iv) criteria for confirming the amount of property loss; and

520 (v) criteria prioritizing disbursements in the event of limited funds.

521

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(14) The office may do any act necessary or convenient to the exercise of the powers granted by this part or reasonably implied from those granted powers, including:

- 523 (a) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the servicing of loans made by the fund;
- 525 (b) make or execute contracts and other instruments necessary or convenient for the performance of the office's duties and exercise of the office's powers and functions under this part, including contracts or agreements for the servicing and originating of loans; and
- 529 (c) selling, at a public or private sale, with public bidding, an obligation held by the fund.
- 530 (15) Any money returned to the department under this section from a person that received a loan from the fund shall be deposited into the fund.

519 Section 9. Section **35A-16-401** is amended to read:

520 **35A-16-401. Definitions.**

As used in this part:

- 535 (1) "Account" means the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 537 (2) "Authorized provider" means a nonprofit provider of homeless services that is authorized by a third-tier eligible municipality to operate a temporary [~~winter response~~] emergency shelter within the municipality [~~in accordance with Part 5, Winter Response Plan Requirements~~].
- 541 (3) "Eligible municipality" means:
- 542 (a) a first-tier eligible municipality;
- 543 (b) a second-tier eligible municipality; or
- 544 (c) a third-tier eligible municipality.
- 545 (4) "Eligible services" means any activities or services that mitigate the impacts of the location of an eligible shelter, including direct services, public safety services, and emergency services, as further defined by rule made by the office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 549 (5) "Eligible shelter" means:
- 550 (a) for a first-tier eligible municipality, a homeless shelter that:
- 551 (i) has the capacity to provide temporary shelter to at least 80 individuals per night, as verified by the office;
- 553 (ii) operates year-round; and

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- 554 (iii) is not subject to restrictions that limit the hours, days, weeks, or months of operation;
- 556 (b) for a second-tier municipality, a homeless shelter that:
- 557 (i) has the capacity to provide temporary shelter to at least 25 individuals per night, as verified by the
office;
- 559 (ii) operates year-round; and
- 560 (iii) is not subject to restrictions that limit the hours, days, weeks, or months of operation;[-and]
- 562 (c) an eligible shelter under Subsection (5)(a) or (b), if the homeless shelter operates for more than 365
continuous days, regardless of whether the homeless shelter is intended to operate as an emergency
shelter, as long as the homeless shelter meets the requirements of an eligible shelter defined in
Subsection (5)(a) or (b); and
- 566 [~~(e)~~] (d) for a third-tier eligible municipality, a homeless shelter that:
- 567 [(i)
- (A) ~~has the capacity to provide temporary shelter to at least 50 individuals per night, as verified by the
office; and]~~
- 569 [(B) ~~operates for no less than three months during the period beginning October 1 and ending April 30
of the following year; or]~~
- 571 [(ii)
- (A) ~~meets the definition of a homeless shelter under Section 35A-16-501; and]~~
- 572 [(B) ~~contains beds that are utilized as part of a county's winter response plan under Section
35A-16-502.~~]
- 574 (i) has the capacity to provide temporary shelter to at least 50 individuals per night, as verified by the
office; and
- 576 (ii) operates for no less than three months during the period beginning October 1 and ending April 30 of
the following year.
- 578 (6) "Homeless shelter" means a facility that provides or is proposed to provide temporary shelter to
individuals experiencing homelessness.
- 580 (7) "Municipality" means a city or town.
- 581 (8) "Public safety services" means law enforcement, emergency medical services, or fire protection.
- 583 (9) "Third-tier eligible municipality" means a municipality that:
- 584 (a) as determined by the office, has or is proposed to have an eligible shelter within the municipality's
geographic boundaries within the following fiscal year; and

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586 (b) due to the location of an eligible shelter within the municipality's geographic boundaries, requires
eligible services.

575 Section 10. Section **10** is enacted to read:

576 **35A-16-406. Mitigation Fund Task Force.**

590 (1) As used in this section:

591 (a) "Eligible shelter" means the same as that term is defined in Section 35A-16-401.

592 (b) "Task force" means the Mitigation Fund Task Force created in this section.

593 (2) There is created within the office the Mitigation Fund Task Force consisting of the following seven
voting members:

595 (a) the coordinator or the coordinator's designee;

596 (b) three members, one each, from a municipality that hosts a qualifying homeless shelter, selected by
the board of directors of the Utah League of Cities and Towns as recommended by the Shelter Cities
Coordinating Council; and

599 (c) three members, one each, from a municipality that does not host a qualifying homeless shelter,
selected by the board of directors of the Utah League of Cities and Towns.

602 (3) In addition to the seven voting members, a representative from the Utah League of Cities and Towns
shall serve on the task force in a nonvoting capacity.

604 (4) The coordinator, or the coordinator's designee, shall serve as the chair of the task force.

605 (5)

(a) If a vacancy occurs in the membership of the task force, the member shall be replaced in the same
manner in which the original selection was made.

607 (b) A member shall serve until the member's successor is appointed.

608 (6)

(a) The chair is responsible for the call and conduct of task force meetings.

609 (b) The chair shall call and conduct meetings of the task force as the chair determines appropriate
during the 2026 legislative interim period.

611 (7)

(a) A majority of the members of the task force constitutes a quorum.

612 (b) The action of a majority of a quorum constitutes an action of the task force.

613 (8) A member of the task force may not receive compensation or benefits for the member's service, but
may receive per diem and travel expenses in accordance with:

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- 615 (a) Section 63A-3-106;
616 (b) Section 63A-3-107; and
617 (c) rules made by the Division of Finance in accordance with Sections 63A-3-106 and 63A-3-107.
619 (9) The office shall provide staff support to the task force.
620 (10) The task force shall:
621 (a) assess public safety costs incurred by a municipality that hosts an eligible shelter;
622 (b) develop best practices for identifying, documenting, and categorizing mitigation expenses incurred
by a municipality related to hosting an eligible shelter;
624 (c) evaluate and recommend a mitigation funding formula for an eligible shelter that:
625 (i) accounts for system capacity and utilization; and
626 (ii) adjusts over time based on measurable system metrics;
627 (d) make recommendations regarding distributions from the mitigation fund to a municipality that hosts
an eligible shelter, including consideration of:
629 (i) for a congregate shelter, the number of beds and bed occupancy rates for the eligible shelter; and
631 (ii) for a noncongregate shelter, the number of rooms and room occupancy rates for the eligible shelter;
633 (e) make recommendations regarding contributions to the mitigation fund by a municipality that does
not host an eligible shelter; and
635 (f) make recommendations regarding qualifying offsets against required mitigation fund contributions
from a municipality, including consideration of:
637 (i) site-based crisis shelters, as defined by the United States Department of Housing and Urban
Development;
639 (ii) site-based supported living programs for people with a serious mental illness as defined by the
United States Department of Housing and Urban Development; and
641 (iii) site-based transitional housing, as defined by the United States Department of Housing and Urban
Development.
643 (11) On or before November 1, 2026, the task force shall report the task force's findings and
recommendations described in Subsection (10) to the office.

645 ~~{Section 11. Section 35A-16-701 is amended to read: }~~

646 **35A-16-701. Definitions.**

As used in this part:

648

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- 650 (1) "Affected county" means a county of the first, second, third, or fourth class in which a code blue event is anticipated.
- 652 (2) "Applicable local homeless council" means the local homeless council that is responsible for coordinating homeless response within an affected county.
- 654 (3) "Capacity limit" means a limit as to the number of individuals that a homeless shelter may provide temporary shelter to under a conditional use permit.
- 656 (4) "Code blue alert" means a proclamation issued by the Department of Health and Human Services under Section 35A-16-702 to alert the public of a code blue event.
- 661 (5) "Code blue event" means a weather event in which the National Weather Service predicts temperatures of [18] 25 degrees Fahrenheit or less, including wind chill, or any other extreme weather conditions established in rules made by the Department of Health and Human Services under Subsection 35A-16-702(4), to occur in any county of the first, second, third, or fourth class for two hours or longer within the next 24 to 48 hours.
- 663 (6) "Homeless shelter" means a facility that provides temporary shelter to individuals experiencing homelessness.
- 664 (7) "Municipality" means a city or town.

