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Housing Amendments
2026 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Lincoln Fillmore

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3

LONG TITLE

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Committee Note:

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The Economic Development and Workforce Services Interim Committee recommended this bill.

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Legislative Vote: 12 voting for 0 voting against 5 absent

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General Description:

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This bill creates the Division of Housing within the Governor's Office of Economic Opportunity.

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Highlighted Provisions:

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This bill:

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- creates the Division of Housing within the Governor's Office of Economic Opportunity (Division of Housing) by enacting, renumbering, and amending certain affordable housing-related provisions from the Housing and Community Development Division within the Department of Workforce Services and the Governor's Office of Planning and Budget to the Division of Housing;

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- defines terms;

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- creates the deputy director position within the Division of Housing, who is appointed by the governor with the advice and consent of the Senate;

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- renames the Housing and Community Development Division to the Community Development Division within the Department of Workforce Services;

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- allows the Department of Transportation to dispose of certain surplus property for certain purposes;

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- repeals certain obsolete sections of code;

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- repeals the Commission on Housing Affordability;

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- requires coordination between the deputy director of the Division of Housing and the Utah Housing Corporation (UHC) under certain circumstances;

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- amends the required fields of expertise of public trustees appointed to the UHC board of trustees; and

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31 ▸ makes technical and conforming changes.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill provides a special effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **10-21-101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
39 First Special Session, Chapter 15

40 **10-21-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special Session,
41 Chapter 15

42 **10-21-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
43 First Special Session, Chapter 15

44 **10-21-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
45 First Special Session, Chapter 15

46 **17-80-101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
47 First Special Session, Chapter 14

48 **17-80-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special Session,
49 Chapter 14

50 **17-80-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,
51 First Special Session, Chapter 14

52 **17C-1-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
53 Session, Chapter 16

54 **17C-1-412 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 459

55 **26B-3-209 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,
56 Chapter 306

57 **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26)**, as last amended by Laws
58 of Utah 2025, Chapter 441

59 **35A-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 441

60 **35A-3-309 (Effective 07/01/26)**, as last amended by Laws of Utah 2015, Chapter 221

61 **35A-8-101 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 406

62 **35A-8-201 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
63 Chapter 212

64 **35A-8-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special

65 Session, Chapter 15
66 **35A-8-1003 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
67 Chapter 212
68 **35A-8-1009 (Effective 07/01/26)**, as last amended by Laws of Utah 2017, Chapter 223
69 **35A-8-1601 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 136
70 **35A-8-1702 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 136
71 **59-2-1101 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
72 Session, Chapter 15
73 **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
74 Session, Chapter 15
75 **63B-1b-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapters 362,
76 451
77 **63H-8-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 391
78 **63H-8-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2015,
79 Chapter 226
80 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
81 2025, Chapter 140
82 **63L-12-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
83 Session, Chapter 17
84 **72-1-215 (Effective 07/01/26)**, as enacted by Laws of Utah 2020, Chapter 268
85 **72-1-304 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
86 Session, Chapter 15
87 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
88 Session, Chapter 15
89 **72-5-117 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
90 Session, Chapter 15
91 **73-10c-3 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 335
92 **78B-6-521 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 101

ENACTS:

94 **63N-22-101 (Effective 07/01/26)**, Utah Code Annotated 1953
95 **63N-22-102 (Effective 07/01/26)**, Utah Code Annotated 1953
96 **63N-22-103 (Effective 07/01/26)**, Utah Code Annotated 1953

RENUMBERS AND AMENDS:

98 **63N-22-104 (Effective 07/01/26)**, (Renumbered from 63J-4-402, as last amended by

99 Laws of Utah 2025, First Special Session, Chapter 15)
100 **63N-22-201 (Effective 07/01/26)**, (Renumbered from 35A-8-803, as last amended by
101 Laws of Utah 2025, First Special Session, Chapter 15)
102 **63N-22-202 (Effective 07/01/26)**, (Renumbered from 35A-8-804, as last amended by
103 Laws of Utah 2025, First Special Session, Chapters 15, 16)
104 **63N-22-203 (Effective 07/01/26)**, (Renumbered from 35A-8-805, as last amended by
105 Laws of Utah 2024, Chapter 438)
106 **63N-22-301 (Effective 07/01/26)**, (Renumbered from 35A-8-501, as last amended by
107 Laws of Utah 2017, Chapter 279)
108 **63N-22-302 (Effective 07/01/26)**, (Renumbered from 35A-8-502, as renumbered and
109 amended by Laws of Utah 2012, Chapter 212)
110 **63N-22-303 (Effective 07/01/26)**, (Renumbered from 35A-8-503, as last amended by
111 Laws of Utah 2024, Chapter 431)
112 **63N-22-304 (Effective 07/01/26)**, (Renumbered from 35A-8-504, as last amended by
113 Laws of Utah 2024, Chapter 413)
114 **63N-22-305 (Effective 07/01/26)**, (Renumbered from 35A-8-505, as last amended by
115 Laws of Utah 2025, Chapter 464)
116 **63N-22-306 (Effective 07/01/26)**, (Renumbered from 35A-8-506, as last amended by
117 Laws of Utah 2017, Chapter 279)
118 **63N-22-307 (Effective 07/01/26)**, (Renumbered from 35A-8-507, as last amended by
119 Laws of Utah 2016, Chapter 131)
120 **63N-22-308 (Effective 07/01/26)**, (Renumbered from 35A-8-507.5, as last amended
121 by Laws of Utah 2022, Chapter 406)
122 **63N-22-309 (Effective 07/01/26)**, (Renumbered from 35A-8-508, as last amended by
123 Laws of Utah 2022, Chapter 406)
124 **63N-22-310 (Effective 07/01/26)**, (Renumbered from 35A-8-509, as last amended by
125 Laws of Utah 2024, Chapter 381)
126 **63N-22-311 (Effective 07/01/26)**, (Renumbered from 35A-8-509.5, as enacted by
127 Laws of Utah 2022, Chapter 406)
128 **63N-22-312 (Effective 07/01/26)**, (Renumbered from 35A-8-510, as last amended by
129 Laws of Utah 2022, Chapter 406)
130 **63N-22-313 (Effective 07/01/26)**, (Renumbered from 35A-8-511, as last amended by
131 Laws of Utah 2022, Chapter 406)
132 **63N-22-314 (Effective 07/01/26)**, (Renumbered from 35A-8-512, as last amended by

133 Laws of Utah 2022, Chapter 406)
134 **63N-22-315 (Effective 07/01/26)**, (Renumbered from 35A-8-513, as last amended by
135 Laws of Utah 2022, Chapter 406)
136 **63N-22-316 (Effective 07/01/26)**, (Renumbered from 35A-8-2401, as last amended
137 by Laws of Utah 2024, Chapter 413)
138 **63N-22-401 (Effective 07/01/26)**, (Renumbered from 35A-8-2102, as renumbered
139 and amended by Laws of Utah 2018, Chapter 182)
140 **63N-22-402 (Effective 07/01/26)**, (Renumbered from 35A-8-2103, as last amended
141 by Laws of Utah 2024, Chapter 529)
142 **63N-22-403 (Effective 07/01/26)**, (Renumbered from 35A-8-2104, as renumbered
143 and amended by Laws of Utah 2018, Chapter 182)
144 **63N-22-404 (Effective 07/01/26)**, (Renumbered from 35A-8-2105, as last amended
145 by Laws of Utah 2022, Chapters 68, 406)
146 **63N-22-405 (Effective 07/01/26)**, (Renumbered from 35A-8-2106, as last amended
147 by Laws of Utah 2022, Chapter 406)
148 **63N-22-406 (Effective 07/01/26)**, (Renumbered from 35A-8-2107, as renumbered
149 and amended by Laws of Utah 2018, Chapter 182)
150 **63N-22-407 (Effective 07/01/26)**, (Renumbered from 35A-8-2108, as renumbered
151 and amended by Laws of Utah 2018, Chapter 182)
152 **63N-22-408 (Effective 07/01/26)**, (Renumbered from 35A-8-2109, as renumbered
153 and amended by Laws of Utah 2018, Chapter 182)
154 **63N-22-409 (Effective 07/01/26)**, (Renumbered from 35A-8-2110, as renumbered
155 and amended by Laws of Utah 2018, Chapter 182)
156 REPEALS:
157 **35A-8-504.5 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 102
158 **35A-8-504.6 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 464
159 **35A-8-801 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
160 Chapter 212
161 **35A-8-802 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
162 Chapter 212
163 **35A-8-901 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 335
164 **35A-8-2101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2018,
165 Chapter 182
166 **35A-8-2201 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

167 **35A-8-2202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 118
 168 **35A-8-2203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 512
 169 **35A-8-2204 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

170

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

172 Section 1. Section **10-21-101** is amended to read:

173 **10-21-101 (Effective 07/01/26). Definitions.**

174 As used in this part:

- 175 (1) "Affordable housing" means housing offered for sale at 80% or less of the median
 176 county home price for housing of that type.
- 177 (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 178 (3) "Applicable metropolitan planning organization" means the metropolitan planning
 179 organization that has jurisdiction over the area in which a fixed guideway public transit
 180 station is located.
- 181 (4) "Applicable public transit district" means the public transit district, as defined in Section
 182 17B-2a-802, of which a fixed guideway public transit station is included.
- 183 (5) "Base taxable value" means a property's taxable value as shown upon the assessment
 184 roll last equalized during the base year.
- 185 (6) "Base year" means, for a proposed home ownership promotion zone area, a year
 186 beginning the first day of the calendar quarter determined by the last equalized tax roll
 187 before the adoption of the home ownership promotion zone.
- 188 (7) "Division" means the [~~Housing and Community Development Division within the~~
 189 ~~Department of Workforce Services]~~ Division of Housing within the Governor's Office of
 190 Economic Opportunity.
- 191 (8) "Existing fixed guideway public transit station" means a fixed guideway public transit
 192 station for which construction begins before June 1, 2022.
- 193 (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 194 (10) "Home ownership promotion zone" means a home ownership promotion zone created
 195 in accordance with this part.
- 196 (11) "Implementation plan" means the implementation plan adopted as part of the moderate
 197 income housing element of a specified municipality's general plan as provided in
 198 Subsection 10-21-201(4).
- 199 (12) "Initial report" or "initial moderate income housing report" means the one-time report
 200 described in Subsection 10-21-202(1).

- 201 (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
- 202 (a) within a primary dwelling;
- 203 (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the
- 204 time the internal accessory dwelling unit is created; and
- 205 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- 206 (14) "Moderate income housing strategy" means a strategy described in Subsection
- 207 10-21-201(3)(a)(iii).
- 208 (15) "New fixed guideway public transit station" means a fixed guideway public transit
- 209 station for which construction begins on or after June 1, 2022.
- 210 (16) "Participant" means the same as that term is defined in Section 17C-1-102.
- 211 (17) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- 212 (18)(a) "Primary dwelling" means a single-family dwelling that:
- 213 (i) is detached; and
- 214 (ii) is occupied as the primary residence of the owner of record.
- 215 (b) "Primary dwelling" includes a garage if the garage:
- 216 (i) is a habitable space; and
- 217 (ii) is connected to the primary dwelling by a common wall.
- 218 (19) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- 219 (20) "Qualifying land use petition" means a petition:
- 220 (a) that involves land located within a station area for an existing public transit station
- 221 that provides rail services;
- 222 (b) that involves land located within a station area for which the municipality has not yet
- 223 satisfied the requirements of Subsection 10-21-203(1)(a);
- 224 (c) that proposes the development of an area greater than five contiguous acres, with no
- 225 less than 51% of the acreage within the station area;
- 226 (d) that would require the municipality to amend the municipality's general plan or
- 227 change a zoning designation for the land use application to be approved;
- 228 (e) that would require a higher density than the density currently allowed by the
- 229 municipality;
- 230 (f) that proposes the construction of new residential units, at least 10% of which are
- 231 dedicated to moderate income housing; and
- 232 (g) for which the land use applicant requests the municipality to initiate the process of
- 233 satisfying the requirements of Subsection 10-21-203(1)(a) for the station area in
- 234 which the development is proposed, subject to Subsection 10-21-203(2)(d).

- 235 (21) "Report" means an initial report or a subsequent progress report.
- 236 (22) "Specified municipality" means:
- 237 (a) a city of the first, second, third, or fourth class; or
- 238 (b) a city of the fifth class with a population of 5,000 or more, if the city is located
- 239 within a county of the first, second, or third class.
- 240 (23)(a) "Station area" means:
- 241 (i) for a fixed guideway public transit station that provides rail services, the area
- 242 within a one-half mile radius of the center of the fixed guideway public transit
- 243 station platform; or
- 244 (ii) for a fixed guideway public transit station that provides bus services only, the
- 245 area within a one-fourth mile radius of the center of the fixed guideway public
- 246 transit station platform.
- 247 (b) "Station area" includes any parcel bisected by the radius limitation described in [
- 248 ~~Subsection (a)(i) or (ii)] Subsection (23)(a)(i) or (ii).~~
- 249 (24) "Station area plan" means a plan that:
- 250 (a) establishes a vision, and the actions needed to implement that vision, for the
- 251 development of land within a station area; and
- 252 (b) is developed and adopted in accordance with this section.
- 253 (25) "Subsequent progress report" means the annual report described in Subsection
- 254 10-21-202(2).
- 255 (26) "System improvements" means the same as that term is defined in Section 11-36a-102.
- 256 (27) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 257 (28)(a) "Tax increment" means the difference between:
- 258 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 259 the area within a home ownership promotion zone, using the current assessed
- 260 value and each taxing entity's current certified tax rate as defined in Section
- 261 59-2-924; and
- 262 (ii) the amount of property tax revenue that would be generated from that same area
- 263 using the base taxable value and each taxing entity's current certified tax rate as
- 264 defined in Section 59-2-924.
- 265 (b) "Tax increment" does not include property revenue from:
- 266 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 267 or
- 268 (ii) a county additional property tax described in Subsection 59-2-1602(4).

- 269 (29) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
 270 Section 2. Section **10-21-201** is amended to read:
 271 **10-21-201 (Effective 07/01/26). Moderate income housing plan required.**
- 272 (1) A moderate income housing element of a general plan shall include a moderate income
 273 housing plan that meets the requirements of this section.
- 274 (2) A moderate income housing plan:
- 275 (a) shall provide a realistic opportunity to meet the need for additional moderate income
 276 housing within the municipality during the next five years;
- 277 (b) for a municipality that is not a specified municipality, may include a
 278 recommendation to implement three or more of the moderate income housing
 279 strategies described in Subsection (3)(a)(iii);
- 280 (c) for a specified municipality that does not have a fixed guideway public transit
 281 station, shall include a recommendation to implement three or more of the moderate
 282 income housing strategies described in Subsection (3)(a)(iii) or at least one of the
 283 moderate income housing strategies described in Subsections (3)(a)(iii)(X) through
 284 (CC);
- 285 (d) for a specified municipality that has a fixed guideway public transit station, shall
 286 include:
- 287 (i) a recommendation to implement five or more of the moderate income housing
 288 strategies described in Subsection (3)(a)(iii), of which one shall be the moderate
 289 income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a
 290 moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or
- 291 (ii) a recommendation to implement the moderate income housing strategy described
 292 in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies
 293 described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income
 294 housing strategy described in Subsection (3)(a)(iii); and
- 295 (e) for a specified municipality shall include an implementation plan as provided in
 296 Subsection (4).
- 297 (3)(a) In drafting the moderate income housing element, the planning commission:
- 298 (i) shall consider the Legislature's determination that municipalities shall facilitate a
 299 reasonable opportunity for a variety of housing, including moderate income
 300 housing:
- 301 (A) to meet the needs of people of various income levels living, working, or
 302 desiring to live or work in the community; and

- 303 (B) to allow people with various incomes to benefit from and fully participate in
304 all aspects of neighborhood and community life;
- 305 (ii) for a municipality that is not a specified municipality, may include, and for a
306 specified municipality shall include, an analysis of how the municipality will
307 provide a realistic opportunity for the development of moderate income housing
308 within the next five years; and
- 309 (iii) for a municipality that is not a specified municipality, may include, and for a
310 specified municipality shall include, a recommendation to implement the required
311 number of any of the following moderate income housing strategies as specified in
312 Subsection (2):
- 313 (A) rezone for densities necessary to facilitate the production of moderate income
314 housing;
- 315 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
316 facilitates the construction of moderate income housing;
- 317 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
318 stock into moderate income housing;
- 319 (D) identify and utilize general fund subsidies or other sources of revenue to
320 waive construction related fees that are otherwise generally imposed by the
321 municipality for the construction or rehabilitation of moderate income housing;
- 322 (E) create or allow for, and reduce regulations related to, internal or detached
323 accessory dwelling units in residential zones;
- 324 (F) zone or rezone for higher density or moderate income residential development
325 in commercial or mixed-use zones near major transit investment corridors,
326 commercial centers, or employment centers;
- 327 (G) amend land use regulations to allow for higher density or new moderate
328 income residential development in commercial or mixed-use zones near major
329 transit investment corridors;
- 330 (H) amend land use regulations to eliminate or reduce parking requirements for
331 residential development where a resident is less likely to rely on the resident's
332 own vehicle, such as residential development near major transit investment
333 corridors or senior living facilities;
- 334 (I) amend land use regulations to allow for single room occupancy developments;
- 335 (J) implement zoning incentives for moderate income units in new developments;
- 336 (K) preserve existing and new moderate income housing and subsidized units by

- 337 utilizing a landlord incentive program, providing for deed restricted units
338 through a grant program[~~, or, notwithstanding Section 10-21-301,~~] or
339 establishing a housing loss mitigation fund;
- 340 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 341 (M) demonstrate creation of, or participation in, a community land trust program
342 for moderate income housing;
- 343 (N) implement a mortgage assistance program for employees of the municipality,
344 an employer that provides contracted services to the municipality, or any other
345 public employer that operates within the municipality;
- 346 (O) apply for or partner with an entity that applies for state or federal funds or tax
347 incentives to promote the construction of moderate income housing, an entity
348 that applies for programs offered by the Utah Housing Corporation within the
349 Utah Housing Corporation's funding capacity, an entity that applies for
350 affordable housing programs administered by the Department of Workforce
351 Services, the Division of Housing within the Governor's Office of Economic
352 Opportunity, an entity that applies for affordable housing programs
353 administered by an association of governments established by an interlocal
354 agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity
355 that applies for services provided by a public housing authority to preserve and
356 create moderate income housing, or any other entity that applies for programs
357 or services that promote the construction or preservation of moderate income
358 housing;
- 359 (P) demonstrate utilization of a moderate income housing set aside from a
360 community reinvestment agency, redevelopment agency, or community
361 development and renewal agency to create or subsidize moderate income
362 housing;
- 363 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
364 accessory dwelling unit as defined in Section 10-21-101;
- 365 (R) create a program to transfer development rights for moderate income housing;
- 366 (S) ratify a joint acquisition agreement with another local political subdivision for
367 the purpose of combining resources to acquire property for moderate income
368 housing;
- 369 (T) develop a moderate income housing project for residents who are disabled or
370 55 years old or older;

- 371 (U) develop and adopt a station area plan in accordance with Section 10-21-203;
- 372 (V) create or allow for, and reduce regulations related to, multifamily residential
- 373 dwellings compatible in scale and form with detached single-family residential
- 374 dwellings and located in walkable communities within residential or mixed-use
- 375 zones;
- 376 (W) demonstrate implementation of any other program or strategy to address the
- 377 housing needs of residents of the municipality who earn less than 80% of the
- 378 area median income, including the dedication of a local funding source to
- 379 moderate income housing or the adoption of a land use ordinance that requires
- 380 10% or more of new residential development in a residential zone be dedicated
- 381 to moderate income housing;
- 382 (X) create a housing and transit reinvestment zone in accordance with Title 63N,
- 383 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 384 (Y) create a home ownership promotion zone in accordance with Part 5, Home
- 385 Ownership Promotion Zone for Municipalities;
- 386 (Z) create a first home investment zone in accordance with Title 63N, Chapter 3,
- 387 Part 16, First Home Investment Zone Act;
- 388 (AA) approve a project that receives funding from, or qualifies to receive funding
- 389 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
- 390 Utah Homes Investment Program;
- 391 (BB) adopt or approve a qualifying affordable home ownership density bonus for
- 392 single-family residential units, as described in Section 10-21-401; and
- 393 (CC) adopt or approve a qualifying affordable home ownership density bonus for
- 394 multi-family residential units, as described in Section 10-21-402; and
- 395 (b) the planning commission shall identify each moderate income housing strategy
- 396 recommended to the legislative body for implementation by restating the exact
- 397 language used to describe the strategy in Subsection (3)(a)(iii).
- 398 (4)(a) In drafting the implementation plan portion of the moderate income housing
- 399 element as described in Subsection (2)(c), the planning commission shall recommend
- 400 to the legislative body the establishment of a five-year timeline for implementing
- 401 each of the moderate income housing strategies selected by the municipality for
- 402 implementation.
- 403 (b) The timeline described in Subsection (4)(a) shall:
- 404 (i) identify specific measures and benchmarks for implementing each moderate

405 income housing strategy selected by the municipality, whether one-time or
406 ongoing; and

407 (ii) provide flexibility for the municipality to make adjustments as needed.