{Section 12. ~~Section 35A-16-702 is amended to read: }~~

35A-16-702. Code blue alert -- Content -- Dissemination -- Rulemaking.

- 667 (1) The Department of Health and Human Services shall:
- 668 (a) monitor and evaluate forecasts and advisories produced by the National Weather Service;
- 670 (b) issue a code blue alert under this section if the Department of Health and Human Services identifies a code blue event; and
- 672 (c) disseminate the code blue alert to:
- 673 (i) the public at large;
- 674 (ii) homeless shelters located within an affected county;
- 675 (iii) local government entities located within an affected county;
- 676 (iv) the office; and
- 677 (v) any other relevant public or private entities that provide services to individuals experiencing homelessness within an affected county.
- 679 (2) The code blue alert shall:
- 680 (a) identify each affected county;

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- 681 (b) specify the duration of the code blue alert;
- 682 (c) describe the provisions that take effect for the duration of the code blue alert as described in Section
35A-16-703; and
- 684 (d) include the information prepared by the office under Subsection (3).
- 685 (3)
- (a) The office shall prepare and regularly update information to assist individuals experiencing
homelessness during a code blue event, including:
- 687 (i) the location and availability of homeless shelters and other community resources and services
for individuals experiencing homelessness;
- 689 (ii) information regarding public safety and emergency services; and
- 690 (iii) any other information considered relevant by the office.
- 691 (b) The office shall submit to the Department of Health and Human Services the information prepared
and updated under Subsection (3)(a).
- 693 (4)
- (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Department
of Health and Human Services, in coordination with the office, shall make rules to implement this
section.
- 696 (b) The rules under Subsection (4)(a) shall:
- 697 (i) establish any extreme weather conditions that warrant the issuance of a code blue alert; and
- 699 (ii) establish standards for:
- 700 (A) monitoring and evaluating National Weather Service forecasts and advisories to identify code blue
events;
- 702 (B) issuing code blue alerts under this section, including the form, content, and dissemination of code
blue alerts;
- 704 (C) the provisions that take effect within an affected county for the duration of a code blue alert under
Section 35A-16-703; and
- 706 (D) coordinating with the office to receive the information described in Subsection (3).
- 708 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office, in
coordination with the Department of Health and Human Services, may make rules to establish a
temperature range and duration period under which a code blue shelter may operate if:
- 712

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(a) the Department of Health and Human Services issues a code blue alert under this section that is terminated before the duration of the code blue alert expires; or

714 (b) the temperature is within two degrees of a code blue event even if the Department of Health and Human Services does not issue a code blue alert.

716 [~~(5)~~] (6) Nothing in this section prohibits a municipality from implementing emergency plans or other measures to assist individuals experiencing homelessness at times when environmental conditions present a substantial threat to the health or safety of individuals experiencing homelessness, [provided that] if the emergency plans or other measures implemented by the municipality do not conflict with any applicable provisions that take effect during a code blue event in accordance with Section 35A-16-703.

632 Section 11. Section 11 is enacted to read:

634 **35A-16-1101. Advance payments to homeless services providers -- Requirements.**

11. Homeless Services Provider Payments

727 (1) As used in this section:

728 (a) "Contract" means a homeless services agreement between the office and a homeless services provider that describes the scope of work, performance goals, funding terms, and other provisions related to providing services to individuals experiencing homelessness.

732 (b) "Future services payment" means an advance payment made by the office to a homeless services provider for services to be provided to individuals experiencing homelessness.

735 (2)

(a) Beginning on July 1, 2026, and subject to Subsection (2)(b), the office may issue a future services payment to each service provider that requests a future services payment, as allowed by the funding source for the contract.

738 (b) The amount of the future services payment described in Subsection (2)(a), for a given month, shall be equal to the service provider's total award amount divided by the term of the service provider's current contract in months.

741 (3)

(a) Under the terms of the contract, a service provider shall submit an invoice for the actual services provided for the month for which the service provider receives a future services payment.

744

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(b) If the office determines that a service provider's actual expenses are less than the amount of the most recent future services payment, the office may subtract the overpaid amount from the next future services payment to the service provider.

747 (c) If the service provider's actual expenses are greater than the amount of the most recent future services payment, the office may add the underpaid amount to the next future services payment to the service provider.

750 (d) If a service provider fails to submit a required invoice or is otherwise out of compliance with the service provider's contract or state law, the office may hold any future services payments to the service provider until the service provider comes into compliance.

754 (4) The office may ensure that an extension of a contract is executed no later than 30 days before the last day on which an existing contract ends.

756 (5) Nothing in this section prohibits the office from taking additional contractual or administrative action authorized by state law.

758 (6) The office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement the procedures, documentation requirements, and payment schedules described in this section.

761 Section 14. Section 14 is enacted to read:

Part 12. Homeless Services Restricted Account

35A-16-1201. Homeless Services Restricted Account -- Allowable uses -- Requirements for county participation.

765 (1) As used in this section:

766 (a) "Account" means the Homeless Services Restricted Account created in Subsection (2).

767 (b)

(i) "County matching funds" means a participating county's appropriations designated and expended for the provisions of homeless services described in Subsections (11) and (12) that exceed the participating county's baseline spending level in the fiscal year immediately before the participating county's initial participation in the matching program.

772 (ii) "County matching funds" includes funds previously recognized as qualifying matching funds if the participating county maintains at least the same level of funding provided by the county in the preceding fiscal year.

775

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- 777 (c) "Fiscal year" means the state fiscal year that begins on July 1 of each year and ends on June 30 of the following year.
- 779 (d) "Participating county" means a county that creates a county restricted account for the purposes described in this section.
- 782 (e) "Street medicine" means health care that is provided by a licensed health care provider, who conducts patient visits outside of a health care facility, clinic, or shelter to an individual experiencing unsheltered homelessness.
- 784 (f)
- 786 (i) "Unsheltered homelessness" means, for an individual or family, not having a long-term or permanent structure in which to live.
- 788 (ii) "Unsheltered homelessness" may include sleeping in a vehicle, abandoned building, farm, wilderness, street, park, or encampment.
- 791 (2) There is created a restricted account within the General Fund known as the Homeless Services Restricted Account.
- 792 (3) The office shall have the authority to annually disburse funds from the account as provided in this section and as the office determines in rule as described in Subsection (14).
- 793 (4) The account shall consist of:
- 795 (a) money appropriated by the Legislature;
- 797 (b) money received from the Cigarette Tax Restricted Account in accordance with Section 59-14-204(6);
- 798 (c) private donations, grants, gifts, bequests, or money made available from any other source to implement this section; and
- 800 (d) interest and earnings on money in the account.
- 802 (5)
- 804 (a) The state treasurer shall invest the money in the account according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act.
- (b) Interest and other earnings derived from the money in the account shall be deposited into the account.
- (6) The executive director may expend up to 10% of the revenues of the account, including any appropriations to the account, for administrative expenses of the office.
- (7) The funds in the account shall be nonlapsing.

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- 805 (8) To be eligible for a disbursement of funds under this section, a participating county shall:
807 (a) create a county restricted account:
808 (i) for receipt of state fund distributions; and
809 (ii) into which the county deposits matching funds;
810 (b) provide detailed and accurate reporting on at least an annual basis to the office that describes:
812 (i) how funds provided to the participating county under this section have been spent by the county; and
814 (ii) the participating county's progress towards measurable outcome-based benchmarks agreed to by the
participating county and the office; and
816 (c) comply with other requirements as the office determines in rule as described in Subsection (14).
818 (9) A participating county that receives a disbursement of funds under this section shall:
819 (a) commit to use the funds for the purposes described in Subsection (11); and
820 (b) deposit matching funds into the county trust account.
821 (10) No later than August 1 of each year, a participating county that receives funds under this section
shall provide the office with an accounting of:
823 (a) the amount of money deposited in the county restricted account and from what sources;
825 (b) the amount of funds expended from the county restricted account and from what source;
827 (c) the purposes under Subsection (11) for which funds from the county restricted account were
expended; and
829 (d) the amount of any remaining money in the county restricted account, and from what source.
831 (11) Subject to appropriation, a participating county that receives funds under this part, may only use
the funds for:
833 (a) Assertive Community Treatment support services;
834 (b) behavioral health support services for individuals with a history of homelessness;
835 (c) capital improvements, including to remodel or maintain a shelter;
836 (d) development and implementation of software for standardized screening tools to assess areas
of strength and need of people experiencing homelessness, inform decision making regarding
resources, service matching, and cross-system data sharing with criminal justice and behavioral
health systems;
840 (e) mobile crisis outreach teams;
841 (f) the operation of:
842 (i) a micro shelter community;

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- 843 (ii) on-site behavioral support services and licensed clinical services for supported living programs for
individuals with serious mental illnesses; or
- 845 (iii) a winter overflow shelter;
- 846 (g) payment to service providers;
- 847 (h) street medicine; or
- 848 (i) other services the office determines necessary to meet the provisions of homeless services described
in this chapter.
- 850 (12)
- (a) The office shall consult with the participating county's governing body to determine if additional
uses of funds, other than the uses allowed under Subsection (11), are needed for the county.
- 853 (b) If the office and the county governing body agree to additional uses of the funds, as described in
Subsection (12)(a), the county may use the funds for the purposes agreed to for the fiscal year in
which the additional use of the funds is approved.
- 856 (13)
- (a) A participating county may only be eligible to receive state funds in any given year in an amount
equal to the amount the participating county deposits as matching funds as described in Subsection
(8).
- 859 (b) A participating county that does not provide matching funds, as described in Subsection (8)(a), may
not be eligible to receive funds until the participating county deposits funds into the participating
county's restricted account in an amount agreed to by the office and the participating county's
governing body.
- 863 (c)
- (i) If a participating county does not show progress towards measurable outcome-based benchmarks, as
described in Subsection (8)(b), the participating county may not be eligible to receive funds under
this section.
- 866 (ii) For a participating county described in Subsection (13)(c)(i), the office, in consultation with the
coordinator, may determine what actions the participating county may take to become eligible to
receive funds under this section.
- 869 (14)
- (a) The office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative
Rulemaking Act, to implement this part.

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- 871 (b) The rules described in Subsection (14)(a) shall include:
872 (i) application requirements;
873 (ii) application procedures; and
874 (iii) procedures for distributing funds to participating counties, including prioritizing disbursements to participating counties within available funds.

876 Section 15. Section **15** is enacted to read:

Part 13. Temporary Shelter Expansion

35A-16-1301. Temporary shelter expansion -- Definitions -- Requirements -- Mitigation.

- 878 (1) As used in this part, "municipal consent" means the written approval from a municipality in which
880 a congregate shelter is located to the office and to a service provider for temporary expansion of a
congregate shelter's designated bed capacity.
- 883 (2) A service provider may expand the capacity limit of a congregate shelter up to 135% of the shelter's
designated bed capacity to provide temporary shelter to individuals experiencing homelessness if:
- 886 (a) the service provider informs the office of the need to temporarily expand the capacity limit of the
shelter;
- 888 (b) the service provider requests approval from the municipality in which the congregate shelter is
located to expand the shelter's capacity;
- 890 (c) the municipality in which the congregate shelter is located provides municipal consent to the service
provider and the office; and
- 892 (d) the congregate shelter remains in compliance with the applicable state and local building and fire
codes.
- 894 (3) Municipal consent under this section may include reasonable conditions related to public safety,
coordination, or neighborhood mitigation.
- 896 (4) The authorization provided under this section does not modify any other applicable licensing,
health, or safety requirements.
- 898 (5) A tier one shelter city in a city of the first class in a county of the third class:
- 899 (a) may expand the capacity limit of a congregate shelter, as described in Subsection (2) if local
temperatures reach or exceed 105 degrees Fahrenheit; and
- 901 (b) may not have the shelter city's congregate shelter capacity reduced below the number of approved
beds as of January 1, 2026.

903

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(6) For purposes of formula distributions made under this chapter, the number of beds operated under Subsection (2) may be counted as tier three beds.

905 (7) Additional bed capacity authorized under this section shall be mitigated using funds appropriated under this chapter as determined in rule made by the office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

908 (8)

(a) A congregate shelter may not operate at the expanded capacity limit described in Subsection (2) after April 30, 2027.

910 (b) On or after May 1, 2027, a congregate shelter shall return to the congregate shelter's capacity limit as determined by the congregate shelter's conditional use permit unless otherwise authorized by the relevant municipality.

670 Section 12. Section **59-12-205** is amended to read:

671 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenue**
-- Determination of population.

916 (1) To maintain in effect sales and use tax ordinances adopted [~~pursuant to~~] in accordance with Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

919 (a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and

921 (b) as required to conform to the amendments to Part 1, Tax Collection.

922 (2)

(a) Except as provided in Subsections (3), (4), and (5) and subject to Subsection (6):

923 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the state; and

927 (ii)

(A) except as provided in Subsections (2)(a)(ii)(B), (C), (D), (E), and (F), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

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- 931 (B) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales
and use tax authorized by this part within a project area described in a project area plan adopted
by the military installation development authority under Title 63H, Chapter 1, Military Installation
Development Authority Act, shall be distributed to the military installation development authority
created in Section 63H-1-201;
- 937 (C) except as provided in Subsections (10) through (13), beginning July 1, 2024, 20% of each dollar
collected from the sales and use tax authorized by this part within a project area under Title 11,
Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority,
created in Section 11-58-201;
- 942 (D) except as provided in Subsections (10) through (13), 50% of each dollar collected from the sales
and use tax authorized by this part within the lake authority boundary, as defined in Section
11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning
the next full calendar quarter following the creation of the Utah Lake Authority; and
- 947 (E) except as provided in Subsections (10) through (13), beginning January 1, 2026, 50% of each dollar
collected from the sales and use tax authorized by this part within the boundary of an eligible basic
special district, as that term is defined in Section 17B-1-1405, and if applicable, the boundary of a
public infrastructure district created by the eligible basic special district, shall be distributed to the
eligible basic special district.
- 953 (F) except as provided in Subsections (10) through (13), beginning the first day of a calendar quarter
after the sales and use tax boundary for a major sporting event venue zone is established, the
commission, at least annually, shall transfer an amount equal to 50% of the sales and use tax
increment, as defined in Section 63N-3-1701, from the sales and use tax imposed under this part on
transactions occurring within a sales and use tax boundary, as Section 63N-3-1710, to the creating
entity of the major sporting event venue zone.
- 960 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before July 1, 2022.
- 962 (3) Beginning no sooner than January 1, 2026, and before application of Subsections (2), (4), (5), and
(6), and except as provided in Subsections (8) and (9), 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 under Title 63N,
Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, the commission, at least annually,
shall transfer an amount equal to 100% of the sales and use tax increment, as defined in Section