408 Section 3. Section **10-21-202** is amended to read:

409 **10-21-202 (Effective 07/01/26). Moderate income housing report -- Contents --**
410 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
411 **actions.**

412 (1)(a) The legislative body of a specified municipality shall submit an initial moderate
413 income housing report to the division.

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

416 (ii) As of January 1, if a municipality changes from one class to another or grows in
417 population to qualify as a specified municipality, the municipality shall submit an
418 initial plan to the division on or before August 1 of the first calendar year
419 beginning on January 1 in which the municipality qualifies as a specified
420 municipality.

421 (c) The initial report shall:

422 (i) identify each moderate income housing strategy selected by the specified
423 municipality for continued, ongoing, or one-time implementation, restating the
424 exact language used to describe the moderate income housing strategy; and

425 (ii) include an implementation plan.

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

430 (b) The subsequent progress report shall include:

431 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
432 ongoing, taken by the specified municipality during the previous 12-month period
433 to implement the moderate income housing strategies identified in the initial
434 report for implementation;

435 (ii) a description of each land use regulation or land use decision made by the
436 specified municipality during the previous 12-month period to implement the
437 moderate income housing strategies, including an explanation of how the land use
438 regulation or land use decision supports the specified municipality's efforts to

- 439 implement the moderate income housing strategies;
- 440 (iii) a description of any barriers encountered by the specified municipality in the
441 previous 12-month period in implementing the moderate income housing
442 strategies;
- 443 (iv) information regarding the number of internal and external or detached accessory
444 dwelling units located within the specified municipality for which the specified
445 municipality:
- 446 (A) issued a building permit to construct; or
447 (B) issued a business license or comparable license or permit to rent;
- 448 (v) the number of residential dwelling units that have been entitled that have not
449 received a building permit as of the submission date of the progress report;
- 450 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
451 tables related to zoning;
- 452 (vii) a description of how the market has responded to the selected moderate income
453 housing strategies, including the number of entitled moderate income housing
454 units or other relevant data; and
- 455 (viii) any recommendations on how the state can support the specified municipality
456 in implementing the moderate income housing strategies.
- 457 (c) For purposes of describing actions taken by a specified municipality under
458 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken
459 by the specified municipality before the 12-month reporting period applicable to the
460 subsequent progress report if the specified municipality:
- 461 (i) has already adopted an ordinance, approved a land use application, made an
462 investment, or approved an agreement or financing that substantially promotes the
463 implementation of a moderate income housing strategy identified in the initial
464 report; and
- 465 (ii) demonstrates in the subsequent progress report that the action taken under
466 Subsection (2)(c)(i) is relevant to making meaningful progress towards the
467 specified municipality's implementation plan.
- 468 (d) A specified municipality's report shall be in a form:
- 469 (i) approved by the division; and
470 (ii) made available by the division on or before May 1 of the year in which the report
471 is required.
- 472 (3) Within 90 days after the day on which the division receives a specified municipality's

- 473 report, the division shall:
- 474 (a) post the report on the division's website;
- 475 (b) send a copy of the report to the Department of Transportation, the Governor's Office
476 of Planning and Budget, the association of governments in which the specified
477 municipality is located, and, if the specified municipality is located within the
478 boundaries of a metropolitan planning organization, the appropriate metropolitan
479 planning organization; and
- 480 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 481 (4)(a) An initial report complies with this section if the report:
- 482 (i) includes the information required under Subsection (1)(c);
- 483 (ii) demonstrates to the division that the specified municipality made plans to
484 implement:
- 485 (A) three or more moderate income housing strategies if the specified
486 municipality does not have a fixed guideway public transit station; or
- 487 (B) if the specified municipality has a fixed guideway public transit station:
- 488 (I) five or more of the moderate income housing strategies described in
489 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
490 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
491 shall be a moderate income housing strategy described in Subsection
492 10-21-201(3)(a)(iii)(G) or (H); or
- 493 (II) the moderate income housing strategy described in Subsection
494 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
495 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
496 moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and
- 497 (iii) is in a form approved by the division.
- 498 (b) A subsequent progress report complies with this section if the report:
- 499 (i) demonstrates to the division that the specified municipality made plans to
500 implement:
- 501 (A) three or more moderate income housing strategies if the specified
502 municipality does not have a fixed guideway public transit station; or
- 503 (B) if the specified municipality has a fixed guideway public transit station:
- 504 (I) five or more of the moderate income housing strategies described in
505 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
506 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one

- 507 shall be a moderate income housing strategy described in Subsection
 508 10-21-201(3)(a)(iii)(G) or (H); or
- 509 (II) the moderate income housing strategy described in Subsection
 510 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
 511 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
 512 moderate income housing strategy described in Subsection
 513 10-21-201(3)(a)(iii);
- 514 (ii) is in a form approved by the division; and
- 515 (iii) provides sufficient information for the division to:
- 516 (A) assess the specified municipality's progress in implementing the moderate
 517 income housing strategies;
- 518 (B) monitor compliance with the specified municipality's implementation plan;
- 519 (C) identify a clear correlation between the specified municipality's land use
 520 regulations and land use decisions and the specified municipality's efforts to
 521 implement the moderate income housing strategies;
- 522 (D) identify how the market has responded to the specified municipality's selected
 523 moderate income housing strategies; and
- 524 (E) identify any barriers encountered by the specified municipality in
 525 implementing the selected moderate income housing strategies.
- 526 (c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a
 527 specified municipality without a fixed guideway public transit station implements
 528 or is implementing, by ordinance or development agreement, one of the following
 529 moderate income housing strategies, the division shall consider that one moderate
 530 income housing strategy to be the equivalent of three moderate income housing
 531 strategies:
- 532 (A) a housing and transit reinvestment zone, as described in Subsection
 533 10-21-201(3)(a)(iii)(X);
- 534 (B) a home ownership promotion zone, as described in Subsection
 535 10-21-201(3)(a)(iii)(Y);
- 536 (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
- 537 (D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);
- 538 (E) a qualifying affordable home ownership density bonus for single-family
 539 residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
- 540 (F) a qualifying affordable home ownership density bonus for multi-family

- 541 residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).
- 542 (ii) If the division considers one moderate income housing strategy described in
543 Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies,
544 the division shall also consider the specified municipality compliant with the
545 reporting requirement described in this section for:
- 546 (A) the year in which the specified municipality submits the initial report or
547 subsequent report; and
548 (B) two subsequent reporting years.
- 549 (5)(a) A specified municipality qualifies for priority consideration under this Subsection
550 (5) if the specified municipality's report:
- 551 (i) complies with this section; and
552 (ii) demonstrates to the division that the specified municipality made plans to
553 implement:
- 554 (A) five or more moderate income housing strategies if the specified municipality
555 does not have a fixed guideway public transit station; or
556 (B) six or more moderate income housing strategies if the specified municipality
557 has a fixed guideway public transit station.
- 558 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
559 give priority consideration to transportation projects located within the boundaries of
560 a specified municipality described in Subsection (5)(a) until the Department of
561 Transportation receives notice from the division under Subsection (5)(e).
- 562 (c) Upon determining that a specified municipality qualifies for priority consideration
563 under this Subsection (5), the division shall send a notice of prioritization to the
564 legislative body of the specified municipality and the Department of Transportation.
- 565 (d) The notice described in Subsection (5)(c) shall:
- 566 (i) name the specified municipality that qualifies for priority consideration;
567 (ii) describe the funds or projects for which the specified municipality qualifies to
568 receive priority consideration; and
569 (iii) state the basis for the division's determination that the specified municipality
570 qualifies for priority consideration.
- 571 (e) The division shall notify the legislative body of a specified municipality and the
572 Department of Transportation in writing if the division determines that the specified
573 municipality no longer qualifies for priority consideration under this Subsection (5).
- 574 (6)(a) If the division, after reviewing a specified municipality's report, determines that

- 575 the report does not comply with this section, the division shall send a notice of
576 noncompliance to the legislative body of the specified municipality.
- 577 (b) A specified municipality that receives a notice of noncompliance may:
- 578 (i) cure each deficiency in the report within 90 days after the day on which the notice
579 of noncompliance is sent; or
- 580 (ii) request an appeal of the division's determination of noncompliance within 10
581 days after the day on which the notice of noncompliance is sent.
- 582 (c) The notice described in Subsection (6)(a) shall:
- 583 (i) describe each deficiency in the report and the actions needed to cure each
584 deficiency;
- 585 (ii) state that the specified municipality has an opportunity to:
- 586 (A) submit to the division a corrected report that cures each deficiency in the
587 report within 90 days after the day on which the notice of compliance is sent; or
- 588 (B) submit to the division a request for an appeal of the division's determination of
589 noncompliance within 10 days after the day on which the notice of
590 noncompliance is sent; and
- 591 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
592 specified municipality's ineligibility for funds under Subsection (8).
- 593 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
594 action needed to cure the deficiency as described by the division requires the
595 specified municipality to make a legislative change, the specified municipality may
596 cure the deficiency by making that legislative change within the 90-day cure period.
- 597 (e)(i) If a specified municipality submits to the division a corrected report in
598 accordance with Subsection (6)(b)(i) and the division determines that the
599 corrected report does not comply with this section, the division shall send a
600 second notice of noncompliance to the legislative body of the specified
601 municipality within 30 days after the day on which the corrected report is
602 submitted.
- 603 (ii) A specified municipality that receives a second notice of noncompliance may
604 submit to the division a request for an appeal of the division's determination of
605 noncompliance within 10 days after the day on which the second notice of
606 noncompliance is sent.
- 607 (iii) The notice described in Subsection (6)(e)(i) shall:
- 608 (A) state that the specified municipality has an opportunity to submit to the

- 609 division a request for an appeal of the division's determination of
610 noncompliance within 10 days after the day on which the second notice of
611 noncompliance is sent; and
- 612 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
613 specified municipality's ineligibility for funds under Subsection (8).
- 614 (7)(a) A specified municipality that receives a notice of noncompliance under
615 Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of
616 noncompliance within 10 days after the day on which the notice of noncompliance is
617 sent.
- 618 (b) Within 90 days after the day on which the division receives a request for an appeal,
619 an appeal board consisting of the following three members shall review and issue a
620 written decision on the appeal:
- 621 (i) one individual appointed by the Utah League of Cities and Towns;
622 (ii) one individual appointed by the Utah Homebuilders Association; and
623 (iii) one individual appointed by the presiding member of the association of
624 governments, established in accordance with an interlocal agreement under Title
625 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is
626 a member.
- 627 (c) The written decision of the appeal board shall either uphold or reverse the division's
628 determination of noncompliance.
- 629 (d) The appeal board's written decision on the appeal is final.
- 630 (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:
- 631 (i) the specified municipality fails to submit a report to the division;
632 (ii) after submitting a report to the division, the division determines that the report
633 does not comply with this section and the specified municipality fails to:
- 634 (A) cure each deficiency in the report within 90 days after the day on which the
635 notice of noncompliance is sent; or
636 (B) request an appeal of the division's determination of noncompliance within 10
637 days after the day on which the notice of noncompliance is sent;
- 638 (iii) after submitting to the division a corrected report to cure the deficiencies in a
639 previously submitted report, the division determines that the corrected report does
640 not comply with this section and the specified municipality fails to request an
641 appeal of the division's determination of noncompliance within 10 days after the
642 day on which the second notice of noncompliance is sent; or

- 643 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
644 issues a written decision upholding the division's determination of noncompliance.
- 645 (b) The following apply to a specified municipality described in Subsection (8)(a) until
646 the division provides notice under Subsection (8)(e):
- 647 (i) the executive director of the Department of Transportation may not program funds
648 from the Transportation Investment Fund of 2005, including the Transit
649 Transportation Investment Fund, to projects located within the boundaries of the
650 specified municipality in accordance with Subsection 72-2-124(5);
- 651 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
652 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
653 the specified municipality:
- 654 (A) fails to submit the report to the division in accordance with this section,
655 beginning the day after the day on which the report was due; or
- 656 (B) fails to cure the deficiencies in the report, beginning the day after the day by
657 which the cure was required to occur as described in the notice of
658 noncompliance under Subsection (6); and
- 659 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
660 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
661 the specified municipality, in a consecutive year:
- 662 (A) fails to submit the report to the division in accordance with this section,
663 beginning the day after the day on which the report was due; or
- 664 (B) fails to cure the deficiencies in the report, beginning the day after the day by
665 which the cure was required to occur as described in the notice of
666 noncompliance under Subsection (6).
- 667 (c) Upon determining that a specified municipality is ineligible for funds under this
668 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
669 division shall send a notice of ineligibility to the legislative body of the specified
670 municipality, the Department of Transportation, the State Tax Commission, and the
671 Governor's Office of Planning and Budget.
- 672 (d) The notice described in Subsection (8)(c) shall:
- 673 (i) name the specified municipality that is ineligible for funds;
- 674 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 675 (iii) describe the fee the specified municipality is required to pay under Subsection
676 (8)(b), if applicable; and

- 677 (iv) state the basis for the division's determination that the specified municipality is
678 ineligible for funds.
- 679 (e) The division shall notify the legislative body of a specified municipality and the
680 Department of Transportation in writing if the division determines that the provisions
681 of this Subsection (8) no longer apply to the specified municipality.
- 682 (f) The division may not determine that a specified municipality that is required to pay a
683 fee under Subsection (8)(b) is in compliance with the reporting requirements of this
684 section until the specified municipality pays all outstanding fees required under
685 Subsection (8)(b) to the Olene Walker Housing Loan Fund, created [~~under Title 35A,~~
686 ~~Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] in Section 63N-22-302.
- 687 (9) In a civil action seeking enforcement or claiming a violation of this section or of
688 Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded
689 only injunctive or other equitable relief.

690 Section 4. Section **10-21-203** is amended to read:

691 **10-21-203 (Effective 07/01/26). Station area plan requirements -- Contents --**
692 **Review and certification by applicable metropolitan planning organization.**

- 693 (1)(a) Subject to the requirements of this section, a municipality that has a fixed
694 guideway public transit station located within the municipality's boundaries shall, for
695 the station area:
- 696 (i) develop and adopt a station area plan; and
697 (ii) adopt any appropriate land use regulations to implement the station area plan.
- 698 (b) The requirements of Subsection (1)(a) shall be considered satisfied if:
- 699 (i)(A) the municipality has already adopted plans or ordinances, approved land use
700 applications, approved agreements or financing, or investments have been
701 made, before June 1, 2022, that substantially promote each of the objectives in
702 Subsection (6)(a) within the station area, and can demonstrate that such plans,
703 ordinances, approved land use applications, approved agreements or financing,
704 or investments are still relevant to making meaningful progress towards
705 achieving such objectives; and
706 (B) the municipality adopts a resolution finding that the objectives of Subsection
707 (6)(a) have been substantially promoted; or
- 708 (ii)(A) the municipality has determined that conditions exist that make satisfying a
709 portion or all of the requirements of Subsection (1)(a) for a station area
710 impracticable, including conditions that relate to existing development,

- 711 entitlements, land ownership, land uses that make opportunities for new
712 development and long-term redevelopment infeasible, environmental
713 limitations, market readiness, development impediment conditions, or other
714 similar conditions; and
- 715 (B) the municipality adopts a resolution describing the conditions that exist to
716 make satisfying the requirements of Subsection (1)(a) impracticable.
- 717 (c) To the extent that previous actions by a municipality do not satisfy the requirements
718 of Subsection (1)(a) for a station area, the municipality shall take the actions
719 necessary to satisfy those requirements.
- 720 (2)(a) A municipality that has a new fixed guideway public transit station located within
721 the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for
722 the station area surrounding the new fixed guideway public transit station before the
723 new fixed guideway public transit station begins transit services.
- 724 (b) Except as provided in Subsections (2)(c) and (d), a municipality that has an existing
725 fixed guideway public transit station located within the municipality's boundaries
726 shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the
727 existing fixed guideway public transit station on or before December 31, 2025.
- 728 (c) If a municipality has more than four existing fixed guideway public transit stations
729 located within the municipality's boundaries, the municipality shall:
- 730 (i) on or before December 31, 2025, satisfy the requirements of Subsection (1)(a) for
731 four or more station areas located within the municipality; and
- 732 (ii) on or before December 31 of each year thereafter, satisfy the requirements of
733 Subsection (1)(a) for no less than two station areas located within the municipality
734 until the municipality has satisfied the requirements of Subsection (1)(a) for each
735 station area located within the municipality.
- 736 (d)(i) Subject to Subsection (2)(d)(ii):
- 737 (A) if a municipality receives a complete qualifying land use petition on or before
738 July 1, 2022, the municipality shall satisfy the requirements of Subsection
739 (1)(a) for the station area in which the development is proposed on or before
740 July 1, 2023; and
- 741 (B) if a municipality receives a complete qualifying land use petition after July 1,
742 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for
743 the station area in which the development is proposed within a 12-month
744 period beginning on the first day of the month immediately following the

745 month in which the qualifying land use petition is submitted to the
746 municipality, and shall notify the applicable metropolitan planning
747 organization of the receipt of the qualified land use petition within 45 days of
748 the date of receipt.

749 (ii)(A) A municipality is not required to satisfy the requirements of Subsection
750 (1)(a) for more than two station areas under Subsection (2)(d)(i) within any
751 12-month period.

752 (B) If a municipality receives more than two complete qualifying land use
753 petitions on or before July 1, 2022, the municipality shall select two station
754 areas for which the municipality will satisfy the requirements of Subsection
755 (1)(a) in accordance with Subsection (2)(d)(i)(A).

756 (iii) A municipality shall process on a first priority basis a land use application,
757 including an application for a building permit, if:

758 (A) the land use application is for a residential use within a station area for which
759 the municipality has not satisfied the requirements of Subsection (1)(a); and

760 (B) the municipality would be required to change a zoning designation for the
761 land use application to be approved.

762 (e) Notwithstanding Subsections (2)(a) through (d), the time period for satisfying the
763 requirements of Subsection (1)(a) for a station area may be extended once for a
764 period of 12 months if:

765 (i) the municipality demonstrates to the applicable metropolitan planning
766 organization that conditions exist that make satisfying the requirements of
767 Subsection (1)(a) within the required time period infeasible, despite the
768 municipality's good faith efforts; and

769 (ii) the applicable metropolitan planning organization certifies to the municipality in
770 writing that the municipality satisfied the demonstration in Subsection (2)(e)(i).

771 (3)(a) Except as provided in Subsection (3)(b), if a station area is included within the
772 boundaries of more than one municipality, each municipality with jurisdiction over
773 the station area shall satisfy the requirements of Subsection (1)(a) for the portion of
774 the station area over which the municipality has jurisdiction.

775 (b) Two or more municipalities with jurisdiction over a station area may coordinate to
776 develop a shared station area plan for the entire station area.