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- (ii) ~~{(i)} {5%}~~ "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.
- 759 (b) ~~{(b)}~~ For revenue collected from the ~~{participating local government's}~~ tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution {amount} under Subsection (2)(a)(i) {for the previous fiscal year.} to a participating local government, shall:
- 999 ~~{(ii)}~~ (i) {"Participating local government" means} adjust a {county or municipality, as defined in Section 10-1-104, that is not an eligible municipality certified in accordance with Section 35A-16-404.} participating local government's tax revenue distribution under Subsection (2)(a)
(i) by:
- 1002 ~~{(b)}~~ (A) {For revenue collected from} subtracting an amount equal to one-twelfth of the {tax authorized by this part that is distributed on or after January 1, 2019,} annual local contribution for each participating local government from the ~~{commission, before making a} participating local government's~~ tax revenue distribution ~~{under Subsection (2)(a)(i) to a participating local government, shall:}~~ ; and
- 1005 ~~{(i)}~~ (B) {adjust a} if applicable, reducing the amount described in Subsection (5)(b)(i)(A) by an amount equal to one-twelfth of \$250 for each bed that is available at all homeless shelters located within the boundaries of the participating local {government's tax revenue distribution under Subsection (2)(a)(i)} government, as reported to the commission by{:} the Office of Homeless Services in accordance with Section 35A-16-405; and
- 1007 ~~{(A)}~~ (ii) {subtracting an amount equal to one-twelfth of the annual local contribution for each participating local government from the participating local government's tax revenue distribution; and} deposit the resulting amount described in Subsection (5)(b)(i) into the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 1010 ~~{(B)}~~ (c) {if applicable, reducing the amount} For a participating local government that qualifies to receive a distribution described in Subsection {(5)(b)(i)(A) by an amount equal to one-twelfth of \$250 for each bed that is available at all homeless shelters located within} (4), the {boundaries of} commission shall apply the provisions of this Subsection (5) after the {participating local government, as reported to the} commission {by} applies the {Office of Homeless Services in accordance with Section 35A-16-405;} provisions of Subsections (3) and(4).

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- 1015 ~~{(ii)}~~ (6)
(a) ~~{deposit the resulting amount described in }~~ As used in this Subsection ~~{(5)(b)(i) into the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.}~~ (6):
- 1017 ~~{(e)}~~ (i) ~~{For a participating local government that qualifies }~~ "Annual dedicated sand and gravel sales tax revenue" means an amount equal to ~~{receive a distribution }~~ the total revenue an establishment described in ~~{Subsection (4), the commission shall apply }~~ NAICS Code 327320, Ready-Mix Concrete Manufacturing, of the 2022 North American Industry Classification System of the ~~{provisions }~~ federal Executive Office of ~~{this Subsection (5) after }~~ the ~~{commission applies the provisions of Subsections (3) }~~ President, Office of Management and Budget, collects and ~~{(4)}~~ remits under this part for a calendar year.
- 1020 ~~{(6)}~~ (ii)
(a) ~~As used in this Subsection (6):~~ "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
- 1021 ~~{(i)}~~ (iii) ~~"Annual dedicated sand "~~ "Sand and gravel ~~{sales tax revenue }~~ extraction site" means ~~{an amount equal to the total revenue an establishment described in NAICS Code 327320 }~~ a pit, ~~{Ready-Mix Concrete Manufacturing, of the 2022 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, collects and remits under this part for a calendar year.}~~ quarry, or deposit that:
- 1026 ~~{(ii)}~~ (A) ~~"Sand "~~ contains sand and gravel ~~"means sand, gravel, or a combination of sand and gravel.}~~ ; and
- 1027 ~~{(iii)}~~ (B) ~~"Sand and gravel extraction site" means a pit, quarry, or deposit that.}~~ is assessed by the commission in accordance with Section 59-2-201.
- 1028 ~~{(A)}~~ (iv) ~~{contains sand and gravel; and }~~ "Ton" means a short ton of 2,000 pounds.
- 1029 ~~{(B)}~~ (v) ~~{is assessed by }~~ "Tonnage ratio" means the ~~{commission in accordance with Section 59-2-201.}~~ ratio of:
- 1030 ~~{(iv)}~~ (A) ~~"Ton" means }~~ the total amount of sand and gravel, measured in tons, sold during a calendar year from all sand and gravel extraction sites located within a ~~{short ton of 2,000 pounds.}~~ county, city, or town; to
- 1031 ~~{(v)}~~ (B) ~~"Tonnage ratio" means }~~ the ~~{ratio of:}~~ total amount of sand and gravel, measured in tons, sold during the same calendar year from sand and gravel extraction sites statewide.
- 1032

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- {(A)} (b) {~~the total amount of sand and gravel, measured~~} For purposes of calculating the ratio described in {~~tons, sold during a calendar year from all sand and gravel extraction sites located within a county, city~~} Subsection (6)(a)(v), {~~or town; to~~} the commission shall:
- 1035 {(B)} (i) {~~the total amount of sand and gravel, measured in tons, sold during~~} use the gross sales data provided to the commission as part of the {~~same calendar year from sand and gravel extraction sites statewide;~~} commission's property tax valuation process; and
- 1037 {(b)} (ii) {~~For purposes~~} if a sand and gravel extraction site operates as a unit across municipal or county lines, apportion the reported tonnage among the counties, cities, or towns based on the percentage of {~~calculating~~} the {~~ratio described~~} sand and gravel extraction site located in {~~Subsection (6)(a)(v)~~} each county, city, or town, as approximated by the commission {~~shall:~~} .
- 1039 {(f)} (c)
- (i) {~~use~~} Each July, the {~~gross sales data provided to the commission~~} commission shall distribute from total collections under this part an amount equal to the annual dedicated sand and gravel sales tax revenue for the preceding calendar year to each county, city, or town in the same proportion as {~~part of~~} the county's, city's, or town's tonnage ratio for the {~~commission's property tax valuation process; and~~} preceding calendar year.
- 1041 (ii) {~~if a sand and gravel extraction site operates as a unit across municipal or county lines, apportion~~} The commission shall ensure that the {~~reported tonnage among the counties, cities, or towns based on~~} revenue distributed under this Subsection (6)(c) is drawn from each jurisdiction's collections in proportion to the {~~percentage~~} jurisdiction's share of {~~the sand and gravel extraction site located in each county, city, or town, as approximated by the commission~~} total collections for the preceding 12-month period.
- 1045 {(e)} (d)
- {(f)} {~~Each July, the commission shall distribute from total collections under this part an amount equal to the annual dedicated sand and gravel sales tax revenue for the preceding calendar year to each~~} A county, city, or town shall use revenue described in {~~the same proportion as the county's, city's,~~} Subsection (6)(c) for class B or {~~town's tonnage ratio for the preceding calendar year~~} class C roads.
- 1049 {(g)} (7)
- (a) {~~The commission~~} Population figures for purposes of this section shall {~~ensure that the revenue distributed under this Subsection (6)(c) is drawn from each jurisdiction's collections in proportion~~}

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to the jurisdiction's share of total collections for } be based on, to the {preceding 12-month period;}
extent not otherwise required by federal law:

1052 {~~(d)~~} (i) {A county, city, or town shall use revenue described in Subsection (6)(c) for class B-} the most
recent estimate from the Utah Population Committee created in Section 63C-20-103; or {class C

1054 {~~(7)~~} (ii)
{(a)} if the Utah Population {figures for purposes of this section shall be based on, to-} Committee
estimate is not available for each municipality and unincorporated area, the {extent not otherwise
required by federal law;} adjusted sub-county population estimate provided by the Utah Population
Committee in accordance with Section 63C-20-104.

1056 {~~(i)~~} (b) {the most recent estimate from-} The population of a county for purposes of this section
shall be determined only from the unincorporated area of the {Utah Population Committee
created in Section 63C-20-103;-or} county.

1058 {~~(ii)~~} (8)
{(a)} {if the Utah Population Committee estimate is not available for each municipality and
unincorporated area, the adjusted sub-county population estimate provided by the Utah Population
Committee in accordance with Section 63C-20-104.} As used in Subsections (8) and (9):

1061 {~~(b)~~} (i) {The population of a county-} "Applicable percentage" means, for a convention center
reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
Zone Act, for {purposes of this section shall be determined only from-} sales occurring within the
{unincorporated area-} qualified development zone described in Subsection (8)(a)(ii), 100% of the
{county-} sales and use tax increment, as that term is defined in Section 63N-3-602, from the sales
and use tax:

1063 {~~(8)~~} (A)
{(a)} As used- imposed by a city of the first class in {Subsections (8) and (9):-} a county of the first
class under this part;

1064 {~~(i)~~} (B) {"Applicable percentage" means, for-} imposed by a {convention center reinvestment
zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone
Act, for sales occurring within the qualified development zone described-} city of the first
class in {Subsection (8)(a)(ii), 100%-} a county of the {sales and use tax increment, as that

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term is defined in Section 63N-3-602, from the sales and use tax: } first class under Section 59-12-402.1;

- 1069 {~~(A)~~} (C) imposed by a city of the first class in a county of the first class under {~~Section 59-12-1102~~}
this part; {and}
- 1070 {~~(B)~~} (D) imposed by a city of the first class in a county of the first class under {~~Part 22, Local Option~~
~~Sales and Use Taxes for Transportation Act.~~} Section 59-12-402.1;
- 1072 {~~(C)~~} (ii) {~~imposed by a county of~~} "Qualified development zone" means the {~~first class~~} sales and
use tax boundary of a convention center reinvestment zone created under {~~Section 59-12-1102; and~~}
Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 1073 {~~(D)~~} (iii) {~~imposed by a county of the first class under Part 22, Local Option Sales and Use Taxes for~~
~~Transportation Act.~~} "Qualifying construction materials" means construction materials that are:
- 1075 {~~(ii)~~} (A) {"~~Qualified~~} delivered to a delivery outlet within a qualified development zone {"~~means~~
~~the sales and use tax boundary of a convention center reinvestment zone created under Title~~
~~63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.~~} ; and
- 1078 {~~(iii)~~} (B) {"~~Qualifying construction materials" means construction materials that are:~~} intended to
be permanently attached to real property within the qualified development zone.
- 1079 {~~(A)~~} (b) {~~delivered~~} For a sale of qualifying construction materials, the commission shall distribute
the product calculated in Subsection (8)(c) to a {~~delivery outlet within a~~} qualified development
zone {~~;~~and} if the seller of the construction materials:
- 1080 {~~(B)~~} (i) {~~intended to be permanently attached to real property~~} establishes a delivery outlet with the
commission within the qualified development zone {~~:~~} ;
- 1082 {~~(b)~~} (ii) {~~For a sale of qualifying~~} reports the sales of the construction materials {~~, the commission~~
~~shall distribute the product calculated~~} to the delivery outlet described in Subsection {~~(8)(c) to a~~
~~qualified development zone if the seller of the construction materials:~~} (8)(b)(i); and
- 1085 {~~(i)~~} (iii) {~~establishes a delivery outlet with~~} does not report the {~~commission within~~} sales of the
qualified development zone; construction materials on a simplified electronic return.
- 1087 {~~(ii)~~} (c) {~~reports~~} For the {~~sales of the construction materials~~} purposes of Subsection (8)(b), the
product is equal to {~~the delivery outlet described in Subsection (8)(b)(i); and~~} ;
- 1089 {~~(iii)~~} (i) {~~does not report~~} the sales price or purchase price of the qualifying construction materials
{~~on a simplified electronic return.~~} ; and
- 1091 {~~(e)~~} (ii) {~~For the purposes of Subsection (8)(b), the product is equal to:~~} the applicable percentage.

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- 1092 ~~{(i)}~~ (9)
- (a) ~~{the sales price or purchase price of the qualifying construction materials; and}~~ As used in this Subsection (9), "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.
- 1093 ~~{(ii)}~~ (b) Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed into the jurisdiction that would have received the revenue in the absence of the qualified development zone.
- 1094 ~~{(9)}~~ (10)
- (a) As used in this Subsection ~~{(10):}~~ (9), "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.
- 1097 ~~{(b)}~~ (i) ~~{Revenue generated from the applicable-}~~ "Applicable percentage ~~{by a Schedule J sale within a qualified development zone shall be distributed into the jurisdiction that would have received the revenue in the absence of the qualified development zone.}~~ " means:
- 1100 ~~{(10)}~~ (A)
- ~~{(a)}~~ As used-} for a project area adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, for sales occurring within a qualified development zone described in {this-} Subsection ~~{(10)}~~ (10)(a)(iii)(A):
- 1101 ~~{(i)}~~ (I) ~~{"Applicable percentage" means:}~~ 50% of the revenue from the sales and use tax imposed under this part;
- 1102 ~~{(A)}~~ (II) ~~{for a project area adopted-}~~ 100% of the revenue from the sales and use tax imposed by the military installation development authority under {Title 63H, Chapter 1, Military Installation Development Authority Act, for sales occurring within a qualified development zone described in Subsection ~~(10)(a)(iii)(A):}~~ Section 59-12-401; and
- 1106 ~~{(i)}~~ (III) ~~{50}~~ 100% of the revenue from the sales and use tax imposed by the military installation development authority under {this part;} Section 59-12-402; and
- 1107 ~~{(ii)}~~ (B) ~~{100}~~ for a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, for sales occurring within a qualified development zone described in Subsection (10)(a)(iii)(B), 20% of the revenue from the sales and use tax ~~{imposed by the military installation development authority-}~~ under ~~{Section 59-12-401; and}~~ this part;
- 1109

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- ~~{(H)}~~ (C) ~~{100}~~ for the lake authority boundary, as defined in Section 11-65-101, for sales occurring within the qualified development zone described in Subsection (10)(a)(ii)(C), 50% of the revenue from the sales and use tax {imposed by the military installation development authority} under {Section 59-12-402} this part; {and}
- 1111 ~~{(B)}~~ (D) for ~~{the Utah Fairpark Area Investment and Restoration District}~~ a project area under Title 11, {created in Section 11-70-201} Chapter 58, Utah Inland Port Authority Act, for sales occurring within ~~{the}~~ a qualified development zone described in Subsection ~~{(10)(a)(iii)(D)}~~ (10)(a)(iii)(B), {100} 20% of the revenue from the sales and use tax ~~{imposed by the Utah Fairpark Area Investment and Restoration District}~~ under ~~{Sections 59-12-401 and 59-12-402}~~ this part;
- 1115 ~~{(C)}~~ (E) for ~~{an eligible basic special district created under Title 17B, Chapter 1, Part 14}~~ the lake authority boundary, as defined in Section 11-65-101, {Basic Special District,} for sales occurring within ~~{a}~~ the qualified development zone described in Subsection ~~{(10)(a)(iii)(E)}~~ (10)(a)(ii)(C), 50% of the revenue from the sales and use tax ~~{imposed}~~ under this part;
- 1118 ~~{(D)}~~ (ii) ~~{for}~~ "Eligible basic special district" means the ~~{Utah Fairpark Area Investment and Restoration District, created}~~ same as that term is defined in Section ~~{11-70-201, for sales occurring within the qualified development zone described in Subsection (10)(a)(iii)(D), 100% of the revenue from the sales and use tax imposed by the Utah Fairpark Area Investment and Restoration District under Sections 59-12-401 and 59-12-402;}~~ 17B-1-1405.
- 1123 ~~{(E)}~~ (iii) ~~{for an eligible basic special district created under Title 17B, Chapter 1, Part 14, Basic Special District, for sales occurring within a qualified}~~ "Qualified development zone ~~{described in Subsection (10)(a)(iii)(E), 50% of the revenue from}~~ " means the sales and use tax ~~{imposed under this part;}~~ boundary of:
- 1127 ~~{(ii)}~~ (A) ~~{"Eligible basic special district" means}~~ a project area adopted by the ~~{same as that term is defined in Section 17B-1-1405.}~~ military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act;
- 1129 ~~{(iii)}~~ (B) ~~{"Qualified development zone" means the sales and use tax boundary of:}~~ a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;
- 1130 ~~{(A)}~~ (C) ~~{a project area adopted by}~~ the ~~{military installation development authority under Title 63H}~~ lake authority boundary, {Chapter 1, Military Installation Development Authority Act} as defined in Section 11-65-101;