777 (4) A municipality that has more than one fixed guideway public transit station located
778 within the municipality may, through an integrated process, develop station area plans

- 779 for multiple station areas if the station areas are within close proximity of each other.
- 780 (5)(a) A municipality that is required to develop and adopt a station area plan under this
781 section may request technical assistance from the applicable metropolitan planning
782 organization.
- 783 (b) An applicable metropolitan planning organization that receives funds from the
784 Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when
785 utilizing the funds, give priority consideration to requests for technical assistance for
786 station area plans required under Subsection (2)(d).
- 787 (6)(a) A station area plan shall promote the following objectives within the station area:
- 788 (i) increasing the availability and affordability of housing, including moderate
789 income housing;
- 790 (ii) promoting sustainable environmental conditions;
- 791 (iii) enhancing access to opportunities; and
- 792 (iv) increasing transportation choices and connections.
- 793 (b)(i) To promote the objective described in Subsection (6)(a)(i), a municipality may
794 consider implementing the following actions:
- 795 (A) aligning the station area plan with the moderate income housing element of
796 the municipality's general plan;
- 797 (B) providing for densities necessary to facilitate the development of moderate
798 income housing;
- 799 (C) providing for affordable costs of living in connection with housing,
800 transportation, and parking; or
- 801 (D) any other similar action that promotes the objective described in Subsection
802 (6)(a)(i).
- 803 (ii) To promote the objective described in Subsection (6)(a)(ii), a municipality may
804 consider implementing the following actions:
- 805 (A) conserving water resources through efficient land use;
- 806 (B) improving air quality by reducing fuel consumption and motor vehicle trips;
- 807 (C) establishing parks, open spaces, and recreational opportunities; or
- 808 (D) any other similar action that promotes the objective described in Subsection
809 (6)(a)(ii).
- 810 (iii) To promote the objective described in Subsection (6)(a)(iii), a municipality may
811 consider the following actions:
- 812 (A) maintaining and improving the connections between housing, transit,

- 813 employment, education, recreation, and commerce;
- 814 (B) encouraging mixed-use development;
- 815 (C) enabling employment and educational opportunities within the station area;
- 816 (D) encouraging and promoting enhanced broadband connectivity; or
- 817 (E) any other similar action that promotes the objective described in Subsection
- 818 (6)(a)(iii).
- 819 (iv) To promote the objective described in Subsection (6)(a)(iv), a municipality may
- 820 consider the following:
- 821 (A) supporting investment in infrastructure for all modes of transportation;
- 822 (B) increasing utilization of public transit;
- 823 (C) encouraging safe streets through the designation of pedestrian walkways and
- 824 bicycle lanes;
- 825 (D) encouraging manageable and reliable traffic conditions;
- 826 (E) aligning the station area plan with the regional transportation plan of the
- 827 applicable metropolitan planning organization; or
- 828 (F) any other similar action that promotes the objective described in Subsection
- 829 (6)(a)(iv).
- 830 (7) A station area plan shall include the following components:
- 831 (a) a station area vision that:
- 832 (i) is consistent with Subsection (6); and
- 833 (ii) describes the following:
- 834 (A) opportunities for the development of land within the station area under
- 835 existing conditions;
- 836 (B) constraints on the development of land within the station area under existing
- 837 conditions;
- 838 (C) the municipality's objectives for the transportation system within the station
- 839 area and the future transportation system that meets those objectives;
- 840 (D) the municipality's objectives for land uses within the station area and the
- 841 future land uses that meet those objectives;
- 842 (E) the municipality's objectives for public and open spaces within the station area
- 843 and the future public and open spaces that meet those objectives; and
- 844 (F) the municipality's objectives for the development of land within the station
- 845 area and the future development standards that meet those objectives;
- 846 (b) a map that depicts:

- 847 (i) the station area;
- 848 (ii) the area within the station area to which the station area plan applies, provided
- 849 that the station area plan may apply to areas outside the station area, and the
- 850 station area plan is not required to apply to the entire station area; and
- 851 (iii) the area where each action is needed to implement the station area plan;
- 852 (c) an implementation plan that identifies and describes each action needed within the
- 853 next five years to implement the station area plan, and the party responsible for
- 854 taking each action, including any actions to:
- 855 (i) modify land use regulations;
- 856 (ii) make infrastructure improvements;
- 857 (iii) modify deeds or other relevant legal documents;
- 858 (iv) secure funding or develop funding strategies;
- 859 (v) establish design standards for development within the station area; or
- 860 (vi) provide environmental remediation;
- 861 (d) a statement that explains how the station area plan promotes the objectives described
- 862 in Subsection (6)(a); and
- 863 (e) as an alternative or supplement to the requirements of Subsection (6) or this
- 864 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes
- 865 any conditions that would make the following impracticable:
- 866 (i) promoting the objectives described in Subsection (6)(a); or
- 867 (ii) satisfying the requirements of this Subsection (7).
- 868 (8) A municipality shall develop a station area plan with the involvement of all relevant
- 869 stakeholders that have an interest in the station area through public outreach and
- 870 community engagement, including:
- 871 (a) other impacted communities;
- 872 (b) the applicable public transit district;
- 873 (c) the applicable metropolitan planning organization;
- 874 (d) the Department of Transportation;
- 875 (e) owners of property within the station area; and
- 876 (f) the municipality's residents and business owners.
- 877 (9)(a) A municipality that is required to develop and adopt a station area plan for a
- 878 station area under this section shall submit to the applicable metropolitan planning
- 879 organization and the applicable public transit district documentation evidencing that
- 880 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station

- 881 area, including:
- 882 (i) a station area plan; or
- 883 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).
- 884 (b) The applicable metropolitan planning organization, in consultation with the
- 885 applicable public transit district, shall:
- 886 (i) review the documentation submitted under Subsection (9)(a) to determine the
- 887 municipality's compliance with this section; and
- 888 (ii) provide written certification to the municipality if the applicable metropolitan
- 889 planning organization determines that the municipality has satisfied the
- 890 requirement of Subsection (1)(a)(i) for the station area.
- 891 (c) The municipality shall include the certification described in Subsection (9)(b)(ii) in
- 892 the municipality's report to the [~~Department of Workforce Services~~] Division of
- 893 Housing within the Governor's Office of Economic Opportunity under Section
- 894 10-21-202.
- 895 (10)(a) Following certification by a metropolitan planning organization of a
- 896 municipality's station area plan under Subsection (9)(b)(ii), the municipality shall
- 897 provide a report to the applicable metropolitan planning organization on or before
- 898 December 31 of the fifth year after the year in which the station area plan was
- 899 certified, and every five years thereafter for a period not to exceed 15 years.
- 900 (b) The report described in Subsection (10)(a) shall:
- 901 (i) contain the status of advancing the station area plan objectives, including, if
- 902 applicable, actions described in the implementation plan required in Subsection
- 903 (7)(c); and
- 904 (ii) identify potential actions over the next five years that would advance the station
- 905 area plan objectives.
- 906 (c) If a municipality has multiple certified station area plans, the municipality may
- 907 consolidate the reports required in Subsection (10)(a) for the purpose of submitting
- 908 reports to the metropolitan planning organization.
- 909 Section 5. Section **17-80-101** is amended to read:
- 910 **17-80-101 (Effective 07/01/26). Definitions.**
- 911 As used in this part:
- 912 (1) "Affordable housing" means housing offered for sale at 80% or less of the median
- 913 county home price for housing of that type.
- 914 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

- 915 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
916 roll last equalized during the base year.
- 917 (4) "Base year" means, for a proposed home ownership promotion zone area, a year
918 beginning the first day of the calendar quarter determined by the last equalized tax roll
919 before the adoption of the home ownership promotion zone.
- 920 (5) "Division" means the [~~Housing and Community Development Division within the~~
921 ~~Department of Workforce Services~~] Division of Housing within the Governor's Office of
922 Economic Opportunity.
- 923 (6) "Home ownership promotion zone" means a home ownership promotion zone created in
924 accordance with this part.
- 925 (7) "Implementation plan" means the implementation plan adopted as part of the moderate
926 income housing element of a specified county's general plan.
- 927 (8) "Initial report" means the one-time moderate income housing report described in
928 Subsection 17-80-202(1).
- 929 (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:
930 (a) within a primary dwelling;
931 (b) within the footprint of the detached primary dwelling at the time the internal
932 accessory dwelling unit is created; and
933 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.
- 934 (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.
- 935 (11) "Participant" means the same as that term is defined in Section 17C-1-102.
- 936 (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.
- 937 (13)(a) "Primary dwelling" means a single-family dwelling that:
938 (i) is detached; and
939 (ii) is occupied as the primary residence of the owner of record.
- 940 (b) "Primary dwelling" includes a garage if the garage:
941 (i) is a habitable space; and
942 (ii) is connected to the primary dwelling by a common wall.
- 943 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.
- 944 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.
- 945 (16) "Specified county" means a county of the first, second, or third class, which has a
946 population of more than 5,000 in the county's unincorporated areas.
- 947 (17) "Subsequent progress report" means the annual moderate income housing report
948 described in Section 17-80-202.

- 949 (18) "System improvements" means the same as that term is defined in Section 11-36a-102.
- 950 (19) "Tax commission" means the State Tax Commission created in Section 59-1-201.
- 951 (20)(a) "Tax increment" means the difference between:
- 952 (i) the amount of property tax revenue generated each tax year by a taxing entity from
- 953 the area within a home ownership promotion zone, using the current assessed
- 954 value and each taxing entity's current certified tax rate as defined in Section
- 955 59-2-924; and
- 956 (ii) the amount of property tax revenue that would be generated from that same area
- 957 using the base taxable value and each taxing entity's current certified tax rate as
- 958 defined in Section 59-2-924.
- 959 (b) "Tax increment" does not include property revenue from:
- 960 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
- 961 or
- 962 (ii) a county additional property tax described in Subsection 59-2-1602(4).
- 963 (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.
- 964 Section 6. Section **17-80-201** is amended to read:
- 965 **17-80-201 (Effective 07/01/26). Moderate income housing plan required.**
- 966 (1) A moderate income housing element of a general plan shall include a moderate income
- 967 housing element that meets the requirements of this section.
- 968 (2) For a specified county, as defined in Section 17-80-101, a moderate income housing
- 969 element shall:
- 970 (a) provide a realistic opportunity to meet the need for additional moderate income
- 971 housing within the next five years;
- 972 (b) select three or more moderate income housing strategies described in Subsections
- 973 (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described
- 974 in Subsections (3)(a)(ii)(W) through (BB), for implementation; and
- 975 (c) include an implementation plan as provided in Subsection (4).
- 976 (3)(a) In drafting the moderate income housing element, the county planning
- 977 commission shall:
- 978 (i) consider the Legislature's determination that counties should facilitate a
- 979 reasonable opportunity for a variety of housing, including moderate income
- 980 housing:
- 981 (A) to meet the needs of people of various income levels living, working, or
- 982 desiring to live or work in the community; and

- 983 (B) to allow people with various incomes to benefit from and fully participate in
984 all aspects of neighborhood and community life; and
- 985 (ii) include an analysis of how the county will provide a realistic opportunity for the
986 development of moderate income housing within the planning horizon, including
987 a recommendation to implement three or more of the following moderate income
988 housing strategies:
- 989 (A) rezone for densities necessary to facilitate the production of moderate income
990 housing;
- 991 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
992 facilitates the construction of moderate income housing;
- 993 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
994 stock into moderate income housing;
- 995 (D) identify and utilize county general fund subsidies or other sources of revenue
996 to waive construction related fees that are otherwise generally imposed by the
997 county for the construction or rehabilitation of moderate income housing;
- 998 (E) create or allow for, and reduce regulations related to, internal or detached
999 accessory dwelling units in residential zones;
- 1000 (F) zone or rezone for higher density or moderate income residential development
1001 in commercial or mixed-use zones, commercial centers, or employment centers;
- 1002 (G) amend land use regulations to allow for higher density or new moderate
1003 income residential development in commercial or mixed-use zones near major
1004 transit investment corridors;
- 1005 (H) amend land use regulations to eliminate or reduce parking requirements for
1006 residential development where a resident is less likely to rely on the resident's
1007 own vehicle, such as residential development near major transit investment
1008 corridors or senior living facilities;
- 1009 (I) amend land use regulations to allow for single room occupancy developments;
- 1010 (J) implement zoning incentives for moderate income units in new developments;
- 1011 (K) preserve existing and new moderate income housing and subsidized units by
1012 utilizing a landlord incentive program, providing for deed restricted units
1013 through a grant program, or establishing a housing loss mitigation fund;
- 1014 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 1015 (M) demonstrate creation of, or participation in, a community land trust program
1016 for moderate income housing;

- 1017 (N) implement a mortgage assistance program for employees of the county, an
1018 employer that provides contracted services for the county, or any other public
1019 employer that operates within the county;
- 1020 (O) apply for or partner with an entity that applies for state or federal funds or tax
1021 incentives to promote the construction of moderate income housing, an entity
1022 that applies for programs offered by the Utah Housing Corporation within that
1023 agency's funding capacity, an entity that applies for affordable housing
1024 programs administered by the Department of Workforce Services, the Division
1025 of Housing within the Governor's Office of Economic Opportunity, an entity
1026 that applies for services provided by a public housing authority to preserve and
1027 create moderate income housing, or any other entity that applies for programs
1028 or services that promote the construction or preservation of moderate income
1029 housing;
- 1030 (P) demonstrate utilization of a moderate income housing set aside from a
1031 community reinvestment agency, redevelopment agency, or community
1032 development and renewal agency to create or subsidize moderate income
1033 housing;
- 1034 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
1035 accessory dwelling unit as defined in Section 17-79-611;
- 1036 (R) create a program to transfer development rights for moderate income housing;
- 1037 (S) ratify a joint acquisition agreement with another local political subdivision for
1038 the purpose of combining resources to acquire property for moderate income
1039 housing;
- 1040 (T) develop a moderate income housing project for residents who are disabled or
1041 55 years old or older;
- 1042 (U) create or allow for, and reduce regulations related to, multifamily residential
1043 dwellings compatible in scale and form with detached single-family residential
1044 dwellings and located in walkable communities within residential or mixed-use
1045 zones;
- 1046 (V) demonstrate implementation of any other program or strategy to address the
1047 housing needs of residents of the county who earn less than 80% of the area
1048 median income, including the dedication of a local funding source to moderate
1049 income housing or the adoption of a land use ordinance that requires 10% or
1050 more of new residential development in a residential zone be dedicated to

- 1051 moderate income housing;
- 1052 (W) create a housing and transit reinvestment zone in accordance with Title 63N,
1053 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 1054 (X) create a home ownership investment zone in accordance with Part 5, Home
1055 Ownership Promotion Zone;
- 1056 (Y) create a first home investment zone in accordance with Title 63N, Chapter 3,
1057 Part 16, First Home Investment Zone Act;
- 1058 (Z) approve a project that receives funding from, or qualifies to receive funding
1059 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
1060 Utah Homes Investment Program;
- 1061 (AA) adopt or approve a qualifying affordable home ownership density bonus for
1062 single-family residential units, as described in Section 17-80-401; and
- 1063 (BB) adopt or approve an affordable home ownership density bonus for
1064 multi-family residential units, as described in Section 17-80-402.

1065 (b) The planning commission shall identify each moderate income housing strategy
1066 recommended to the legislative body for implementation by restating the exact
1067 language used to describe the strategy in Subsection (3)(a)(ii).

1068 (4)(a) In drafting the implementation plan portion of the moderate income housing
1069 element as described in Subsection (2)(c), the planning commission shall recommend
1070 to the legislative body the establishment of a five-year timeline for implementing
1071 each of the moderate income housing strategies selected by the county for
1072 implementation.

1073 (b) The timeline described in Subsection (4)(a) shall:

- 1074 (i) identify specific measures and benchmarks for implementing each moderate
1075 income housing strategy selected by the county; and
- 1076 (ii) provide flexibility for the county to make adjustments as needed.

1077 Section 7. Section **17-80-202** is amended to read:

1078 **17-80-202 (Effective 07/01/26). Moderate income housing report -- Contents --**
1079 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
1080 **actions.**

1081 (1)(a) The legislative body of a specified county shall annually submit an initial report to
1082 the division.

1083 (b)(i) This Subsection (1)(b) applies to a county that is not a specified county as of
1084 January 1, 2023.

1085 (ii) As of January 1, if a county changes from one class to another or grows in
1086 population to qualify as a specified county, the county shall submit an initial plan
1087 to the division on or before August 1 of the first calendar year beginning on
1088 January 1 in which the county qualifies as a specified county.

1089 (c) The initial report shall:

1090 (i) identify each moderate income housing strategy selected by the specified county
1091 for continued, ongoing, or one-time implementation, using the exact language
1092 used to describe the moderate income housing strategy; and

1093 (ii) include an implementation plan.

1094 (2)(a) After the division approves a specified county's initial report under this section,
1095 the specified county shall, as an administrative act, annually submit to the division a
1096 subsequent progress report on or before August 1 of each year after the year in which
1097 the specified county is required to submit the initial report.

1098 (b) The subsequent progress report shall include:

1099 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
1100 ongoing, taken by the specified county during the previous 12-month period to
1101 implement the moderate income housing strategies identified in the initial report
1102 for implementation;

1103 (ii) a description of each land use regulation or land use decision made by the
1104 specified county during the previous 12-month period to implement the moderate
1105 income housing strategies, including an explanation of how the land use
1106 regulation or land use decision supports the specified county's efforts to
1107 implement the moderate income housing strategies;

1108 (iii) a description of any barriers encountered by the specified county in the previous
1109 12-month period in implementing the moderate income housing strategies;

1110 (iv) the number of residential dwelling units that have been entitled that have not
1111 received a building permit as of the submission date of the progress report;

1112 (v) shapefiles, or website links if shapefiles are not available, to current maps and
1113 tables related to zoning;

1114 (vi) information regarding the number of internal and external or detached accessory
1115 dwelling units located within the specified county for which the specified county:

1116 (A) issued a building permit to construct; or

1117 (B) issued a business license or comparable license or permit to rent;

1118 (vii) a description of how the market has responded to the selected moderate income

- 1119 housing strategies, including the number of entitled moderate income housing
1120 units or other relevant data; and
- 1121 (viii) any recommendations on how the state can support the specified county in
1122 implementing the moderate income housing strategies.
- 1123 (c) For purposes of describing actions taken by a specified county under Subsection
1124 (2)(b)(i), the specified county may include an ongoing action taken by the specified
1125 county before the 12-month reporting period applicable to the subsequent progress
1126 report if the specified county:
- 1127 (i) has already adopted an ordinance, approved a land use application, made an
1128 investment, or approved an agreement or financing that substantially promotes the
1129 implementation of a moderate income housing strategy identified in the initial
1130 report; and
- 1131 (ii) demonstrates in the subsequent progress report that the action taken under
1132 Subsection (2)(b)(i) is relevant to making meaningful progress towards the
1133 specified county's implementation plan.
- 1134 (d) A specified county's report shall be in a form:
- 1135 (i) approved by the division; and
- 1136 (ii) made available by the division on or before May 1 of the year in which the report
1137 is required.
- 1138 (3) Within 90 days after the day on which the division receives a specified county's report,
1139 the division shall:
- 1140 (a) post the report on the division's website;
- 1141 (b) send a copy of the report to the Department of Transportation, the Governor's Office
1142 of Planning and Budget, the association of governments in which the specified
1143 county is located, and, if the unincorporated area of the specified county is located
1144 within the boundaries of a metropolitan planning organization, the appropriate
1145 metropolitan planning organization; and
- 1146 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 1147 (4)(a) An initial report complies with this section if the report:
- 1148 (i) includes the information required under Subsection (1)(c);
- 1149 (ii) demonstrates to the division that the specified county made plans to implement
1150 three or more moderate income housing strategies described in Subsections
1151 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing
1152 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and

- 1153 (iii) is in a form approved by the division.
- 1154 (b) A subsequent progress report complies with this section if the report:
- 1155 (i) demonstrates to the division that the specified county made plans to implement or
- 1156 is implementing three or more moderate income housing strategies described in
- 1157 Subsections 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income
- 1158 housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);
- 1159 (ii) is in a form approved by the division; and
- 1160 (iii) provides sufficient information for the division to:
- 1161 (A) assess the specified county's progress in implementing the moderate income
- 1162 housing strategies;
- 1163 (B) monitor compliance with the specified county's implementation plan;
- 1164 (C) identify a clear correlation between the specified county's land use decisions
- 1165 and efforts to implement the moderate income housing strategies;
- 1166 (D) identify how the market has responded to the specified county's selected
- 1167 moderate income housing strategies; and
- 1168 (E) identify any barriers encountered by the specified county in implementing the
- 1169 selected moderate income housing strategies.
- 1170 (c) If a specified county initial report or subsequent progress report demonstrates the
- 1171 county plans to implement or is implementing at least one moderate income housing
- 1172 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division
- 1173 shall also consider the specified county compliant with the reporting requirement
- 1174 described in this section for:
- 1175 (i) the year in which the specified county submits the report; and
- 1176 (ii) two subsequent reporting years.
- 1177 (5)(a) A specified county qualifies for priority consideration under this Subsection (5) if
- 1178 the specified county's report:
- 1179 (i) complies with this section; and
- 1180 (ii) demonstrates to the division that the specified county made plans to implement
- 1181 five or more moderate income housing strategies.
- 1182 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
- 1183 give priority consideration to transportation projects located within the
- 1184 unincorporated areas of a specified county described in Subsection (5)(a) until the
- 1185 Department of Transportation receives notice from the division under Subsection
- 1186 (5)(e).