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{(B)} (D) {a project area under Title 11, Chapter 58, Utah Inland Port Authority Act;} the Utah Fairpark Investment and Restoration District, created in Section 11-70-201; or

1133 {(C)} (E) the {area within the } lake authority boundary {of an eligible basic special district} , {and if applicable, the boundary of a public infrastructure district created by the basic special district} as defined in Section 11-65-101;

1134 {(D)} (iv) {the Utah Fairpark Investment and Restoration District, created in Section 11-70-201; or} .
"Qualifying construction materials" means construction materials that are:

1136 {(E)} (A) {the area within the boundary of an eligible basic special district, and if applicable, the boundary of a public infrastructure district created by the basic special district} delivered to a delivery outlet within a qualified development zone;and

1139 {(iv)} (B) {"Qualifying construction materials" means construction materials that are;} intended to be permanently attached to real property within the qualified development zone.

1140 {(A)} (b) {delivered } For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (10)(c) to a {delivery outlet within a } qualified development zone{;and} if the seller of the construction materials:

1141 {(B)} (i) {intended to be permanently attached to real property-} establishes a delivery outlet with the commission within the qualified development zone{:} ;

1143 {(b)} (ii) {For a sale of qualifying-} reports the sales of the construction materials{, the commission shall distribute the product calculated-} to the delivery outlet described in Subsection {(10)(c) to a qualified development zone if the seller of the construction materials;} (10)(b)(i); and

1146 {(i)} (iii) {establishes a delivery outlet with-} does not report the {commission within-} sales of the {qualified development zone } construction materials on a simplified electronic return;or

1148 {(ii)} (c) {reports-} For the {sales of the construction materials-} purposes of Subsection (10)(b), the product is equal to {the delivery outlet described in Subsection (10)(b)(i); and } ;

1150 {(iii)} (i) {does not report-} the sales price or purchase price of the qualifying construction materials {on a simplified electronic return } ; {or} and

1152 {(e)} (ii) {For the purposes of Subsection (10)(b), the product is equal to;} the applicable percentage.

1153 {(i)} (11)
(a) {the sales price or purchase price of the qualifying construction materials; and } As used in this Subsection (11):

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- {(ii)} (i) ~~{the applicable percentage}~~ "Applicable percentage" means the same as that term is defined in Subsection (10).
- 1155 ~~{(11)}~~ (ii)
- {(a)} ~~As used in this~~ "Qualified development zone" means the same as that term is defined in Subsection ~~{(11)}~~ (10).
- 1156 ~~{(i)}~~ (iii) ~~{"Applicable percentage"}~~ "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 ~~same as that term is defined in Subsection (10)}~~ commission.
- 1157 ~~{(ii)}~~ (b) ~~{"Qualified"}~~ Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone ~~"means"}~~ shall be distributed to the ~~same as}~~ jurisdiction that ~~{term is defined in Subsection (10)}~~ would have received the revenue in the absence of the qualified development zone.
- 1159 ~~{(iii)}~~ (12)
- (a) "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. As used in this Subsection (12):
- 1162 ~~{(b)}~~ (i) ~~{Revenue generated from the applicable}~~ "Applicable percentage ~~{by}~~ " means, for a ~~{Schedule J sale}~~ major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for sales occurring within ~~{a qualified development zone shall be distributed to the jurisdiction that would have received the revenue in the absence of}~~ the qualified development zone ~~{-}~~ described in Subsection (12)(a)(ii):
- 1165 ~~{(12)}~~ (A)
- {(a)} ~~As used}~~ 50% of the sales and use tax increment, as that term is defined in Section 63N-3-601, from the sales and use tax imposed under this ~~{Subsection (12)}~~ part;
- 1166 ~~{(i)}~~ (B) ~~{"Applicable percentage" means, for}~~ 100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone ~~{created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act, for sales occurring within the qualified development zone described in Subsection (12)(a)(ii)}~~ under Section 59-12-401; and
- 1170 ~~{(A)}~~ (C) ~~{50}~~ 100% of the ~~{sales and use tax increment, as that term is defined in Section 63N-3-601,}~~ revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under ~~{this part;}~~ Section 59-12-402.
- 1172

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- {(B)} (ii) ~~{100% of the revenue from }~~ "Qualified development zone" means the sales and use tax ~~{ imposed by the creating entity }~~ boundary, as described in Section 63N-3-1710, of a major sporting event venue zone created under ~~{Section 59-12-401; and }~~ Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act.
- 1174 {(C)} (iii) ~~{100% of the revenue from the sales and use tax imposed by the creating entity of a major sporting event venue zone under Section 59-12-402.}~~ "Qualifying construction materials" means construction materials that are:
- 1176 {(ii)} (A) ~~{ "Qualified }~~ delivered to a delivery outlet within a qualified development zone ~~{ "means the sales }~~ ; ~~{ use tax boundary, as described in Section 63N-3-1710, of a major sporting event venue zone created under Title 63N, Chapter 3, Part 17, Major Sporting Event Venue Zone Act. }~~
- 1179 {(iii)} (B) ~~{ "Qualifying construction materials" means construction materials that are: }~~ intended to be permanently attached to real property within the qualified development zone.
- 1180 {(A)} (b) ~~{ delivered }~~ For a sale of qualifying construction materials, the commission shall distribute the product calculated in Subsection (12)(c) to the creating entity of a { delivery outlet within a } qualified development zone ~~{ ; and }~~ if the seller of the construction materials:
- 1181 {(B)} (i) ~~{ intended to be permanently attached to real property }~~ establishes a delivery outlet with the commission within the qualified development zone ~~{ : }~~ ;
- 1183 {(b)} (ii) ~~{ For a sale of qualifying }~~ reports the sales of the construction materials ~~{ , the commission shall distribute the product calculated }~~ to the delivery outlet described in Subsection ~~{ (12)(c) to the creating entity of a qualified development zone if the seller of the construction materials: }~~ (12)(b) (i); and
- 1186 {(i)} (iii) ~~{ establishes a delivery outlet with }~~ does not report the ~~{ commission within }~~ sales of the ~~{ qualified development zone }~~ construction materials on a simplified electronic return; or
- 1188 {(ii)} (c) ~~{ reports }~~ For the ~~{ sales of the construction materials }~~ purposes of Subsection (12)(b), the product is equal to ~~{ the delivery outlet described in Subsection (12)(b)(i); and }~~ ;
- 1190 {(iii)} (i) ~~{ does not report }~~ the sales price or purchase price of the qualifying construction materials ~~{ on a simplified electronic return }~~ ; ~~{ or }~~ and
- 1192 {(e)} (ii) ~~{ For the purposes of Subsection (12)(b), the product is equal to: }~~ the applicable percentage.
- 1193 {(f)} (13)

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(a) ~~{ the sales price or purchase price of the qualifying construction materials; and }~~ As used in this Subsection (13):

1194 ~~{(ii)}~~ (i) { the applicable percentage } "Applicable percentage" means the same as that term is defined in Subsection (12).

1195 ~~{(13)}~~ (ii)
~~{(a)}~~ As used in this } "Qualified development zone" means the same as that term is defined in Subsection { (13): } (12).

1196 ~~{(i)}~~ (iii) {"Applicable percentage} "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 { same as that term is defined in Subsection (12) } commission.

1197 ~~{(ii)}~~ (b) {"Qualified-} Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone{"-means-} shall be distributed to the { same as- } jurisdiction that { term is defined in Subsection (12) } would have received the revenue in the absence of the qualified development zone.

1199 (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.}~~

1202 ~~{(b)} Revenue generated from the applicable percentage by a Schedule J sale within a qualified development zone shall be distributed to the jurisdiction that would have received the revenue in the absence of the qualified development zone.}~~

1205 ~~{Section 17. Section 59-14-204 is amended to read: }~~

1206 **59-14-204. Tax basis -- Rate -- Future increase -- Cigarette Tax Restricted Account -- Appropriation and expenditure of revenues.**

1208 (1) Except for cigarettes described under Subsection 59-14-210(3), there is levied a tax upon the sale, use, storage, or distribution of cigarettes in the state.

1210 (2) The rates of the tax levied under Subsection (1) are, beginning on July 1, 2010:

1211 (a) 8.5 cents on each cigarette, for all cigarettes weighing not more than three pounds per thousand cigarettes; and

1213 (b) 9.963 cents on each cigarette, for all cigarettes weighing in excess of three pounds per thousand cigarettes.

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- (3) Except as otherwise provided under this chapter, the tax levied under Subsection (1) shall be paid by any person who is the manufacturer, jobber, importer, distributor, wholesaler, retailer, user, or consumer.
- 1218 (4) The tax rates specified in this section shall be increased by the commission by the same amount as
any future reduction in the federal excise tax on cigarettes.
- 1220 (5)
- (a) There is created within the General Fund a restricted account known as the "Cigarette Tax Restricted Account."
- 1222 (b) The Cigarette Tax Restricted Account consists of:
- 1223 (i) the first \$7,950,000 of the revenues collected from a tax under this section; and
- 1224 (ii) any other appropriations the Legislature makes to the Cigarette Tax Restricted Account.
- 1226 (c) For each fiscal year beginning with fiscal year 2011-12 and subject to appropriation by the
Legislature, the Division of Finance shall distribute money from the Cigarette Tax Restricted
Account as follows:
- 1229 (i) \$250,000 to the Department of Health to be expended for a tobacco prevention and control media
campaign targeted towards children;
- 1231 (ii) \$2,900,000 to the Department of Health to be expended for tobacco prevention, reduction, cessation,
and control programs;
- 1233 (iii) \$2,000,000 to the University of Utah Health Sciences Center for the Huntsman Cancer Institute to
be expended for cancer research; and
- 1235 (iv) \$2,800,000 to the University of Utah Health Sciences Center to be expended for medical education
at the University of Utah School of Medicine.
- 1237 (d) In determining how to appropriate revenue deposited into the Cigarette Tax Restricted Account
that is not otherwise appropriated under Subsection (5)(c), the Legislature shall give particular
consideration to enhancing Medicaid provider reimbursement rates and medical coverage for the
uninsured.
- 1241 (6) For a fiscal year beginning on or after July 1, 2026, and subject to appropriation by the Legislature,
the Division of Finance shall deposit revenue generated from the tax imposed by this part that is in
excess of \$48,900,000 to the Homeless Services Restricted Account to be expended for purposes
described in Section 35A-16-1201.

962 Section 13. Section **63A-5b-902** is amended to read:

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963 **63A-5b-902. Application of part.**

- 1247 (1) Except as [~~stated~~] provided in Subsection (1)(d), the provisions of this part, other than this section,
do not apply to:
- 1249 (a) the division's disposal or lease of division-owned property that would otherwise be subject to this
part, if the division-owned property has a value under \$500,000, as estimated by the division;
- 1252 (b) a conveyance, lease, or disposal of division-owned property in connection with:
- 1253 (i) the establishment of a state store, as defined in Section 32B-1-102; or
- 1254 (ii) the construction of student housing;
- 1255 (c) a conveyance, lease, or disposal of any part of the point of the mountain state land, as defined in
Section 11-59-102, by the Point of the Mountain State Land Authority created in Section 11-59-201;
- 1258 (d) a conveyance, lease, or disposal of division-owned property for fair market value, as determined by
the division, under Subsection 63A-5b-303(1)(a)(viii), except that the following sections apply:
- 1261 (i) Section 63A-5b-907.5;
- 1262 (ii) Section 63A-5b-908;
- 1263 (iii) Section 63A-5b-910;
- 1264 (iv) Section 63A-5b-911; and
- 1265 (v) Section 63A-5b-912; or
- 1266 (e) a conveyance, lease, or disposal of any state-owned land, as defined in Section 11-70-101, by the
Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201[-]; or
- 1269 (f) a conveyance, lease, or disposal of division-owned property to the Office of Homeless Services to
carry out the purposes described in Title 35A, Chapter 16, Part 2, Office of Homeless Services.
- 1272 (2) Nothing in Subsection (1)(a), (b), [~~or (d) may be construed to~~] (d), or (f) shall diminish or eliminate
the division's responsibility to manage division-owned property in the best interests of the state.

992 Section 14. Section **63I-2-235** is amended to read:

993 **63I-2-235. Repeal dates: Title 35A.**

[~~Section 35A-3-212, Use of COVID-19 relief funds -- Grants to child care providers --
Reporting requirements, is repealed June 30, 2025.~~]

Section 35A-16-406, Mitigation Fund Task Force, is repealed January 1, 2027.

1280 ~~{Section 20. Section **63J-1-602.1** is amended to read: }~~

1281 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

Appropriations made from the following accounts or funds are nonlapsing:

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- 1284 (1) The Native American Repatriation Restricted Account created in Section 9-9-407.
- 1285 (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission, as provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.
- 1287 (3) Funds collected for directing and administering the C-PACE district created in Section 11-42a-106.
- 1289 (4) Money received by the Utah Inland Port Authority, as provided in Section 11-58-105.
- 1290 (5) The Commerce Electronic Payment Fee Restricted Account created in Section 13-1-17.
- 1291 (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in Section 19-2a-106.
- 1293 (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in Section 19-5-126.
- 1295 (8) State funds for matching federal funds in the Children's Health Insurance Program as provided in Section 26B-3-906.
- 1297 (9) Funds collected from the program fund for local health department expenses incurred in responding to a local health emergency under Section 26B-7-111.
- 1299 (10) The Technology Development Restricted Account created in Section 31A-3-104.
- 1300 (11) The Criminal Background Check Restricted Account created in Section 31A-3-105.
- 1301 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that section free revenue.
- 1303 (13) The Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.
- 1304 (14) The Health Insurance Actuarial Review Restricted Account created in Section 31A-30-115.
- 1306 (15) The State Mandated Insurer Payments Restricted Account created in Section 31A-30-118.
- 1308 (16) The Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.
- 1309 (17) The Underage Drinking Prevention Media and Education Campaign Restricted Account created in Section 32B-2-306.
- 1311 (18) The School Readiness Restricted Account created in Section 35A-15-203.
- 1312 (19) Money received by the Utah State Office of Rehabilitation for the sale of certain products or services, as provided in Section 35A-13-202.
- 1314 (20) The Property Loss Related to Homelessness Compensation Enterprise Fund created in Section 35A-16-212.
- 1316 (21) The Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 1318 (22) The Homeless Services Restricted Account created in Section 35A-16-1201.
- 1319 [~~22~~] (23) The Oil and Gas Administrative Penalties Account created in Section 40-6-11.