- 1187 (c) Upon determining that a specified county qualifies for priority consideration under
1188 this Subsection (5), the division shall send a notice of prioritization to the legislative
1189 body of the specified county and the Department of Transportation.
- 1190 (d) The notice described in Subsection (5)(c) shall:
- 1191 (i) name the specified county that qualifies for priority consideration;
- 1192 (ii) describe the funds or projects for which the specified county qualifies to receive
1193 priority consideration; and
- 1194 (iii) state the basis for the division's determination that the specified county qualifies
1195 for priority consideration.
- 1196 (e) The division shall notify the legislative body of a specified county and the
1197 Department of Transportation in writing if the division determines that the specified
1198 county no longer qualifies for priority consideration under this Subsection (5).
- 1199 (6)(a) If the division, after reviewing a specified county's report, determines that the
1200 report does not comply with this section, the division shall send a notice of
1201 noncompliance to the legislative body of the specified county.
- 1202 (b) A specified county that receives a notice of noncompliance may:
- 1203 (i) cure each deficiency in the report within 90 days after the day on which the notice
1204 of noncompliance is sent; or
- 1205 (ii) request an appeal of the division's determination of noncompliance within 10
1206 days after the day on which the notice of noncompliance is sent.
- 1207 (c) The notice described in Subsection (6)(a) shall:
- 1208 (i) describe each deficiency in the report and the actions needed to cure each
1209 deficiency;
- 1210 (ii) state that the specified county has an opportunity to:
- 1211 (A) submit to the division a corrected report that cures each deficiency in the
1212 report within 90 days after the day on which the notice of noncompliance is
1213 sent; or
- 1214 (B) submit to the division a request for an appeal of the division's determination of
1215 noncompliance within 10 days after the day on which the notice of
1216 noncompliance is sent; and
- 1217 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
1218 specified county's ineligibility for funds and fees owed under Subsection (8).
- 1219 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
1220 action needed to cure the deficiency as described by the division requires the

- 1221 specified county to make a legislative change, the specified county may cure the
 1222 deficiency by making that legislative change within the 90-day cure period.
- 1223 (e)(i) If a specified county submits to the division a corrected report in accordance
 1224 with Subsection (6)(b)(i), and the division determines that the corrected report
 1225 does not comply with this section, the division shall send a second notice of
 1226 noncompliance to the legislative body of the specified county.
- 1227 (ii) A specified county that receives a second notice of noncompliance may request
 1228 an appeal of the division's determination of noncompliance within 10 days after
 1229 the day on which the second notice of noncompliance is sent.
- 1230 (iii) The notice described in Subsection (6)(e)(i) shall:
- 1231 (A) state that the specified county has an opportunity to submit to the division a
 1232 request for an appeal of the division's determination of noncompliance within
 1233 10 days after the day on which the second notice of noncompliance is sent; and
 1234 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
 1235 specified county's ineligibility for funds under Subsection (8).
- 1236 (7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a)
 1237 or (6)(e)(i) may request an appeal of the division's determination of noncompliance
 1238 within 10 days after the day on which the notice of noncompliance is sent.
- 1239 (b) Within 90 days after the day on which the division receives a request for an appeal,
 1240 an appeal board consisting of the following three members shall review and issue a
 1241 written decision on the appeal:
- 1242 (i) one individual appointed by the Utah Association of Counties;
 1243 (ii) one individual appointed by the Utah Homebuilders Association; and
 1244 (iii) one individual appointed by the presiding member of the association of
 1245 governments, established in accordance with an interlocal agreement under Title
 1246 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a
 1247 member.
- 1248 (c) The written decision of the appeal board shall either uphold or reverse the division's
 1249 determination of noncompliance.
- 1250 (d) The appeal board's written decision on the appeal is final.
- 1251 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)
 1252 if:
- 1253 (i) the specified county fails to submit a report to the division;
 1254 (ii) after submitting a report to the division, the division determines that the report

- 1255 does not comply with this section and the specified county fails to:
- 1256 (A) cure each deficiency in the report within 90 days after the day on which the
- 1257 notice of noncompliance is sent; or
- 1258 (B) request an appeal of the division's determination of noncompliance within 10
- 1259 days after the day on which the notice of noncompliance is sent;
- 1260 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 1261 previously submitted report, the division determines that the corrected report does
- 1262 not comply with this section and the specified county fails to request an appeal of
- 1263 the division's determination of noncompliance within 10 days after the day on
- 1264 which the second notice of noncompliance is sent; or
- 1265 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
- 1266 issues a written decision upholding the division's determination of noncompliance.
- 1267 (b) The following apply to a specified county described in Subsection (8)(a) until the
- 1268 division provides notice under Subsection (8)(e):
- 1269 (i) the executive director of the Department of Transportation may not program funds
- 1270 from the Transportation Investment Fund of 2005, including the Transit
- 1271 Transportation Investment Fund, to projects located within the unincorporated
- 1272 areas of the specified county in accordance with Subsection 72-2-124(6);
- 1273 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
- 1274 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
- 1275 specified county:
- 1276 (A) fails to submit the report to the division in accordance with this section,
- 1277 beginning the day after the day on which the report was due; or
- 1278 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 1279 which the cure was required to occur as described in the notice of
- 1280 noncompliance under Subsection (6); and
- 1281 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
- 1282 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
- 1283 specified county, for a consecutive year:
- 1284 (A) fails to submit the report to the division in accordance with this section,
- 1285 beginning the day after the day on which the report was due; or
- 1286 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 1287 which the cure was required to occur as described in the notice of
- 1288 noncompliance under Subsection (6).

- 1289 (c) Upon determining that a specified county is ineligible for funds under this
 1290 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
 1291 division shall send a notice of ineligibility to the legislative body of the specified
 1292 county, the Department of Transportation, the State Tax Commission, and the
 1293 Governor's Office of Planning and Budget.
- 1294 (d) The notice described in Subsection (8)(c) shall:
- 1295 (i) name the specified county that is ineligible for funds;
- 1296 (ii) describe the funds for which the specified county is ineligible to receive;
- 1297 (iii) describe the fee the specified county is required to pay under Subsection (8)(b),
 1298 if applicable; and
- 1299 (iv) state the basis for the division's determination that the specified county is
 1300 ineligible for funds.
- 1301 (e) The division shall notify the legislative body of a specified county and the
 1302 Department of Transportation in writing if the division determines that the provisions
 1303 of this Subsection (8) no longer apply to the specified county.
- 1304 (f) The division may not determine that a specified county that is required to pay a fee
 1305 under Subsection (8)(b) is in compliance with the reporting requirements of this
 1306 section until the specified county pays all outstanding fees required under Subsection
 1307 (8)(b) to the Olene Walker Housing Loan Fund, created [~~under Title 35A, Chapter 8,~~
 1308 ~~Part 5, Olene Walker Housing Loan Fund~~] in Section 63N-22-302.
- 1309 (9) In a civil action seeking enforcement or claiming a violation of this section or of
 1310 Subsection 17-79-404(5)(c), a plaintiff may not recover damages but may be awarded
 1311 only injunctive or other equitable relief.
- 1312 Section 8. Section **17C-1-102** is amended to read:
- 1313 **17C-1-102 (Effective 07/01/26). Definitions.**
- 1314 As used in this title:
- 1315 (1) "Active project area" means a project area that has not been dissolved in accordance
 1316 with Section 17C-1-702.
- 1317 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that
 1318 an agency is authorized to receive:
- 1319 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
 1320 increment under Subsection 17C-1-403(3);
- 1321 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
 1322 increment under Section 17C-1-406;

- 1323 (c) under a project area budget approved by a taxing entity committee; or
1324 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
1325 tax increment.
- 1326 (3) "Affordable housing" means housing owned or occupied by a low or moderate income
1327 family, as determined by resolution of the agency.
- 1328 (4) "Agency" or "community reinvestment agency" means a separate body corporate and
1329 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community
1330 development and renewal agency under previous law:
- 1331 (a) that is a political subdivision of the state;
1332 (b) that is created to undertake or promote project area development as provided in this
1333 title; and
1334 (c) whose geographic boundaries are coterminous with:
1335 (i) for an agency created by a county, the unincorporated area of the county; and
1336 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 1337 (5) "Agency funds" means money that an agency collects or receives for agency operations,
1338 implementing a project area plan or an implementation plan as defined in Section
1339 17C-1-1001, or other agency purposes, including:
- 1340 (a) project area funds;
1341 (b) income, proceeds, revenue, or property derived from or held in connection with the
1342 agency's undertaking and implementation of project area development or
1343 agency-wide project development as defined in Section 17C-1-1001;
1344 (c) a contribution, loan, grant, or other financial assistance from any public or private
1345 source;
1346 (d) project area incremental revenue as defined in Section 17C-1-1001; or
1347 (e) property tax revenue as defined in Section 17C-1-1001.
- 1348 (6) "Annual income" means the same as that term is defined in regulations of the United
1349 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as
1350 amended or as superseded by replacement regulations.
- 1351 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 1352 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of
1353 this title, a property's taxable value as shown upon the assessment roll last equalized
1354 during the base year.
- 1355 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during
1356 which the assessment roll is last equalized:

- 1357 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,
1358 before the project area plan's effective date;
- 1359 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,
1360 or a community reinvestment project area plan that is subject to a taxing entity
1361 committee:
- 1362 (i) before the date on which the taxing entity committee approves the project area
1363 budget; or
- 1364 (ii) if taxing entity committee approval is not required for the project area budget,
1365 before the date on which the community legislative body adopts the project area
1366 plan;
- 1367 (c) for a project on an inactive airport site, after the later of:
- 1368 (i) the date on which the inactive airport site is sold for remediation and
1369 development; or
- 1370 (ii) the date on which the airport that operated on the inactive airport site ceased
1371 operations; or
- 1372 (d) for a community development project area plan or a community reinvestment project
1373 area plan that is subject to an interlocal agreement, as described in the interlocal
1374 agreement.
- 1375 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum
1376 basic levy under Section 59-2-902.
- 1377 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.
- 1378 (12) "Budget hearing" means the public hearing on a proposed project area budget required
1379 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection
1380 17C-3-201(2)(d) for an economic development project area budget, or Subsection
1381 17C-5-302(2)(e) for a community reinvestment project area budget.
- 1382 (13) "Closed military base" means land within a former military base that the Defense Base
1383 Closure and Realignment Commission has voted to close or realign when that action has
1384 been sustained by the president of the United States and Congress.
- 1385 (14) "Combined incremental value" means the combined total of all incremental values
1386 from all project areas, except project areas that contain some or all of a military
1387 installation or inactive industrial site, within the agency's boundaries under project area
1388 plans and project area budgets at the time that a project area budget for a new project
1389 area is being considered.
- 1390 (15) "Community" means a county or municipality.

- 1391 (16) "Community development project area plan" means a project area plan adopted under
1392 Chapter 4, Part 1, Community Development Project Area Plan.
- 1393 (17) "Community legislative body" means the legislative body of the community that
1394 created the agency.
- 1395 (18) "Community reinvestment project area plan" means a project area plan adopted under
1396 Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- 1397 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title
1398 78A, Judiciary and Judicial Administration, and in a county in which the agency is
1399 located if the action is filed in the district court.
- 1400 (20) "Development impediment" means a condition of an area that meets the requirements
1401 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405
1402 for a community reinvestment project area.
- 1403 (21) "Development impediment hearing" means a public hearing regarding whether a
1404 development impediment exists within a proposed:
- 1405 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
1406 17C-2-302; or
- 1407 (b) community reinvestment project area under Section 17C-5-404.
- 1408 (22) "Development impediment study" means a study to determine whether a development
1409 impediment exists within a survey area as described in Section 17C-2-301 for an urban
1410 renewal project area or Section 17C-5-403 for a community reinvestment project area.
- 1411 (23) "Economic development project area plan" means a project area plan adopted under
1412 Chapter 3, Part 1, Economic Development Project Area Plan.
- 1413 (24) "Fair share ratio" means the ratio derived by:
- 1414 (a) for a municipality, comparing the percentage of all housing units within the
1415 municipality that are publicly subsidized income targeted housing units to the
1416 percentage of all housing units within the county in which the municipality is located
1417 that are publicly subsidized income targeted housing units; or
- 1418 (b) for the unincorporated part of a county, comparing the percentage of all housing
1419 units within the unincorporated county that are publicly subsidized income targeted
1420 housing units to the percentage of all housing units within the whole county that are
1421 publicly subsidized income targeted housing units.
- 1422 (25) "Family" means the same as that term is defined in regulations of the United States
1423 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended
1424 or as superseded by replacement regulations.

- 1425 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.
- 1426 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
1427 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
1428 toxic substance, or identified as hazardous to human health or the environment, under
1429 state or federal law or regulation.
- 1430 (28) "Housing allocation" means project area funds allocated for housing under Section
1431 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- 1432 (29) "Housing fund" means a fund created by an agency for purposes described in Section
1433 17C-1-411 or 17C-1-412 that is comprised of:
- 1434 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
1435 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
1436 described in Section 17C-1-411; or
- 1437 (b) an agency's housing allocation.
- 1438 (30)(a) "Inactive airport site" means land that:
- 1439 (i) consists of at least 100 acres;
- 1440 (ii) is occupied by an airport:
- 1441 (A)(I) that is no longer in operation as an airport; or
- 1442 (II)(Aa) that is scheduled to be decommissioned; and
- 1443 (Bb) for which a replacement commercial service airport is under
1444 construction; and
- 1445 (B) that is owned or was formerly owned and operated by a public entity; and
- 1446 (iii) requires remediation because:
- 1447 (A) of the presence of hazardous waste or solid waste; or
- 1448 (B) the site lacks sufficient public infrastructure and facilities, including public
1449 roads, electric service, water system, and sewer system, needed to support
1450 development of the site.
- 1451 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
1452 described in Subsection (30)(a).
- 1453 (31)(a) "Inactive industrial site" means land that:
- 1454 (i) consists of at least 1,000 acres;
- 1455 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial
1456 facility; and
- 1457 (iii) requires remediation because of the presence of hazardous waste or solid waste.
- 1458 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land

- 1459 described in Subsection (31)(a).
- 1460 (32) "Income targeted housing" means housing that is:
- 1461 (a) owned and occupied by a family whose annual income is at or below 120% of the
- 1462 median annual income for a family within the county in which the housing is located;
- 1463 or
- 1464 (b) occupied by a family whose annual income is at or below 80% of the median annual
- 1465 income for a family within the county in which the housing is located.
- 1466 (33) "Incremental value" means a figure derived by multiplying the marginal value of the
- 1467 property located within a project area on which tax increment is collected by a number
- 1468 that represents the adjusted tax increment from that project area that is paid to the
- 1469 agency.
- 1470 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [established
- 1471 ~~under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund~~] created in Section
- 1472 63N-22-303.
- 1473 (35)(a) " Local government building" means a building owned and operated by a
- 1474 community for the primary purpose of providing one or more primary community
- 1475 functions, including:
- 1476 (i) a fire station;
- 1477 (ii) a police station;
- 1478 (iii) a city hall; or
- 1479 (iv) a court or other judicial building.
- 1480 (b) " Local government building" does not include a building the primary purpose of
- 1481 which is cultural or recreational in nature.
- 1482 (36) "Low-income individual" means the same as that term is defined in Section [
- 1483 35A-8-504.5] 63N-22-101.
- 1484 (37) "Major transit investment corridor" means the same as that term is defined in Section
- 1485 10-20-102.
- 1486 (38) "Marginal value" means the difference between actual taxable value and base taxable
- 1487 value.
- 1488 (39) "Military installation project area" means a project area or a portion of a project area
- 1489 located within a federal military installation ordered closed by the federal Defense Base
- 1490 Realignment and Closure Commission.
- 1491 (40) "Municipality" means a city or town.
- 1492 (41) "Non-profit housing fund" means:

- 1493 (a) an organization that meets the definition of "housing organization" in Section [
 1494 35A-8-240+] 63N-22-316;
- 1495 (b) a registered nonprofit that assists veterans or individuals who work in public service
 1496 to achieve homeownership in the state;
- 1497 (c) a registered nonprofit that:
- 1498 (i) assists low-income individuals or families who would qualify for income targeted
 1499 housing to achieve homeownership in the state; and
- 1500 (ii) provides direct support to help a low-income individual or a family eligible for
 1501 income targeted housing to retain ownership of a home, including through
 1502 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
 1503 counseling that results in retention of the home, refinancing, or a reverse mortgage;
- 1504 (d) a registered nonprofit that partners with a community to promote affordable housing
 1505 for the workforce in that community; or
- 1506 (e) a registered nonprofit established to administer housing programs on behalf of an
 1507 association representing 10 or more counties in the state.
- 1508 (42) "Participant" means one or more persons that enter into a participation agreement with
 1509 an agency.
- 1510 (43) "Participation agreement" means a written agreement between a person and an agency
 1511 under Subsection 17C-1-202(5).
- 1512 (44) "Plan hearing" means the public hearing on a proposed project area plan required
 1513 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
 1514 17C-3-102(1)(d) for an economic development project area plan, Subsection
 1515 17C-4-102(1)(d) for a community development project area plan, or Subsection
 1516 17C-5-104(3)(e) for a community reinvestment project area plan.
- 1517 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after
 1518 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the
 1519 project area plan's adoption.
- 1520 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,
 1521 1993, whether or not amended subsequent to the project area plan's adoption.
- 1522 (47) "Private," with respect to real property, means property not owned by a public entity or
 1523 any other governmental entity.
- 1524 (48) "Project area" means the geographic area described in a project area plan within which
 1525 the project area development described in the project area plan takes place or is
 1526 proposed to take place.

- 1527 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues
1528 and expenses and other fiscal matters pertaining to a project area prepared in accordance
1529 with:
- 1530 (a) for an urban renewal project area, Section 17C-2-201;
 - 1531 (b) for an economic development project area, Section 17C-3-201;
 - 1532 (c) for a community development project area, Section 17C-4-204; or
 - 1533 (d) for a community reinvestment project area, Section 17C-5-302.
- 1534 (50) "Project area development" means activity within a project area that, as determined by
1535 the board, encourages, promotes, or provides development or redevelopment for the
1536 purpose of implementing a project area plan, including:
- 1537 (a) promoting, creating, or retaining public or private jobs within the state or a
1538 community;
 - 1539 (b) providing office, manufacturing, warehousing, distribution, parking, or other
1540 facilities or improvements;
 - 1541 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or
1542 remediating environmental issues;
 - 1543 (d) providing residential, commercial, industrial, public, or other structures or spaces,
1544 including recreational and other facilities incidental or appurtenant to the structures
1545 or spaces;
 - 1546 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating
1547 existing structures;
 - 1548 (f) providing open space, including streets or other public grounds or space around
1549 buildings;
 - 1550 (g) providing public or private buildings, infrastructure, structures, or improvements;
 - 1551 (h) relocating a business;
 - 1552 (i) improving public or private recreation areas or other public grounds;
 - 1553 (j) eliminating a development impediment or the causes of a development impediment;
 - 1554 (k) redevelopment as defined under the law in effect before May 1, 2006; or
 - 1555 (l) any activity described in this Subsection (50) outside of a project area that the board
1556 determines to be a benefit to the project area.
- 1557 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency
1558 receives under a project area budget adopted by a taxing entity committee or an
1559 interlocal agreement.
- 1560 (52) "Project area funds collection period" means the period of time that:

- 1561 (a) begins the day on which the first payment of project area funds is distributed to an
1562 agency under a project area budget approved by a taxing entity committee or an
1563 interlocal agreement; and
- 1564 (b) ends the day on which the last payment of project area funds is distributed to an
1565 agency under a project area budget approved by a taxing entity committee or an
1566 interlocal agreement.
- 1567 (53) "Project area plan" means an urban renewal project area plan, an economic
1568 development project area plan, a community development project area plan, or a
1569 community reinvestment project area plan that, after the project area plan's effective
1570 date, guides and controls the project area development.
- 1571 (54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible
1572 personal or real property.
- 1573 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
1574 Tax.
- 1575 (55) "Public entity" means:
- 1576 (a) the United States, including an agency of the United States;
1577 (b) the state, including any of the state's departments or agencies; or
1578 (c) a political subdivision of the state, including a county, municipality, school district,
1579 special district, special service district, community reinvestment agency, or interlocal
1580 cooperation entity.
- 1581 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm
1582 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,
1583 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
1584 facilities, or other facilities, infrastructure, and improvements benefitting the public and
1585 to be publicly owned or publicly maintained or operated.
- 1586 (57) "Record property owner" or "record owner of property" means the owner of real
1587 property, as shown on the records of the county in which the property is located, to
1588 whom the property's tax notice is sent.
- 1589 (58) "Sales and use tax revenue" means revenue that is:
- 1590 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and
1591 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.
- 1592 (59) "Superfund site":
- 1593 (a) means an area included in the National Priorities List under the Comprehensive
1594 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.

- 1595 9605; and
- 1596 (b) includes an area formerly included in the National Priorities List, as described in
1597 Subsection (59)(a), but removed from the list following remediation that leaves on
1598 site the waste that caused the area to be included in the National Priorities List.
- 1599 (60) "Survey area" means a geographic area designated for study by a survey area
1600 resolution to determine whether:
- 1601 (a) one or more project areas within the survey area are feasible; or
1602 (b) a development impediment exists within the survey area.
- 1603 (61) "Survey area resolution" means a resolution adopted by a board that designates a
1604 survey area.
- 1605 (62) "Taxable value" means:
- 1606 (a) the taxable value of all real property a county assessor assesses in accordance with
1607 Title 59, Chapter 2, Part 3, County Assessment, for the current year;
1608 (b) the taxable value of all real and personal property the commission assesses in
1609 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current
1610 year; and
1611 (c) the year end taxable value of all personal property a county assessor assesses in
1612 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the
1613 prior year's tax rolls of the taxing entity.
- 1614 (63)(a) "Tax increment" means the difference between:
- 1615 (i) the amount of property tax revenue generated each tax year by a taxing entity from
1616 the area within a project area designated in the project area plan as the area from
1617 which tax increment is to be collected, using the current assessed value of the
1618 property and each taxing entity's current certified tax rate as defined in Section
1619 59-2-924; and
1620 (ii) the amount of property tax revenue that would be generated from that same area
1621 using the base taxable value of the property and each taxing entity's current
1622 certified tax rate as defined in Section 59-2-924.
- 1623 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
1624 on or after January 1, 1994, upon the taxable property in the project area unless:
- 1625 (i) the project area plan was adopted before May 4, 1993, whether or not the project
1626 area plan was subsequently amended; and
1627 (ii) the taxes were pledged to support bond indebtedness or other contractual
1628 obligations of the agency.

- 1629 (64) "Taxing entity" means a public entity that:
- 1630 (a) levies a tax on property located within a project area; or
- 1631 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.
- 1632 (65) "Taxing entity committee" means a committee representing the interests of taxing
- 1633 entities, created in accordance with Section 17C-1-402.
- 1634 (66) "Unincorporated" means not within a municipality.
- 1635 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,
- 1636 Part 1, Urban Renewal Project Area Plan.
- 1637 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.
- 1638 Section 9. Section **17C-1-412** is amended to read:
- 1639 **17C-1-412 (Effective 07/01/26). Use of housing allocation -- Separate accounting**
- 1640 **required -- Issuance of bonds for housing -- Action to compel agency to provide housing**
- 1641 **allocation.**
- 1642 (1)(a) An agency shall use the agency's housing allocation to:
- 1643 (i) pay part or all of the cost of land or construction of income targeted housing
- 1644 within the boundary of the agency, if practicable in a mixed income development
- 1645 or area;
- 1646 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
- 1647 boundary of the agency;
- 1648 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
- 1649 private entity or business, or nonprofit corporation for income targeted housing
- 1650 within the boundary of the agency;
- 1651 (iv) plan or otherwise promote income targeted housing within the boundary of the
- 1652 agency;
- 1653 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
- 1654 any building, facility, structure, or other housing improvement, including
- 1655 infrastructure improvements, related to housing located in a project area where a
- 1656 board has determined that a development impediment exists;
- 1657 (vi) replace housing units lost as a result of the project area development;
- 1658 (vii) make payments on or establish a reserve fund for bonds:
- 1659 (A) issued by the agency, the community, or the housing authority that provides
- 1660 income targeted housing within the community; and
- 1661 (B) all or part of the proceeds of which are used within the community for the
- 1662 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);

- 1663 (viii) if the community's fair share ratio at the time of the first adoption of the project
 1664 area budget is at least 1.1 to 1.0, make payments on bonds:
 1665 (A) that were previously issued by the agency, the community, or the housing
 1666 authority that provides income targeted housing within the community; and
 1667 (B) all or part of the proceeds of which were used within the community for the
 1668 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
 1669 (ix) relocate mobile home park residents displaced by project area development;
 1670 (x) subject to Subsection (7), transfer funds to a community that created the agency;
 1671 or
 1672 (xi) pay for or make a contribution toward the acquisition, construction, or
 1673 rehabilitation of housing that:
 1674 (A) is located in the same county as the agency;
 1675 (B) is owned in whole or in part by, or is dedicated to supporting, a public
 1676 nonprofit college or university; and
 1677 (C) only students of the relevant college or university, including the students'
 1678 immediate families, occupy.
- 1679 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
 1680 any portion of the agency's housing allocation to:
 1681 (i) the community for use as described in Subsection (1)(a);
 1682 (ii) a housing authority that provides income targeted housing within the community
 1683 for use in providing income targeted housing within the community;
 1684 (iii) a housing authority established by the county in which the agency is located for
 1685 providing:
 1686 (A) income targeted housing within the county;
 1687 (B) permanent housing, permanent supportive housing, or a transitional facility, as
 1688 defined in Section 35A-5-302, within the county; or
 1689 (C) homeless assistance within the county;
 1690 (iv) the Olene Walker Housing Loan Fund, [~~established under Title 35A, Chapter 8,~~
 1691 ~~Part 5, Olene Walker Housing Loan Fund~~] created in Section 63N-22-302, for use
 1692 in providing income targeted housing within the community;
 1693 (v) pay for or make a contribution toward the acquisition, construction, or
 1694 rehabilitation of income targeted housing that is outside of the community if the
 1695 housing is located along or near a major transit investment corridor that services
 1696 the community and the related project has been approved by the community in

- 1697 which the housing is or will be located;
- 1698 (vi) pay for or make a contribution toward the acquisition, construction, or
1699 rehabilitation of income targeted housing that is outside of the boundary of the
1700 agency if there is an interlocal agreement between the agency and the receiving
1701 community;
- 1702 (vii) pay for or make a contribution toward the expansion of child care facilities
1703 within the boundary of the agency, provided that any recipient of funds from the
1704 agency's housing allocation reports annually to the agency on how the funds were
1705 used; or
- 1706 (viii) a non-profit housing fund, for use in assisting individuals or families within the
1707 community to achieve homeownership or retain homeownership, in accordance
1708 with:
- 1709 (A) the mission of the non-profit housing fund; and
1710 (B) a written agreement between the non-profit housing fund and the agency,
1711 governing appropriate uses of housing allocation funds.
- 1712 (2)(a) An agency may combine all or any portion of the agency's housing allocation with
1713 all or any portion of one or more additional agency's housing allocations if the
1714 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,
1715 Interlocal Cooperation Act.
- 1716 (b) An agency that has entered into an interlocal agreement as described in Subsection
1717 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing
1718 allocation meets the requirements for at least one agency that is a party to the
1719 interlocal agreement.
- 1720 (3) The agency shall create a housing fund and separately account for the agency's housing
1721 allocation, together with all interest earned by the housing allocation and all payments or
1722 repayments for loans, advances, or grants from the housing allocation.
- 1723 (4) An agency may:
- 1724 (a) issue bonds to finance a housing-related project under this section, including the
1725 payment of principal and interest upon advances for surveys and plans or preliminary
1726 loans; and
- 1727 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a)
1728 previously issued by the agency.
- 1729 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the
1730 housing fund each year in which the agency receives sufficient tax increment to make

- 1731 a housing allocation required by the project area budget.
- 1732 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.
- 1733 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing
- 1734 allocation in accordance with the project area budget and the housing plan adopted
- 1735 under Subsection 17C-2-204(2), the loan fund board may bring legal action to
- 1736 compel the agency to provide the housing allocation.
- 1737 (b) In an action under Subsection (6)(a), the court:
- 1738 (i) shall award the loan fund board reasonable attorney fees, unless the court finds
- 1739 that the action was frivolous; and
- 1740 (ii) may not award the agency the agency's attorney fees, unless the court finds that
- 1741 the action was frivolous.
- 1742 (7) For the purpose of offsetting the community's annual local contribution to the Homeless
- 1743 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a
- 1744 calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and
- 1745 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined
- 1746 in Subsection 59-12-205(5).
- 1747 (8) An agency shall spend, encumber, or allot the money contributed to the housing fund
- 1748 under Subsection (5)(a) within six years from the day on which the agency first receives
- 1749 the money.
- 1750 Section 10. Section **26B-3-209** is amended to read:
- 1751 **26B-3-209 (Effective 07/01/26). Medicaid long-term support services housing**
- 1752 **coordinator.**
- 1753 (1) There is created within the Medicaid program a full-time-equivalent position of
- 1754 Medicaid long-term support services housing coordinator.
- 1755 (2) The coordinator shall help Medicaid recipients receive long-term support services in a
- 1756 home or other community-based setting rather than in a nursing home or other
- 1757 institutional setting by:
- 1758 (a) working with municipalities, counties, the [~~Housing and~~]Community Development
- 1759 Division within the Department of Workforce Services, the Division of Housing
- 1760 within the Governor's Office of Economic Opportunity, and others to identify
- 1761 community-based settings available to recipients;
- 1762 (b) working with the same entities to promote the development, construction, and
- 1763 availability of additional community-based settings;
- 1764 (c) training Medicaid case managers and support coordinators on how to help Medicaid

1765 recipients move from an institutional setting to a community-based setting; and
 1766 (d) performing other related duties.

1767 Section 11. Section **35A-1-202** is amended to read:

1768 **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26). Divisions --**
 1769 **Creation -- Duties -- Workforce Appeals Board, councils, Child Care Advisory**
 1770 **Committee, and economic service areas.**

1771 (1) There is created within the department the following divisions:

- 1772 (a) the Workforce Development Division to administer the development and
 1773 implementation of employment assistance programs;
- 1774 (b) the Workforce Research and Analysis Division;
- 1775 (c) the Unemployment Insurance Division to administer Chapter 4, Employment
 1776 Security Act;
- 1777 (d) the Eligibility Services Division to administer public assistance eligibility;
- 1778 (e) the Division of Adjudication to adjudicate claims or actions in accordance with this
 1779 title;
- 1780 (f) the [~~Housing and~~]Community Development Division, which is described in Sections
 1781 35A-8-201 and 35A-8-202;
- 1782 (g) the Utah State Office of Rehabilitation, which is described in Section 35A-13-103;
- 1783 (h) the Office of Homeless Services, which is described in Section 35A-16-202;
- 1784 (i) the Office of Child Care, which is described in Sections 35A-3-202 and 35A-3-203;
 1785 and
- 1786 (j) the Refugee Services Office, which is described in Chapter 3, Part 8, Refugee
 1787 Services.

1788 (2) In addition to the divisions created under Subsection (1), within the department are the
 1789 following:

- 1790 (a) the Workforce Appeals Board created in Section 35A-1-205;
- 1791 (b) the State Workforce Development Board created in Section 35A-1-206;
- 1792 (c) the Employment Advisory Council created in Section 35A-4-502;
- 1793 (d) the Child Care Advisory Committee created in Section 35A-3-205; and
- 1794 (e) the economic service areas created in accordance with Chapter 2, Economic Service
 1795 Areas.

1796 Section 12. Section **35A-3-103** is amended to read:

1797 **35A-3-103 (Effective 07/01/26). Department responsibilities.**

1798 The department shall:

- 1799 (1) administer public assistance programs assigned by the Legislature and the governor;
 1800 (2) determine eligibility for public assistance programs in accordance with the requirements
 1801 of this chapter;
 1802 (3) cooperate with the federal government in the administration of public assistance
 1803 programs;
 1804 (4) administer state employment services;
 1805 (5) provide for the compilation of necessary or desirable information, statistics, and reports;
 1806 (6) perform other duties and functions required by law;
 1807 (7) monitor the application of eligibility policy;
 1808 (8) develop personnel training programs for effective and efficient operation of the
 1809 programs administered by the department;
 1810 (9) provide refugee resettlement services in accordance with Section 35A-3-803;
 1811 (10) provide child care assistance for children in accordance with Part 2, Office of Child
 1812 Care;
 1813 (11) provide services that enable an applicant or recipient to qualify for affordable housing
 1814 in cooperation with:
 1815 (a) the Utah Housing Corporation;
 1816 (b) the [~~Housing and~~]Community Development Division;
 1817 (c) the Division of Housing within the Governor's Office of Economic Opportunity; and
 1818 [~~(e)~~] (d) local housing authorities;
 1819 (12) administer the Medicaid Eligibility Quality Control function in accordance with 42
 1820 C.F.R. Sec. 431.812; and
 1821 (13) conduct non-clinical eligibility hearings and issue final decisions in adjudicative
 1822 proceedings, including expedited appeals as defined in 42 C.F.R. Sec. 431.224, for
 1823 medical assistance eligibility under:
 1824 (a) Title 26B, Chapter 3, Health Care - Administration and Assistance; or
 1825 (b) Title 26B, Chapter 3, Part 9, Utah Children's Health Insurance Program.
 1826 Section 13. Section **35A-3-309** is amended to read:
 1827 **35A-3-309 (Effective 07/01/26). Information regarding home ownership.**
 1828 (1) The department shall provide information and service coordination to assist an applicant
 1829 in obtaining affordable housing.
 1830 (2) The information and services may include:
 1831 (a) information from the Utah Housing Corporation[~~and~~] , the [~~Housing and~~]
 1832 Community Development Division, and the Division of Housing within the

- 1833 Governor's Office of Economic Opportunity regarding special housing programs,
 1834 including programs for first-time home buyers and individuals with low and
 1835 moderate incomes and the eligibility requirements for those programs;
 1836 (b) referrals to programs operated by volunteers from the real estate industry that assist
 1837 applicants in obtaining affordable housing, including information on home
 1838 ownership, down payments, closing costs, and credit requirements; and
 1839 (c) referrals to housing programs operated by municipalities, counties, local housing
 1840 authorities, and nonprofit housing organizations that assist individuals in obtaining
 1841 affordable housing, including first-time home ownership.

1842 Section 14. Section **35A-8-101** is amended to read:

1843 **35A-8-101 (Effective 07/01/26). Definitions.**

1844 As used in this chapter:

- 1845 (1) "Accessible housing" means housing which has been constructed or modified to be
 1846 accessible, as described in the State Construction Code or an approved code under Title
 1847 15A, State Construction and Fire Codes Act.
 1848 (2) "Director" means the director of the division.
 1849 (3) "Division" means the [Housing and]Community Development Division.
 1850 [~~(4) "Moderate income housing" means housing occupied or reserved for occupancy by~~
 1851 ~~households with a gross household income equal to or less than 80% of the median gross~~
 1852 ~~income for households of the same size in the county in which the housing is located.]~~
 1853 [~~(5) "Moderate income housing unit" means a housing unit that qualifies as moderate~~
 1854 ~~income housing.]~~

1855 Section 15. Section **35A-8-201** is amended to read:

1856 **35A-8-201 (Effective 07/01/26). Community Development Division.**

1857 The [Housing and]Community Development Division is under the administration and
 1858 general supervision of the director.

1859 Section 16. Section **35A-8-202** is amended to read:

1860 **35A-8-202 (Effective 07/01/26). Powers and duties of division.**

- 1861 (1) The division shall:
 1862 (a) assist local governments and citizens in the planning, development, and maintenance
 1863 of necessary public infrastructure and services;
 1864 (b) cooperate with, and provide technical assistance to, counties, cities, towns, regional
 1865 planning commissions, area-wide clearinghouses, zoning commissions, parks or
 1866 recreation boards, community development groups, community action agencies, and

- 1867 other agencies created for the purpose of aiding and encouraging an orderly,
 1868 productive, and coordinated development of the state and [its] the state's political
 1869 subdivisions;
- 1870 (c) assist the governor in coordinating the activities of state agencies which have an
 1871 impact on the solution of community development problems and the implementation
 1872 of community plans;
- 1873 (d) serve as a clearinghouse for information, data, and other materials which may be
 1874 helpful to local governments in discharging [their] local government responsibilities
 1875 and provide information on available federal and state financial and technical
 1876 assistance;
- 1877 (e) carry out continuing studies and analyses of the problems faced by communities
 1878 within the state and develop such recommendations for administrative or legislative
 1879 action as appear necessary;
- 1880 (f) assist the Division of Housing within the Governor's Office of Economic Opportunity
 1881 in funding affordable housing;
- 1882 (g) support economic development activities through grants, loans, and direct programs
 1883 financial assistance;
- 1884 (h) certify project funding at the local level in conformance with federal, state, and other
 1885 requirements;
- 1886 (i) utilize the capabilities and facilities of public and private universities and colleges
 1887 within the state in carrying out [its] the division's functions; and
- 1888 (j) assist and support local governments, community action agencies, and citizens in the
 1889 planning, development, and maintenance of home weatherization, energy efficiency,
 1890 and antipoverty activities.
- 1891 (2) The division may:
- 1892 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
 1893 Procedures Act, seek federal grants, loans, or participation in federal programs; and
 1894 (b) if any federal program requires the expenditure of state funds as a condition to
 1895 participation by the state in any fund, property, or service, with the governor's
 1896 approval, expend whatever funds are necessary out of the money provided by the
 1897 Legislature for the use of the department[;] .
- 1898 [~~(e) in accordance with Part 9, Domestic Violence Shelters, assist in developing,~~
 1899 ~~constructing, and improving shelters for victims of domestic violence, as described in~~
 1900 ~~Section 77-36-1, through loans and grants to nonprofit and governmental entities;]~~

1901 [(d) assist, when requested by a county or municipality, in the development of accessible
1902 housing; and]

1903 [(e) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
1904 Rulemaking Act, regarding the form and content of a moderate income housing
1905 report, as described in Sections 10-21-202 and 17-80-202, to:]

1906 [(i) ensure consistency across reporting political subdivisions; and]

1907 [(ii) promote better potential analysis of report data.]

1908 Section 17. Section **35A-8-1003** is amended to read:

1909 **35A-8-1003 (Effective 07/01/26). State Community Services Office created --**

1910 **Purpose.**

1911 (1) There is created within the [~~Housing and~~]Community Development Division the State
1912 Community Services Office.

1913 (2) The office shall strengthen communities by reducing poverty and improving the quality
1914 of life for low-income persons in this state.

1915 Section 18. Section **35A-8-1009** is amended to read:

1916 **35A-8-1009 (Effective 07/01/26). Qualified Emergency Food Agencies Fund --**

1917 **Expenditure of revenues.**

1918 (1) As used in this section:

1919 (a) "Association of governments" means the following created under the authority of
1920 Title 11, Chapter 13, Interlocal Cooperation Act:

1921 (i) an association of governments; or

1922 (ii) a regional council that acts as an association of governments.

1923 (b) "Food and food ingredients" means the same as that term is defined in Section
1924 59-12-102.