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- 1320 [~~(23)~~] (24) The Oil and Gas Conservation Account created in Section 40-6-14.5.
- 1321 [~~(24)~~] (25) The Division of Oil, Gas, and Mining Restricted account created in Section 40-6-23.
- 1323 [~~(25)~~] (26) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the Motor Vehicle Division.
- 1325 [~~(26)~~] (27) The License Plate Restricted Account created by Section 41-1a-122.
- 1326 [~~(27)~~] (28) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account created by Section 41-3-110 to the State Tax Commission.
- 1328 [~~(28)~~] (29) The State Disaster Recovery Restricted Account to the Division of Emergency Management, as provided in Section 53-2a-603.
- 1330 [~~(29)~~] (30) The Disaster Response, Recovery, and Mitigation Restricted Account created in Section 53-2a-1302.
- 1332 [~~(30)~~] (31) The Emergency Medical Services Critical Needs Account created in Section 53-2d-110.
- 1334 [~~(31)~~] (32) The Department of Public Safety Restricted Account to the Department of Public Safety, as provided in Section 53-3-106.
- 1336 [~~(32)~~] (33) The Utah Highway Patrol Aero Bureau Restricted Account created in Section 53-8-303.
- 1338 [~~(33)~~] (34) The DNA Specimen Restricted Account created in Section 53-10-407.
- 1339 [~~(34)~~] (35) The Technical Colleges Capital Projects Fund created in Section 53H-9-605.
- 1340 [~~(35)~~] (36) The Higher Education Capital Projects Fund created in Section 53H-9-502.
- 1341 [~~(36)~~] (37) A certain portion of money collected for administrative costs under the School Institutional Trust Lands Management Act, as provided under Section 53C-3-202.
- 1343 [~~(37)~~] (38) The Public Utility Regulatory Restricted Account created in Section 54-5-1.5, subject to Subsection 54-5-1.5(4)(d).
- 1345 [~~(38)~~] (39) Funds collected from a surcharge fee to provide certain licensees with access to an electronic reference library, as provided in Section 58-3a-105.
- 1347 [~~(39)~~] (40) Certain fines collected by the Division of Professional Licensing for violation of unlawful or unprofessional conduct that are used for education and enforcement purposes, as provided in Section 58-17b-505.
- 1350 [~~(40)~~] (41) Funds collected from a surcharge fee to provide certain licensees with access to an electronic reference library, as provided in Section 58-22-104.
- 1352 [~~(41)~~] (42) Funds collected from a surcharge fee to provide certain licensees with access to an electronic reference library, as provided in Section 58-55-106.

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- 1354 [~~(42)~~] (43) Funds collected from a surcharge fee to provide certain licensees with access to an electronic reference library, as provided in Section 58-56-3.5.
- 1356 [~~(43)~~] (44) Certain fines collected by the Division of Professional Licensing for use in education and enforcement of the Security Personnel Licensing Act, as provided in Section 58-63-103.
- 1359 [~~(44)~~] (45) The Relative Value Study Restricted Account created in Section 59-9-105.
- 1360 [~~(45)~~] (46) The Cigarette Tax Restricted Account created in Section 59-14-204.
- 1361 [~~(46)~~] (47) Funds paid to the Division of Real Estate for the cost of a criminal background check for a mortgage loan license, as provided in Section 61-2c-202.
- 1363 [~~(47)~~] (48) Funds paid to the Division of Real Estate for the cost of a criminal background check for principal broker, associate broker, and sales agent licenses, as provided in Section 61-2f-204.
- 1366 [~~(48)~~] (49) Certain funds donated to the Department of Health and Human Services, as provided in Section 26B-1-202.
- 1368 [~~(49)~~] (50) Certain funds donated to the Division of Child and Family Services, as provided in Section 80-2-404.
- 1370 [~~(50)~~] (51) Funds collected by the Office of Administrative Rules for publishing, as provided in Section 63G-3-402.
- 1372 [~~(51)~~] (52) The Immigration Act Restricted Account created in Section 63G-12-103.
- 1373 [~~(52)~~] (53) Money received by the military installation development authority, as provided in Section 63H-1-504.
- 1375 [~~(53)~~] (54) The Unified Statewide 911 Emergency Service Account created in Section 63H-7a-304.
- 1377 [~~(54)~~] (55) The Utah Statewide Radio System Restricted Account created in Section 63H-7a-403.
- 1379 [~~(55)~~] (56) The Utah Capital Investment Restricted Account created in Section 63N-6-204.
- 1380 [~~(56)~~] (57) The Motion Picture Incentive Account created in Section 63N-8-103.
- 1381 [~~(57)~~] (58) Funds collected by the housing of state probationary inmates or state parole inmates, as provided in Subsection 64-13e-104(2).
- 1383 [~~(58)~~] (59) Certain forestry and fire control funds utilized by the Division of Forestry, Fire, and State Lands, as provided in Section 65A-8-103.
- 1385 [~~(59)~~] (60) The following funds or accounts created in Section 72-2-124:
- 1386 (a) Transportation Investment Fund of 2005;
- 1387 (b) Transit Transportation Investment Fund;
- 1388 (c) Cottonwood Canyons Transportation Investment Fund;

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- 1389 (d) Active Transportation Investment Fund; and
1390 (e) Commuter Rail Subaccount.
1391 ~~[(60)]~~ (61) The Amusement Ride Safety Restricted Account, as provided in Section 72-16-204.
1393 ~~[(61)]~~ (62) Certain funds received by the Office of the State Engineer for well drilling fines or bonds, as
provided in Section 73-3-25.
1395 ~~[(62)]~~ (63) The Water Resources Conservation and Development Fund, as provided in Section 73-23-2.
1397 ~~[(63)]~~ (64) Award money under the State Asset Forfeiture Grant Program, as provided under Section
77-11b-403.
1399 ~~[(64)]~~ (65) Funds donated or paid to a juvenile court by private sources, as provided in Subsection
78A-6-203(1)(c).
1401 ~~[(65)]~~ (66) Fees for certificate of admission created under Section 78A-9-102.
1402 ~~[(66)]~~ (67) Funds collected for adoption document access as provided in Sections 81-13-103,
81-13-504, and 81-13-505.
1404 ~~[(67)]~~ (68) Funds collected for indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah
Indigent Defense Commission.
1406 ~~[(68)]~~ (69) The Utah Geological Survey Restricted Account created in Section 79-3-403.
1407 ~~[(69)]~~ (70) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State Park, and
Green River State Park, as provided under Section 79-4-403.
1409 ~~[(70)]~~ (71) Certain funds received by the Division of State Parks from the sale or disposal of buffalo, as
provided under Section 79-4-1001.

997 Section 15. **Effective date.**

Effective Date.

This bill takes effect:

- 1413 (1) except as provided in Subsection (2), May 6, 2026; or
1414 (2) if approved by two-thirds of all members elected to each house, the later of:
1415 (a) April 1, 2026; or
1416 (b)
(i) upon approval by the governor;
1417 (ii) without the governor's approval, the day following the constitutional time limit of Utah
Constitution, Article VII, Section 8; or
1419 (iii) with the governor's veto and a vote of the Legislature to override the veto, the date of veto override.

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