1925 (c) "Qualified emergency food agency" means an organization that:

1926 (i) is:

1927 (A) exempt from federal income taxation under Section 501(c)(3), Internal
1928 Revenue Code;

1929 (B) an association of governments; or

1930 (C) a food pantry operated by a municipality located within the state;

1931 (ii) as part of [its] the organization's activities, operates a program that has as the
1932 program's primary purpose to:

1933 (A) warehouse and distribute food to other agencies and organizations providing
1934 food and food ingredients to low-income persons; or

- 1935 (B) provide food and food ingredients directly to low-income persons; and
 1936 (iii) the office determines to be a qualified emergency food agency.
- 1937 (2) There is created an expendable special revenue fund known as the Qualified Emergency
 1938 Food Agencies Fund.
- 1939 (3)(a) The Qualified Emergency Food Agencies Fund shall be funded by the sales and
 1940 use tax revenues described in:
- 1941 (i) Section 59-12-103;
 1942 (ii) Section 59-12-204; and
 1943 (iii) Section 59-12-1102.
- 1944 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be
 1945 deposited into the General Fund.
- 1946 (4) The office shall for a fiscal year distribute money deposited into the Qualified
 1947 Emergency Food Agencies Fund to qualified emergency food agencies within the state
 1948 as provided in this section.
- 1949 (5) A qualified emergency food agency shall file an application with the office before the
 1950 qualified emergency food agency may receive a distribution under this section.
- 1951 (6) A qualified emergency food agency may expend a distribution received in accordance
 1952 with this section only for a purpose related to:
- 1953 (a) warehousing and distributing food and food ingredients to other agencies and
 1954 organizations providing food and food ingredients to low-income persons; or
 1955 (b) providing food and food ingredients directly to low-income persons.
- 1956 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 1957 ~~Housing and~~]Community Development Division may make rules providing procedures
 1958 for implementing the distributions required by this section, including:
- 1959 (a) standards for determining and verifying the amount of a distribution that a qualified
 1960 emergency food agency may receive;
- 1961 (b) procedures for a qualified emergency food agency to apply for a distribution,
 1962 including the frequency with which a qualified emergency food agency may apply
 1963 for a distribution; and
- 1964 (c) consistent with Subsection (1)(c), determining whether an entity is a qualified
 1965 emergency food agency.

1966 Section 19. Section **35A-8-1601** is amended to read:

1967 **35A-8-1601 (Effective 07/01/26). Definitions.**

1968 As used in this part:

- 1969 (1) "Board" means the Uintah Basin Revitalization Fund Board.
- 1970 (2) "Capital projects" means expenditures for land, improvements on the land, and
1971 equipment intended to have long-term beneficial use.
- 1972 (3) "County" means:
- 1973 (a) Duchesne County; or
- 1974 (b) Uintah County.
- 1975 (4) "Division" means the [~~Housing and~~]Community Development Division.
- 1976 (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.
- 1977 (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.
- 1978 Section 20. Section **35A-8-1702** is amended to read:
- 1979 **35A-8-1702 (Effective 07/01/26). Definitions.**
- 1980 As used in this part:
- 1981 (1) "Board" means the Navajo Revitalization Fund Board.
- 1982 (2) "Capital project" means an expenditure for land, improvements on the land, or
1983 equipment intended to have long-term beneficial use.
- 1984 (3) "Division" means the [~~Housing and~~]Community Development Division.
- 1985 (4) "Eligible entity" means:
- 1986 (a) the Navajo Nation;
- 1987 (b) a department or division of the Navajo Nation;
- 1988 (c) a Utah Navajo Chapter;
- 1989 (d) the Navajo Utah Commission;
- 1990 (e) an agency of the state or a political subdivision of the state; or
- 1991 (f) a nonprofit corporation.
- 1992 (5) "Navajo Utah Commission" means the commission created by Resolution
1993 IGRJN-134-92 of the Intergovernmental Relations Committee of the Navajo Nation
1994 Council.
- 1995 (6) "Revitalization fund" means the Navajo Revitalization Fund.
- 1996 (7) "Utah Navajo Chapter" means any of the following chapters of the Navajo Nation:
- 1997 (a) Aneth Chapter;
- 1998 (b) Dennehotso Chapter;
- 1999 (c) Mexican Water Chapter;
- 2000 (d) Navajo Mountain Chapter;
- 2001 (e) Oljato Chapter;
- 2002 (f) Red Mesa Chapter; and

- 2003 (g) Teec Nos Pos Chapter.
- 2004 Section 21. Section **59-2-1101** is amended to read:
- 2005 **59-2-1101 (Effective 07/01/26). Definitions -- Exemption of certain property --**
- 2006 **Proportional payments for certain property -- Exception -- County legislative body**
- 2007 **authority to adopt rules or ordinances.**
- 2008 (1) As used in this section:
- 2009 (a) "Charitable purposes" means:
- 2010 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined
- 2011 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d
- 2012 880 (Utah 1994); and
- 2013 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift
- 2014 to the community.
- 2015 (b) "Compliance period" means a period equal to 15 taxable years beginning with the
- 2016 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal
- 2017 Revenue Code, or Section 59-7-607 or 59-10-1010.
- 2018 (c)(i) "Educational purposes" means purposes carried on by an educational
- 2019 organization that normally:
- 2020 (A) maintains a regular faculty and curriculum; and
- 2021 (B) has a regularly enrolled body of pupils and students.
- 2022 (ii) "Educational purposes" includes:
- 2023 (A) the physical or mental teaching, training, or conditioning of competitive
- 2024 athletes by a national governing body of sport recognized by the United States
- 2025 Olympic and Paralympic Committee that qualifies as being tax exempt under
- 2026 Section 501(c)(3), Internal Revenue Code; and
- 2027 (B) an activity in support of or incidental to the teaching, training, or conditioning
- 2028 described in this Subsection (1)(c)(ii).
- 2029 (d) "Exclusive use exemption" means a property tax exemption under Subsection
- 2030 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more
- 2031 of the following purposes:
- 2032 (i) religious purposes;
- 2033 (ii) charitable purposes; or
- 2034 (iii) educational purposes.
- 2035 (e)(i) "Farm machinery and equipment" means tractors, milking equipment and
- 2036 storage and cooling facilities, feed handling equipment, irrigation equipment,

- 2037 harvesters, choppers, grain drills and planters, tillage tools, scales, combines,
2038 spreaders, sprayers, haying equipment, including balers and cubers, and any other
2039 machinery or equipment used primarily for agricultural purposes.
- 2040 (ii) "Farm machinery and equipment" does not include vehicles required to be
2041 registered with the Motor Vehicle Division or vehicles or other equipment used
2042 for business purposes other than farming.
- 2043 (f) "Gift to the community" means:
- 2044 (i) the lessening of a government burden; or
- 2045 (ii)(A) the provision of a significant service to others without immediate
2046 expectation of material reward;
- 2047 (B) the use of the property is supported to a material degree by donations and gifts
2048 including volunteer service;
- 2049 (C) the recipients of the charitable activities provided on the property are not
2050 required to pay for the assistance received, in whole or in part, except that if in
2051 part, to a material degree;
- 2052 (D) the beneficiaries of the charitable activities provided on the property are
2053 unrestricted or, if restricted, the restriction bears a reasonable relationship to
2054 the charitable objectives of the nonprofit entity that owns the property; and
- 2055 (E) any commercial activities provided on the property are subordinate or
2056 incidental to charitable activities provided on the property.
- 2057 (g) "Government exemption" means a property tax exemption provided under
2058 Subsection (3)(a)(i), (ii), or (iii).
- 2059 (h)(i) "Nonprofit entity" means an entity:
- 2060 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
2061 entity's nonprofit purpose, and that makes no dividend or other form of
2062 financial benefit available to a private interest;
- 2063 (B) for which, upon dissolution, the entity's assets are distributable only for
2064 exempt purposes under state law or to the government for a public purpose; and
- 2065 (C) for which none of the net earnings or donations made to the entity inure to the
2066 benefit of private shareholders or other individuals, as the private inurement
2067 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.
- 2068 (ii) "Nonprofit entity" includes an entity:
- 2069 (A) if the entity is treated as a disregarded entity for federal income tax purposes
2070 and wholly owned by, and controlled under the direction of, a nonprofit entity;

- 2071 and
- 2072 (B) for which none of the net earnings and profits of the entity inure to the benefit
- 2073 of any person other than a nonprofit entity.
- 2074 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 2075 (1)(h)(i) if the entity jointly owns a property that:
- 2076 (A) is used for the purpose of providing permanent supportive housing;
- 2077 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
- 2078 housing authority that operates the permanent supportive housing;
- 2079 (C) has an owner that receives public funding from a federal, state, or local
- 2080 government entity to provide support services and rental subsidies to the
- 2081 permanent supportive housing;
- 2082 (D) is intended to be transferred at or before the end of the compliance period to
- 2083 an entity described in Subsection (1)(h)(i) or a housing authority that will
- 2084 continue to operate the property as permanent supportive housing; and
- 2085 (E) has been certified by the Utah Housing Corporation as meeting the
- 2086 requirements described in Subsections (1)(h)(iii)(A) through (D).
- 2087 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection
- 2088 (1)(h)(i) if:
- 2089 (A) the entity is a housing organization as defined in [~~Subsection~~
- 2090 35A-8-2401(1)(a)] Section 63N-22-316; and
- 2091 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
- 2092 authority.
- 2093 (i) "Permanent supportive housing" means a housing facility that:
- 2094 (i) provides supportive services;
- 2095 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing
- 2096 facility when the housing facility is placed in service;
- 2097 (iii) receives an allocation of federal low-income housing tax credits in accordance
- 2098 with 26 U.S.C. Sec. 42; and
- 2099 (iv) leases each unit to a tenant:
- 2100 (A) who, immediately before leasing the housing, was homeless as defined in 24
- 2101 C.F.R. 583.5; and
- 2102 (B) whose rent is capped at no more than 30% of the tenant's household income.
- 2103 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
- 2104 has a legal right to possess.

- 2105 (ii) "Property of" includes a lease of real property if:
- 2106 (A) the property is wholly leased to a state or political subdivision entity listed in
- 2107 Subsection (3)(a)(ii) or (iii) under a triple net lease; and
- 2108 (B) the lease is in effect for the entire calendar year.
- 2109 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.
- 2110 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for
- 2111 the real estate taxes, building insurance, and maintenance of the property separate
- 2112 from and in addition to the rental price.
- 2113 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be
- 2114 allowed only if the claimant is the owner of the property as of January 1 of the year
- 2115 the exemption is claimed.
- 2116 (b) A claimant shall collect and pay a proportional tax based upon the length of time that
- 2117 the property was not owned by the claimant if:
- 2118 (i) the claimant is a federal, state, or political subdivision entity described in
- 2119 Subsection (3)(a)(i), (ii), or (iii); or
- 2120 (ii) in accordance with Subsection (3)(a)(iv):
- 2121 (A) the claimant is a nonprofit entity; and
- 2122 (B) the property is used exclusively for religious, charitable, or educational
- 2123 purposes.
- 2124 (3)(a) The following property is exempt from taxation:
- 2125 (i) property exempt under the laws of the United States;
- 2126 (ii) property of:
- 2127 (A) the state;
- 2128 (B) school districts; and
- 2129 (C) public libraries;
- 2130 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property
- 2131 of:
- 2132 (A) counties;
- 2133 (B) cities;
- 2134 (C) towns;
- 2135 (D) special districts;
- 2136 (E) special service districts; and
- 2137 (F) all other political subdivisions of the state;
- 2138 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity

- 2139 used exclusively for one or more of the following purposes:
- 2140 (A) religious purposes;
- 2141 (B) charitable purposes; or
- 2142 (C) educational purposes;
- 2143 (v) places of burial not held or used for private or corporate benefit;
- 2144 (vi) farm machinery and equipment;
- 2145 (vii) a high tunnel, as defined in Section 10-20-613;
- 2146 (viii) intangible property; and
- 2147 (ix) the ownership interest of an out-of-state public agency, as defined in Section
- 2148 11-13-103:
- 2149 (A) if that ownership interest is in property providing additional project capacity,
- 2150 as defined in Section 11-13-103; and
- 2151 (B) on which a fee in lieu of ad valorem property tax is payable under Section
- 2152 11-13-302.
- 2153 (b) For purposes of a property tax exemption for property of school districts under
- 2154 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter
- 2155 Schools, is considered to be a school district.
- 2156 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a
- 2157 government exemption ceases to qualify for the exemption because of a change in the
- 2158 ownership of the property:
- 2159 (a) the new owner of the property shall pay a proportional tax based upon the period of
- 2160 time:
- 2161 (i) beginning on the day that the new owner acquired the property; and
- 2162 (ii) ending on the last day of the calendar year during which the new owner acquired
- 2163 the property; and
- 2164 (b) the new owner of the property and the person from whom the new owner acquires
- 2165 the property shall notify the county assessor, in writing, of the change in ownership
- 2166 of the property within 30 days from the day that the new owner acquires the property.
- 2167 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
- 2168 (a) is subject to any exclusive use exemption or government exemption that the property
- 2169 is entitled to under the new ownership of the property; and
- 2170 (b) applies only to property that is acquired after December 31, 2005.
- 2171 (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:
- 2172 (i) the nonprofit entity that owns the property participates in or intervenes in any

2173 political campaign on behalf of or in opposition to any candidate for public office,
2174 including the publishing or distribution of statements; or

2175 (ii) a substantial part of the activities of the nonprofit entity that owns the property
2176 consists of carrying on propaganda or otherwise attempting to influence
2177 legislation, except as provided under Subsection 501(h), Internal Revenue Code.

2178 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)
2179 shall be determined using the standards described in Section 501, Internal Revenue
2180 Code.

2181 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:

2182 (a) the property is used for a purpose that is not religious, charitable, or educational; and

2183 (b) the use for a purpose that is not religious, charitable, or educational is more than de
2184 minimis.

2185 (8) A county legislative body may adopt rules or ordinances to:

2186 (a) effectuate an exemption under this part; and

2187 (b) designate one or more persons to perform the functions given to the county under
2188 this part.

2189 (9) If a person is dissatisfied with an exemption decision made under designated
2190 decision-making authority as described in Subsection (8)(b), that person may appeal the
2191 decision to the commission under Section 59-2-1006.

2192 Section 22. Section **59-12-2220** is amended to read:

2193 **59-12-2220 (Effective 07/01/26). County option sales and use tax to fund**
2194 **highways or a system for public transit -- Base -- Rate.**

2195 (1) Subject to the other provisions of this part and subject to the requirements of this
2196 section, the following counties may impose a sales and use tax under this section:

2197 (a) a county legislative body may impose the sales and use tax on the transactions
2198 described in Subsection 59-12-103(1) located within the county, including the cities
2199 and towns within the county if:

2200 (i) the entire boundary of a county is annexed into a large public transit district; and

2201 (ii) the maximum amount of sales and use tax authorizations allowed in accordance
2202 with Section 59-12-2203 and authorized under the following sections has been
2203 imposed:

2204 (A) Section 59-12-2213;

2205 (B) Section 59-12-2214;

2206 (C) Section 59-12-2215;

- 2207 (D) Section 59-12-2216;
- 2208 (E) Section 59-12-2217;
- 2209 (F) Section 59-12-2218; and
- 2210 (G) Section 59-12-2219;
- 2211 (b) if the county is not annexed into a large public transit district, the county legislative
- 2212 body may impose the sales and use tax on the transactions described in Subsection
- 2213 59-12-103(1) located within the county, including the cities and towns within the
- 2214 county if:
- 2215 (i) the county is an eligible political subdivision; or
- 2216 (ii) a city or town within the boundary of the county is an eligible political
- 2217 subdivision; or
- 2218 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
- 2219 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
- 2220 located within the county, including the cities and towns within the county.
- 2221 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
- 2222 county legislative body that imposes a sales and use tax under this section may impose
- 2223 the tax at a rate of .2%.
- 2224 (3)(a) The commission shall distribute sales and use tax revenue collected under this
- 2225 section as determined by a county legislative body as described in Subsection (3)(b).
- 2226 (b) If a county legislative body imposes a sales and use tax as described in this section,
- 2227 the county legislative body may elect to impose a sales and use tax revenue
- 2228 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
- 2229 county, and presence and type of a public transit provider in the county.
- 2230 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
- 2231 county legislative body imposes a sales and use tax as described in this section, and the
- 2232 entire boundary of the county is annexed into a large public transit district, and the
- 2233 county is a county of the first class, the commission shall distribute the sales and use tax
- 2234 revenue as follows:
- 2235 (a) .10% to a public transit district as described in Subsection (11);
- 2236 (b) .05% to the cities and towns as provided in Subsection (8); and
- 2237 (c) .05% to the county legislative body.
- 2238 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
- 2239 described in this section and the entire boundary of the county is annexed into a large
- 2240 public transit district, and the county is a county not described in Subsection (4), the

- 2241 commission shall distribute the sales and use tax revenue as follows:
- 2242 (a) .10% to a public transit district as described in Subsection (11);
- 2243 (b) .05% to the cities and towns as provided in Subsection (8); and
- 2244 (c) .05% to the county legislative body.
- 2245 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
- 2246 imposes a sales and use tax as described in this section is not annexed into a single
- 2247 public transit district, but a city or town within the county is annexed into a single
- 2248 public transit district, or if the city or town is an eligible political subdivision, the
- 2249 commission shall distribute the sales and use tax revenue collected within the county
- 2250 as provided in Subsection (6)(b) or (c).
- 2251 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
- 2252 annexed into the single public transit district, or an eligible political subdivision, the
- 2253 commission shall distribute the sales and use tax revenue collected within the portion
- 2254 of the county that is within a public transit district or eligible political subdivision as
- 2255 follows:
- 2256 (i) .05% to a public transit provider as described in Subsection (11);
- 2257 (ii) .075% to the cities and towns as provided in Subsection (8); and
- 2258 (iii) .075% to the county legislative body.
- 2259 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
- 2260 described in Subsection (6)(a) that is not annexed into a single public transit district
- 2261 or eligible political subdivision in the county, the commission shall distribute the
- 2262 sales and use tax revenue collected within that portion of the county as follows:
- 2263 (i) .08% to the cities and towns as provided in Subsection (8); and
- 2264 (ii) .12% to the county legislative body.
- 2265 (7) For a county without a public transit service that imposes a sales and use tax as
- 2266 described in this section, the commission shall distribute the sales and use tax revenue
- 2267 collected within the county as follows:
- 2268 (a) .08% to the cities and towns as provided in Subsection (8); and
- 2269 (b) .12% to the county legislative body.
- 2270 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
- 2271 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- 2272 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
- 2273 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
- 2274 through (7) shall be distributed to the unincorporated areas, cities, and towns

- 2275 within those counties on the basis of the percentage that the population of each
2276 unincorporated area, city, or town bears to the total population of all of the
2277 counties that impose a tax under this section; and
- 2278 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
2279 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
2280 through (7) shall be distributed to the unincorporated areas, cities, and towns
2281 within those counties on the basis of the location of the transaction as determined
2282 under Sections 59-12-211 through 59-12-215.
- 2283 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
2284 not otherwise required by federal law:
- 2285 (A) the most recent estimate from the Utah Population Committee created in
2286 Section 63C-20-103; or
- 2287 (B) if the Utah Population Committee estimate is not available for each
2288 municipality and unincorporated area, the adjusted sub-county population
2289 estimate provided by the Utah Population Committee in accordance with
2290 Section 63C-20-104.
- 2291 (ii) If a needed population estimate is not available from the United States Census
2292 Bureau, population figures shall be derived from an estimate from the Utah
2293 Population Estimates Committee created by executive order of the governor.
- 2294 (c)(i) Beginning on January 1, 2024, if the [~~Housing and Community Development~~
2295 ~~Division within the Department of Workforce Services]~~ Division of Housing
2296 within the Governor's Office of Economic Opportunity determines that a city or
2297 town is ineligible for funds in accordance with Subsection 10-21-202(6),
2298 beginning the first day of the calendar quarter after receiving 90 days' notice, the
2299 commission shall distribute the distribution that city or town would have received
2300 under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does
2301 not apply.
- 2302 (ii) Beginning on January 1, 2024, if the [~~Housing and Community Development~~
2303 ~~Division within the Department of Workforce Services]~~ Division of Housing
2304 within the Governor's Office of Economic Opportunity determines that a county
2305 is ineligible for funds in accordance with Subsection 17-80-202(6), beginning the
2306 first day of the calendar quarter after receiving 90 days' notice, the commission
2307 shall distribute the distribution that county would have received under Subsection
2308 (8)(a) to counties to which Subsection 17-80-202(6) does not apply.

- 2309 (9) If a public transit service is organized after the date a county legislative body first
2310 imposes a tax under this section, a change in a distribution required by this section may
2311 not take effect until the first distribution the commission makes under this section after a
2312 90-day period that begins on the date the commission receives written notice from the
2313 public transit provider that the public transit service has been organized.
- 2314 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
2315 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
2316 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
2317 Section 59-12-2212.2.
- 2318 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
2319 the sales and use tax authorized in this section, the county may also use funds
2320 distributed in accordance with Subsection (4)(c) for public safety purposes.
- 2321 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city
2322 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
2323 use of revenue from a sales and use tax under this section includes the revitalization
2324 of a convention center owned by the county within a city of the first class and
2325 surrounding revitalization projects related to the convention center.
- 2326 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
2327 as described in this section may be used for capital expenses and service delivery
2328 expenses of:
- 2329 (i) a public transit district;
- 2330 (ii) an eligible political subdivision; or
- 2331 (iii) another entity providing a service for public transit or a transit facility within the
2332 relevant county, as those terms are defined in Section 17B-2a-802.
- 2333 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
2334 section, beginning on the date on which the county imposes the sales and use
2335 tax under this section, and for a three-year period after at least three counties
2336 described in Subsections (4) and (5) have imposed a tax under this section, or
2337 until June 30, 2030, whichever comes first, revenue designated for public
2338 transit within a county of the first class as described in Subsection (4)(a) shall
2339 be transferred to the County of the First Class Highway Projects Fund created
2340 in Section 72-2-121.
- 2341 (B) Revenue deposited into the County of the First Class Highway Projects Fund
2342 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be

2343 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
2344 4, Public Transit Innovation Grants.

2345 (ii) If a county of the first class imposes a sales and use tax described in this section,
2346 beginning on the day three years after the date on which at least three counties
2347 described in Subsections (4) and (5) have imposed a tax under this section, or
2348 beginning on July 1, 2030, whichever comes first, for revenue designated for
2349 public transit as described in Subsection (4)(a):

2350 (A) 50% of the revenue from a sales and use tax imposed under this section in a
2351 county of the first class shall be transferred to the County of the First Class
2352 Highway Projects Fund created in Section 72-2-121; and

2353 (B) 50% of the revenue from a sales and use tax imposed under this section in a
2354 county of the first class shall be transferred to the Transit Transportation
2355 Investment Fund created in Subsection 72-2-124(9).

2356 (c)(i) If a county that is not a county of the first class for which the entire boundary of
2357 the county is annexed into a large public transit district imposes a sales and use
2358 tax described in this section, beginning on the date on which the county imposes
2359 the sales and use tax under this section, and for a three-year period following the
2360 date on which at least three counties described in Subsections (4) and (5) have
2361 imposed a tax under this section, or until June 30, 2030, whichever comes first,
2362 revenue designated for public transit as described in Subsection (5)(a) shall be
2363 transferred to the relevant county legislative body to be used for a purpose
2364 described in Subsection (11)(a).

2365 (ii) If a county that is not a county of the first class for which the entire boundary of
2366 the county is annexed into a large public transit district imposes a sales and use
2367 tax described in this section, beginning on the day three years after the date on
2368 which at least three counties described in Subsections (4) and (5) have imposed a
2369 tax under this section, or beginning on July 1, 2030, whichever comes first, for the
2370 revenue that is designated for public transit in Subsection (5)(a):

2371 (A) 50% shall be transferred to the Transit Transportation Investment Fund
2372 created in Subsection 72-2-124(9); and

2373 (B) 50% shall be transferred to the relevant county legislative body to be used for
2374 a purpose described in Subsection (11)(a).

2375 (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales
2376 and use tax under this section, for revenue designated for public transit as described

- 2377 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county
 2378 legislative body to be used for a purpose described in Subsection (11)(a).
- 2379 (12) A large public transit district shall send notice to the commission at least 90 days
 2380 before the earlier of:
- 2381 (a) the date that is three years after the date on which at least three counties described in
 2382 Subsections (4) and (5) have imposed a tax under this section; or
 2383 (b) June 30, 2030.
- 2384 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization
 2385 project described in Subsection (10)(c), the city shall transfer at least 50%, and may
 2386 transfer up to 100%, of any revenue the city receives from a distribution under
 2387 Subsection (4)(b) to a convention center public infrastructure district created in
 2388 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by
 2389 the county within a city of the first class and surrounding revitalization projects related
 2390 to the convention center as permitted in Subsection (10)(c).
- 2391 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
 2392 required to, submit an opinion question to the county's registered voters in
 2393 accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- 2394 (b) If a county passes an ordinance to impose a sales and use tax as described in this
 2395 section, the sales and use tax shall take effect on the first day of the calendar quarter
 2396 after a 90-day period that begins on the date the commission receives written notice
 2397 from the county of the passage of the ordinance.
- 2398 (c) A county that imposed the local option sales and use tax described in this section
 2399 before January 1, 2023, may maintain that county's distribution allocation in place as
 2400 of January 1, 2023.
- 2401 (15)(a) Revenue collected from a sales and use tax under this section may not be used to
 2402 supplant existing General Fund appropriations that a county, city, or town budgeted
 2403 for transportation or public transit as of the date the tax becomes effective for a
 2404 county, city, or town.
- 2405 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation
 2406 or public transit capital or reserve account a county, city, or town established before
 2407 the date the tax becomes effective.
- 2408 Section 23. Section **63B-1b-202** is amended to read:
- 2409 **63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.**
- 2410 (1)(a) There is created within the Division of Finance an officer responsible for the care,

- 2411 custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
 2412 documents, and other evidences of indebtedness:
- 2413 (i) owned or administered by the state or [~~any of its agencies~~] an agency of the state;
 2414 and
- 2415 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 2416 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not
 2417 responsible for the care, custody, safekeeping, collection, and accounting of a bond,
 2418 note, contract, trust document, or other evidence of indebtedness relating to the:
- 2419 (i) Agriculture Resource Development Fund, created in Section 4-18-106;
 2420 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
 2421 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
 2422 (iv) Olene Walker Housing Loan Fund, created in Section [~~35A-8-502~~] 63N-22-302;
 2423 (v) Brownfields Fund, created in Section 19-8-120; and
 2424 (vi) Rural Opportunity Fund, created in Section 63N-4-805.
- 2425 (2)(a) Each authorizing agency shall deliver to [~~this~~] the officer for the officer's care,
 2426 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust
 2427 documents, and other evidences of indebtedness:
- 2428 (i) owned or administered by the state or [~~any of its agencies~~] an agency of the state;
 2429 and
- 2430 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- 2431 (b) [~~This~~] The officer shall:
- 2432 (i) establish systems, programs, and facilities for the care, custody, safekeeping,
 2433 collection, and accounting for the bonds, notes, contracts, trust documents, and
 2434 other evidences of indebtedness submitted to the officer under this Subsection (2);
 2435 and
- 2436 (ii) [~~shall~~]make available updated reports to each authorizing agency as to the status
 2437 of loans under [~~their~~] each authorizing agency's authority.
- 2438 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in
 2439 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the
 2440 officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and
 2441 other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).
 2442 Section 24. Section **63H-8-201** is amended to read:
 2443 **63H-8-201 (Effective 07/01/26). Creation -- Trustees -- Terms -- Vacancies --**
 2444 **Chair -- Powers -- Quorum -- Per diem and expenses -- Annual conflict of interest**

2445 **disclosure statement -- Penalties.**

- 2446 (1)(a) There is created an independent body politic and corporate, constituting a public
 2447 corporation, known as the "Utah Housing Corporation."
 2448 (b) The corporation may also be known and do business as the:
 2449 (i) Utah Housing Finance Association; and
 2450 (ii) Utah Housing Finance Agency in connection with a contract entered into when
 2451 that was the corporation's legal name.
 2452 (c) No other entity may use the names described in Subsections (1)(a) and (b) without
 2453 the express approval of the corporation.
- 2454 (2) The corporation is governed by a board of trustees composed of the following nine
 2455 trustees:
 2456 (a) the ~~[executive] deputy~~ director of the ~~[Department of Workforce Services or the~~
 2457 ~~executive director's designee]~~ Division of Housing within the Governor's Office of
 2458 Economic Opportunity;
 2459 (b) the commissioner of the Department of Financial Institutions or the commissioner's
 2460 designee;
 2461 (c) the state treasurer or the treasurer's designee; and
 2462 ~~[(d) six public trustees, who are private citizens of the state, as follows:]~~
 2463 ~~[(i) two people who represent the mortgage-lending industry;]~~
 2464 ~~[(ii) two people who represent the home building and real estate industry; and]~~
 2465 ~~[(iii) two people who represent the public at large.]~~
 2466 (d) six public trustees, all of whom are private citizens of the state, appointed by the
 2467 governor, and who shall have expertise in the following industries or related fields of:
 2468 (i) housing;
 2469 (ii) finance;
 2470 (iii) banking; or
 2471 (iv) real estate development.
- 2472 (3) The governor shall:
 2473 (a) appoint the six public trustees of the corporation with the advice and consent of the
 2474 Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and
 2475 (b) ensure that among the six public trustees, no more than two ~~[are from the same~~
 2476 ~~county and all are residents of the state]~~ are from the same industry described in
 2477 Subsections (2)(d)(i) through (iv).
- 2478 (4)(a) Except as required by Subsection (4)(b), the governor shall appoint the six public

- 2479 trustees to terms of office of four years each.
- 2480 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
2481 time of appointment or reappointment, adjust the length of terms to ensure that the
2482 terms of corporation trustees are staggered so that approximately half of the board is
2483 appointed every two years.
- 2484 (5)(a) A public trustee of the corporation may be removed from office for cause either
2485 by the governor or by an affirmative vote of six trustees of the corporation.
- 2486 (b) When a vacancy occurs in the board of trustees for any reason, the replacement shall
2487 be appointed for the unexpired term.
- 2488 (c) A public trustee shall hold office for the term of appointment and until the trustee's
2489 successor has been appointed and qualified.
- 2490 (d) A public trustee is eligible for reappointment but may not serve more than two full
2491 consecutive terms.
- 2492 (6)(a) The governor shall select the chair of the corporation.
- 2493 (b) The trustees shall elect from among [~~their number~~] the trustees a vice chair and other
2494 officers [~~they~~] the trustees may determine.
- 2495 (7)(a) Five trustees of the corporation constitute a quorum for transaction of business.
- 2496 (b) An affirmative vote of at least five trustees is necessary for any action to be taken by
2497 the corporation.
- 2498 (c) A vacancy in the board of trustees does not [~~impair the right of a quorum to exercise~~
2499 ~~all rights and perform all~~] prevent a quorum from exercising the rights and performing
2500 the duties of the corporation.
- 2501 (8) A trustee may not receive compensation or benefits for the trustee's service, but may
2502 receive per diem and travel expenses in accordance with:
- 2503 (a) Section 63A-3-106;
- 2504 (b) Section 63A-3-107; and
- 2505 (c) rules made by the Division of Finance [~~according to~~] in accordance with Sections
2506 63A-3-106 and 63A-3-107.
- 2507 (9) A trustee shall, no sooner than January 1 and no later than January 31 of each year
2508 during which the trustee holds office on the board of trustees:
- 2509 (a) prepare a written conflict of interest disclosure statement that contains a response to
2510 each item of information described in Subsection 20A-11-1604(6); and
- 2511 (b) submit the written disclosure statement to the administrator or clerk of the board of
2512 trustees.

- 2513 (10)(a) No later than 10 business days after the date on which the trustee submits the
2514 written disclosure statement described in Subsection (9) to the administrator or clerk
2515 of the board of trustees, the administrator or clerk shall:
- 2516 (i) post a copy of the written disclosure statement on the corporation's website; and
 - 2517 (ii) provide the lieutenant governor with a link to the electronic posting described in
2518 Subsection (10)(a)(i).
- 2519 (b) The administrator or clerk shall ensure that the trustee's written disclosure statement
2520 remains posted on the corporation's website until the trustee leaves office.
- 2521 (11) The administrator or clerk of the board of trustees shall take the action described in
2522 Subsection (12) if:
- 2523 (a) a trustee fails to timely file the written disclosure statement described in Subsection
2524 (9); or
 - 2525 (b) a submitted written disclosure statement does not comply with the requirements of
2526 Subsection 20A-11-1604(6).
- 2527 (12) If a circumstance described in Subsection (11) occurs, the administrator or clerk of the
2528 board of trustees shall, within five days after the day on which the administrator or clerk
2529 determines that a violation occurred, notify the trustee of the violation and direct the
2530 trustee to submit an amended written disclosure statement correcting the problem.
- 2531 (13)(a) It is unlawful for a trustee to fail to submit or amend a written disclosure
2532 statement within seven days after the day on which the trustee receives the notice
2533 described in Subsection (12).
- 2534 (b) A trustee who violates Subsection (13)(a) is guilty of a class B misdemeanor.
 - 2535 (c) The administrator or clerk of the board of trustees shall report a violation of
2536 Subsection (13)(a) to the attorney general.
 - 2537 (d) In addition to the criminal penalty described in Subsection (13)(b), the administrator
2538 or clerk of the board of trustees shall impose a civil fine of \$100 against a member
2539 who violates Subsection (13)(a).
- 2540 (14) The administrator or clerk of the board shall deposit a fine collected under this section
2541 into the corporation's account to pay for the costs of administering this section.
- 2542 (15) In addition to the written disclosure statement described in Subsection (9), a trustee
2543 described in Subsection (2)(d) shall also comply with the conflict of interest provisions
2544 described in Section 63G-24-301.
- 2545 Section 25. Section **63H-8-203** is amended to read:
2546 **63H-8-203 (Effective 07/01/26). President and chief executive officer --**

2547 **Secretary-treasurer -- Powers and duties -- Power to employ experts -- Power to employ**
2548 **independent legal counsel.**

2549 (1)(a)(i) The trustees shall appoint a president who is the chief executive officer of
2550 the corporation.

2551 (ii) The president:

2552 (A) may not be a trustee of the corporation;

2553 (B) serves at the pleasure of the trustees; and

2554 (C) shall receive compensation as set by the trustees.

2555 (b) The president, who shall also be the secretary-treasurer, shall:

2556 (i) establish bank accounts and other monetary investments in the name of the
2557 corporation; and

2558 (ii) administer, manage, and direct the affairs and activities of the corporation in
2559 accordance with the policies, control, and direction of the trustees.

2560 (c) The president shall approve all accounts for salaries, allowable expenses of the
2561 corporation, or of any corporation employee or consultant, and expenses incidental to
2562 the operation of the corporation.

2563 (d) The president shall perform any other duties as may be directed by the trustees in
2564 carrying out this chapter.

2565 (2)(a) The president shall:

2566 (i) attend the meetings of the corporation;

2567 (ii) keep a record of the proceedings of the corporation; and

2568 (iii) maintain and be custodian of:

2569 (A) books, documents, and papers filed with the corporation;

2570 (B) the minute book or journal of the corporation; and

2571 (C) the corporation's official seal.

2572 (b) The president may cause copies to be made of minutes and other records and
2573 documents of the corporation and may give certificates under seal of the corporation
2574 to the effect that those copies are true copies, and a person dealing with the
2575 corporation may rely upon those certificates.

2576 (3)(a) The corporation may employ or engage technical experts, independent
2577 professionals and consultants, and other officers, agents, or employees, permanent or
2578 temporary, as it considers necessary to carry out the efficient operation of the
2579 corporation, and shall determine their qualifications, duties, and compensation.

2580 (b) The trustees may delegate to one or more of the corporation's agents, representatives,

2581 or employees administrative duties that the trustees consider proper.

2582 (4) The corporation may employ and retain independent legal counsel.

2583 (5) The corporation shall coordinate with the Division of Housing within the Governor's
 2584 Office of Economic Opportunity to assist the corporation in meeting the corporation's
 2585 purposes described in this chapter.

2586 Section 26. Section **63L-11-402** is amended to read:

2587 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27). Membership -- Terms --**
 2588 **Chair -- Expenses.**

2589 (1) The Resource Development Coordinating Committee consists of the following 26
 2590 members:

2591 (a) the state science advisor;

2592 (b) a representative from the Department of Agriculture and Food appointed by the
 2593 commissioner of the Department of Agriculture and Food;

2594 (c) a representative from the Department of Cultural and Community Engagement
 2595 appointed by the executive director of the Department of Cultural and Community
 2596 Engagement;

2597 (d) a representative from the Department of Environmental Quality appointed by the
 2598 executive director of the Department of Environmental Quality;

2599 (e) a representative from the Department of Natural Resources appointed by the
 2600 executive director of the Department of Natural Resources;

2601 (f) a representative from the Department of Transportation appointed by the executive
 2602 director of the Department of Transportation;

2603 (g) a representative from the Governor's Office of Economic Opportunity appointed by
 2604 the director of the Governor's Office of Economic Opportunity;

2605 (h) a representative from the [~~Housing and~~]Community Development Division
 2606 appointed by the director of the [~~Housing and~~]Community Development Division;

2607 (i) a representative from the Utah Historical Society appointed by the director of the
 2608 Utah Historical Society;

2609 (j) a representative from the Division of Air Quality appointed by the director of the
 2610 Division of Air Quality;

2611 (k) a representative from the Division of Drinking Water appointed by the director of the
 2612 Division of Drinking Water;

2613 (l) a representative from the Division of Environmental Response and Remediation
 2614 appointed by the director of the Division of Environmental Response and

- 2615 Remediation;
- 2616 (m) a representative from the Division of Waste Management and Radiation Control
- 2617 appointed by the director of the Division of Waste Management and Radiation
- 2618 Control;
- 2619 (n) a representative from the Division of Water Quality appointed by the director of the
- 2620 Division of Water Quality;
- 2621 (o) a representative from the Division of Oil, Gas, and Mining appointed by the director
- 2622 of the Division of Oil, Gas, and Mining;
- 2623 (p) a representative from the Division of Parks appointed by the director of the Division
- 2624 of Parks;
- 2625 (q) a representative from the Division of Outdoor Recreation appointed by the director
- 2626 of the Division of Outdoor Recreation;
- 2627 (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the
- 2628 director of the Division of Forestry, Fire, and State Lands;
- 2629 (s) a representative from the Utah Geological Survey appointed by the director of the
- 2630 Utah Geological Survey;
- 2631 (t) a representative from the Division of Water Resources appointed by the director of
- 2632 the Division of Water Resources;
- 2633 (u) a representative from the Division of Water Rights appointed by the director of the
- 2634 Division of Water Rights;
- 2635 (v) a representative from the Division of Wildlife Resources appointed by the director of
- 2636 the Division of Wildlife Resources;
- 2637 (w) a representative from the School and Institutional Trust Lands Administration
- 2638 appointed by the director of the School and Institutional Trust Lands Administration;
- 2639 (x) a representative from the Division of Facilities Construction and Management
- 2640 appointed by the director of the Division of Facilities Construction and Management;
- 2641 (y) a representative from the Division of Emergency Management appointed by the
- 2642 director of the Division of Emergency Management; and
- 2643 (z) a representative from the Division of Conservation, created under Section 4-46-401,
- 2644 appointed by the director of the Division of Conservation.
- 2645 (2)(a) As particular issues require, the coordinating committee may, by majority vote of
- 2646 the members present, appoint additional temporary members to serve as ex officio
- 2647 voting members.
- 2648 (b) Those ex officio members may discuss and vote on the issue or issues for which they

2649 were appointed.

2650 (3) A chair shall be selected by a vote of 14 committee members with the concurrence of
2651 the advisor.

2652 (4) A member may not receive compensation or benefits for the member's service, but may
2653 receive per diem and travel expenses in accordance with:

2654 (a) Sections 63A-3-106 and 63A-3-107; and

2655 (b) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections
2656 63A-3-106 and 63A-3-107.

2657 Section 27. Section **63L-12-102** is amended to read:

2658 **63L-12-102 (Effective 07/01/26). Grant or lease of real property for moderate**
2659 **income housing.**

2660 (1) Subject to the requirements of this section, a governmental entity may:

2661 (a) grant or lease real property owned by the governmental entity to an entity for the
2662 development of moderate income housing on the real property[-] ; or

2663 (b) lease real property owned by the governmental entity to a retail facility that is part of
2664 a development that includes moderate income housing.

2665 (2)(a) A governmental entity shall ensure that real property granted or leased under
2666 Subsection (1) [~~is~~] for residential housing use:

2667 (i) is deed restricted for moderate income housing for at least 30 years after the day
2668 on which each moderate income housing unit is completed and occupied[-] ; and

2669 (ii) reserves at least 10% of the residential units for moderate income housing units.

2670 (b) For property that is leased to an entity described in Subsection (1)(a), the entity shall
2671 ensure that all moderate income housing units are rental units.

2672 (c) For a retail facility described in Subsection (1)(b), a governmental entity shall ensure
2673 that the lease agreement complies with the requirements of this section.

2674 (3) If applicable, a governmental entity granting real property under this section shall
2675 comply with:

2676 (a) the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain;

2677 (b) Subsection 10-8-2(4), if a municipality is granting real property under this section;

2678 (c) Subsection 17-78-103(4), if a county is granting real property under this section; and

2679 (d) except as provided in Subsection (4), any other applicable provisions of law that
2680 govern the granting of real property by the governmental entity.

2681 (4) A municipality granting real property under this section is not subject to the provisions
2682 of Subsection 10-8-2(3).

2683 (5) An entity that receives lease income described in Subsection (1) shall deposit the
 2684 money, after expenses, into the appropriate fund as determined by the appropriate officer
 2685 of the receiving entity.

2686 Section 28. Section **63N-22-101** is enacted to read:

2687 **CHAPTER 22. Division of Housing**

2688 **Part 1. General Provisions**

2689 **63N-22-101 (Effective 07/01/26). Definitions.**

2690 As used in this chapter:

- 2691 (1) "Accessible housing" means housing which has been constructed or modified to be
 2692 accessible, as described in the State Construction Code or an approved code under Title
 2693 15A, State Construction and Fire Codes Act.
- 2694 (2) "Deputy director" means the deputy director of the Division of Housing.
- 2695 (3) "Division" means the Division of Housing.
- 2696 (4) "Low-income individual" means an individual whose household income is less than
 2697 80% of the area median income.
- 2698 (5) "Moderate income housing" means housing occupied or reserved for occupancy by
 2699 households with a gross household income equal to or less than 80% of the median gross
 2700 income for households of the same size in the county in which the housing is located.
- 2701 (6) "Moderate income housing unit" means a housing unit that qualifies as moderate
 2702 income housing.

2703 Section 29. Section **63N-22-102** is enacted to read:

2704 **63N-22-102 (Effective 07/01/26). Division of Housing -- Creation --**

2705 **Responsibilities.**

- 2706 (1) There is created the Division of Housing within the Governor's Office of Economic
 2707 Opportunity.
- 2708 (2) The division shall be under the authority of the deputy director.
- 2709 (3) The division shall:
- 2710 (a) create the state housing plan, as described in Section 63N-22-104;
- 2711 (b) assist housing authorities in carrying out the housing authority's responsibilities
 2712 under Title 35A, Chapter 8, Part 4, Housing Authorities;
- 2713 (c) assist, when requested by a county or municipality, in the development of accessible
 2714 housing;
- 2715 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative

2716 Rulemaking Act, regarding the form and content of a moderate income housing
 2717 report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply
 2718 and Title 17, Chapter 80, Counties and Housing Supply, to:

2719 (i) ensure consistency across reporting political subdivisions; and

2720 (ii) promote better potential analysis of report data;

2721 (e) analyze the housing data received by political subdivisions; and

2722 (f) no later than November 1 of each year, provide a report with the analyses of the
 2723 housing data the division collects to the Economic Development and Workforce
 2724 Services Interim Committee and the Political Subdivisions Interim Committee.

2725 Section 30. Section **63N-22-103** is enacted to read:

2726 **63N-22-103 (Effective 07/01/26). Division of Housing deputy director**

2727 **appointment, functions, and duties.**

2728 (1)(a) The governor, with the advice and consent of the Senate, shall appoint a deputy
 2729 director of the Division of Housing to perform the functions and duties described in
 2730 this section.

2731 (b) The deputy director serves at the pleasure of and under the direction of the governor.

2732 (c) The salary of the deputy director shall be established by the governor within the
 2733 salary range fixed by the Legislature in Title 67, Chapter 22, State Officer
 2734 Compensation.

2735 (2) The deputy director shall:

2736 (a) act as the governor's adviser on state housing matters;

2737 (b) counsel with the authorized representatives of the Department of Transportation, the
 2738 Division of Facilities Construction and Management, the Department of Health and
 2739 Human Services, the Department of Workforce Services, the Labor Commission, the
 2740 Department of Natural Resources, the School and Institutional Trust Lands
 2741 Administration, the Utah Housing Corporation, and other proper persons concerning
 2742 state housing matters;

2743 (c) when designated to do so by the governor, receive funds made available to the state
 2744 by the federal government;

2745 (d) provide information and cooperate with the Legislature or legislative committees in
 2746 conducting housing studies;

2747 (e) cooperate and exchange information with federal agencies and local, metropolitan, or
 2748 regional agencies as necessary to assist with federal, state, regional, metropolitan, and
 2749 local housing programs;

- 2750 (f) make recommendations to the governor that the deputy director considers advisable
 2751 for the proper development and coordination of housing for the state; and
 2752 (g) assist in the interpretation of housing projections and analyses with respect to future
 2753 growth needs.
- 2754 (3) The deputy director may:
- 2755 (a) assist city, county, metropolitan, and regional planning agencies in performing local,
 2756 metropolitan, and regional planning, subject to Subsection (4); and
- 2757 (b) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
 2758 (i) encourage maximum public understanding of and agreement with the factual data
 2759 and assumptions upon which housing projections and analyses are based; and
 2760 (ii) receive suggestions as to the types of housing projections and analyses that are
 2761 needed.
- 2762 (4) In performing the duties described in Subsection (3), to the extent possible, the deputy
 2763 director or the deputy director's designee shall recognize and promote the plans, policies,
 2764 programs, processes, and desired outcomes of the city, county, metropolitan, or regional
 2765 planning agency that the deputy director or the deputy director's designee is assisting.
- 2766 (5) In assisting in the preparation of housing plans, policies, programs, or processes related
 2767 to the management or use of federal lands or natural resources on federal lands in the
 2768 state, the deputy director shall coordinate with the Public Lands Policy Coordinating
 2769 Office created in Section 63L-11-201.

2770 Section 31. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered
 2771 and amended to read:

2772 **[63J-4-402] 63N-22-104 (Effective 07/01/26). State housing plan.**

- 2773 (1) The [office] division shall develop a state housing plan by December 31, 2025.
- 2774 (2)(a) The [office] division shall partner with the Legislature, municipal and county
 2775 governments, the home building industry and related stakeholders, and the general
 2776 public in the development of the state housing plan described in Subsection (1).
- 2777 (b) In developing the state housing plan, the [office] division may develop regional
 2778 housing plans within the state housing plan.
- 2779 (3) The state housing plan shall:
- 2780 (a) prioritize collaboration over preemption and collaboration across private and public
 2781 sectors;
- 2782 (b) promote a holistic and regional approach to housing;
- 2783 (c) enable connected communities and center-based development;

- 2784 (d) acknowledge cross-issue policy alignment;
- 2785 (e) maintain a long-range vision;
- 2786 (f) promote opportunity and inclusivity;
- 2787 (g) recognize complex market forces; and
- 2788 (h) consider rural and urban contexts.
- 2789 (4) The state housing plan shall include data and metrics:
- 2790 (a) about actual and potential housing production;
- 2791 (b) about actual and potential infrastructure capacity, maintenance, and development; and
- 2792 (c) allowing the [office] division to measure success of the state housing plan over time.
- 2793 (5) In gathering data and developing metrics, the [office may] division shall analyze
- 2794 moderate income housing reports received by the [~~Division of Housing and Community~~
- 2795 ~~Development~~] division and:
- 2796 (a) determine which, if any, of the moderate income housing strategies described in
- 2797 Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of
- 2798 moderate income housing, either built or entitled to be built, in the political
- 2799 subdivision that implements the moderate income housing strategy; and
- 2800 (b) draw conclusions regarding any data trends identified by the [office] division as
- 2801 meaningful or significant.
- 2802 (6) By no later than October 1 of each year, the [office] division shall provide a written
- 2803 report on the development and implementation of the state housing plan to the Economic
- 2804 Development and Workforce Services Interim Committee and the Political Subdivisions
- 2805 Interim Committee.

2806 Section 32. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered

2807 and amended to read:

2808 **Part 2. Housing Coordination and Planning**

2809 **~~[35A-8-803]~~ 63N-22-201 (Effective 07/01/26). Division -- Functions.**

- 2810 (1) In addition to any other functions the governor or Legislature may assign:
- 2811 (a) the division shall:
- 2812 (i) provide a clearinghouse of information for federal, state, and local housing
- 2813 assistance programs;
- 2814 (ii) establish, in cooperation with political subdivisions, model plans and
- 2815 management methods to encourage or provide for the development of affordable
- 2816 housing that may be adopted by political subdivisions by reference;
- 2817 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of

- 2818 problems relating to housing needs, such as:
- 2819 (A) inadequate supply of dwellings;
- 2820 (B) substandard dwellings; and
- 2821 (C) inability of medium and low income families to obtain adequate housing;
- 2822 (iv) provide the information obtained under Subsection (1)(a)(iii) to:
- 2823 (A) political subdivisions;
- 2824 (B) real estate developers;
- 2825 (C) builders;
- 2826 (D) lending institutions;
- 2827 (E) affordable housing advocates; and
- 2828 (F) others having use for the information;
- 2829 (v) advise political subdivisions of serious housing problems existing within ~~[their]~~
- 2830 the political subdivision's jurisdiction that require concerted public action for
- 2831 solution;
- 2832 (vi) assist political subdivisions in defining housing objectives and in preparing for
- 2833 adoption a plan of action covering a five-year period designed to accomplish
- 2834 housing objectives within ~~[their]~~ the political subdivision's jurisdiction;
- 2835 (vii) for municipalities or counties required to submit an annual moderate income
- 2836 housing report to the ~~[department]~~ division as described in Section 10-21-202 or
- 2837 17-80-202:
- 2838 (A) assist in the creation of the reports; and
- 2839 (B) review the reports to meet the requirements of Sections 10-21-202 and
- 2840 17-80-202;
- 2841 (viii) establish and maintain a database of moderate income housing units located
- 2842 within the state; and
- 2843 (ix) ~~[on or before December 1, 2022, develop and submit to the Commission on~~
- 2844 ~~Housing Affordability a methodology for determining whether a municipality or~~
- 2845 ~~county is taking sufficient measures to protect and promote moderate income~~
- 2846 ~~housing in accordance with the provisions of Sections 10-21-201 and 17-80-201;~~
- 2847 ~~and]~~ coordinate with Utah Housing Corporation to assist the division in the
- 2848 administration of housing programs within the state; and
- 2849 (b) subject to Subsection (2), and within legislative appropriations, the division, in
- 2850 cooperation with the Department of Workforce Services and the Utah Housing
- 2851 Corporation, may accept for and on behalf of, and bind the state to, any federal

2852 housing or homeless program in which the state is invited, permitted, or authorized to
 2853 participate in the distribution, disbursement, or administration of any funds or service
 2854 advanced, offered, or contributed in whole or in part by the federal government.

2855 (2) The administration of any federal housing program in which the state is invited,
 2856 permitted, or authorized to participate in distribution, disbursement, or administration of
 2857 funds or services, except those administered by the Utah Housing Corporation, is
 2858 governed by Sections ~~[35A-8-501]~~ 63N-22-301 through ~~[35A-8-508]~~ 63N-22-309.

2859 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 2860 ~~department~~] division shall make rules describing the review process for moderate income
 2861 housing reports described in Subsection (1)(a)(vii).

2862 Section 33. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered
 2863 and amended to read:

2864 **~~[35A-8-804]~~ 63N-22-202 (Effective 07/01/26). Moderate income housing plan**
 2865 **coordination.**

2866 (1) Within appropriations from the Legislature, the division shall establish a program to
 2867 assist municipalities to comply with the moderate income housing requirements
 2868 described in Section 10-21-201 and counties to comply with the moderate income
 2869 housing requirements described in Section 17-80-201.

2870 (2) Assistance under this section may include:

2871 (a) financial assistance for the cost of developing a plan for low and moderate income
 2872 housing;

2873 (b) information on how to meet present and prospective needs for low and moderate
 2874 income housing; and

2875 (c) technical advice and consultation on how to facilitate the creation of low and
 2876 moderate income housing.

2877 (3) The division shall submit an annual report to the [~~department~~] office regarding the
 2878 scope, amount, and type of assistance provided to municipalities and counties under this
 2879 section, including the number of low and moderate income housing units constructed or
 2880 rehabilitated within the state, for inclusion in the [~~department's~~] office's annual written
 2881 report described in Section ~~[35A-1-109]~~ 63N-1a-306.

2882 Section 34. Section **63N-22-203**, which is renumbered from Section 35A-8-805 is renumbered
 2883 and amended to read:

2884 **~~[35A-8-805]~~ 63N-22-203 (Effective 07/01/26). Olene Walker Housing Loan Fund**
 2885 **-- Creation --Administration.**

- 2886 (1) As used in this section:
- 2887 (a) "Affordable housing" means, as determined by the [~~department~~] division, the number
- 2888 of housing units within a county or municipality where a household whose income is
- 2889 at or below 50% of area median income is able to live in a unit without spending
- 2890 more than 30% of [~~their~~] the household's income on housing costs.
- 2891 (b) "County" means the unincorporated area of a county.
- 2892 (c) "Low-income housing" means, as determined by the [~~department~~] division, the
- 2893 number of Section 42, Internal Revenue Code, housing units within a county or
- 2894 municipality.
- 2895 (d) "Municipality" means a city or town.
- 2896 (2)(a) On or before October 1 of each year, the division shall provide a report to the [
- 2897 ~~department~~] office for inclusion in the [~~department's~~] office's annual report described
- 2898 in Section [~~35A-1-109~~] 63N-1a-306.
- 2899 (b) The report shall include:
- 2900 (i) an estimate of how many affordable housing units and how many low-income
- 2901 housing units are available in each county and municipality in the state;
- 2902 (ii) a determination of the percentage of affordable housing available in each county
- 2903 and municipality in the state as compared to the statewide average;
- 2904 (iii) a determination of the percentage of low-income housing available in each
- 2905 county and municipality in the state as compared to the statewide average; and
- 2906 (iv) a description of how information in the report was calculated.
- 2907 Section 35. Section **63N-22-301**, which is renumbered from Section 35A-8-501 is renumbered
- 2908 and amended to read:

2909 **Part 3. Housing Supply and Service Programs**

2910 **~~[35A-8-501]~~ 63N-22-301 (Effective 07/01/26). Definitions.**

2911 As used in this part:

- 2912 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
- 2913 whose incomes are at or below certain income requirements at rental rates affordable to
- 2914 such households.
- 2915 (2) "Board" means the Housing Board created by this part.
- 2916 (3) "Fund" means the Olene Walker Housing Loan Fund created by this part.
- 2917 (4)(a) "Housing sponsor" means a person who constructs, develops, rehabilitates,
- 2918 purchases, or owns a housing development that is or will be subject to legally
- 2919 enforceable restrictive covenants that require the housing development to provide, at

2920 least in part, affordable housing.

2921 (b) "Housing sponsor" may include:

2922 (i) a local public body;

2923 (ii) a nonprofit, limited profit, or for profit corporation;

2924 (iii) a limited partnership;

2925 (iv) a limited liability company;

2926 (v) a joint venture;

2927 (vi) a subsidiary of the Utah Housing Corporation;

2928 (vii) a cooperative;

2929 (viii) a mutual housing organization;

2930 (ix) a local government;

2931 (x) a local housing authority;

2932 (xi) a regional or statewide nonprofit housing or assistance organization; or

2933 (xii) any other entity that helps provide affordable housing.

2934 (5) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

2935 Section 36. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered
2936 and amended to read:

2937 **[35A-8-502] 63N-22-302 (Effective 07/01/26). Creation and administration.**

2938 (1)(a) There is created an enterprise fund known as the Olene Walker Housing Loan
2939 Fund, administered by the [executive] deputy director or the [executive] deputy
2940 director's designee.

2941 (b) The [department] division is the administrator of the fund.

2942 (2) There shall be deposited into the fund:

2943 (a) grants, paybacks, bonuses, entitlements, and other money received by the [department]
2944 division from the federal government to preserve, rehabilitate, build, restore, or
2945 renew housing or for other activities authorized by the fund;

2946 (b) transfers, grants, gifts, bequests, and money made available from any source to
2947 implement this part; and

2948 (c) money appropriated to the fund by the Legislature.

2949 (3) The money in the fund shall be invested by the state treasurer according to the
2950 procedures and requirements of Title 51, Chapter 7, State Money Management Act,
2951 except that all interest or other earnings derived from money in the fund shall be
2952 deposited in the fund.

2953 Section 37. Section **63N-22-303**, which is renumbered from Section 35A-8-503 is renumbered

2954 and amended to read:

2955 **[35A-8-503] 63N-22-303 (Effective 07/01/26). Housing loan fund board -- Duties**
2956 **-- Expenses.**

2957 (1) There is created the Olene Walker Housing Loan Fund Board.

2958 (2) The board is composed of 14 voting members.

2959 (a) The governor shall appoint the following members to four-year terms:

2960 (i) two members from local governments, of which:

2961 (A) one member shall be a locally elected official who resides in a county of the
2962 first or second class; and

2963 (B) one member shall be a locally elected official who resides in a county of the
2964 third, fourth, fifth, or sixth class;

2965 (ii) two members from the mortgage lending community, of which:

2966 (A) one member shall have expertise in single-family mortgage lending; and

2967 (B) one member shall have expertise in multi-family mortgage lending;

2968 (iii) one member from real estate sales interests;

2969 (iv) two members from home builders interests, of which:

2970 (A) one member shall have expertise in single-family residential construction; and

2971 (B) one member shall have expertise in multi-family residential construction;

2972 (v) one member from rental housing interests;

2973 (vi) two members from housing advocacy interests, of which:

2974 (A) one member who resides within any area in a county of the first or second
2975 class; and

2976 (B) one member who resides within any area in a county of the third, fourth, fifth,
2977 or sixth class;

2978 (vii) one member of the manufactured housing interest;

2979 (viii) one member with expertise in transit-oriented developments;

2980 (ix) one member who represents rural interests; and

2981 (x) one member who represents the interests of modular housing.

2982 (b) The deputy director or the deputy director's designee serves as the secretary of the
2983 board.

2984 (c) The members of the board shall annually elect a chair from among the voting
2985 membership of the board.

2986 (3)(a) Notwithstanding the requirements of Subsection (2), the governor shall, at the
2987 time of appointment or reappointment, adjust the length of terms to ensure that the

2988 terms of board members are staggered so that approximately half of the board is
 2989 appointed every two years.

2990 (b) When a vacancy occurs in the membership for any reason, the replacement is
 2991 appointed for the unexpired term.

2992 (4)(a) The board shall:

2993 (i) meet regularly, at least quarterly to conduct business of the board, on dates fixed
 2994 by the board;

2995 (ii) meet twice per year, with at least one of the meetings in a rural area of the state,
 2996 to provide information to and receive input from the public regarding the state's
 2997 housing policies and needs;

2998 (iii) keep minutes of [its] board meetings; and

2999 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and
 3000 Public Meetings Act.

3001 (b) Seven members of the board constitute a quorum, and the governor, the chair, or a
 3002 majority of the board may call a meeting of the board.

3003 (5) The board shall:

3004 (a) review the housing needs in the state;

3005 (b) determine the relevant operational aspects of any grant, loan, or revenue collection
 3006 program established under the authority of this chapter;

3007 (c) determine the means to implement the policies and goals of this chapter;

3008 (d) select specific projects to receive grant or loan money; and

3009 (e) determine how fund money shall be allocated and distributed.

3010 (6) A member may not receive compensation or benefits for the member's service, but may
 3011 receive per diem and travel expenses in accordance with:

3012 (a) Section 63A-3-106;

3013 (b) Section 63A-3-107; and

3014 (c) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections
 3015 63A-3-106 and 63A-3-107.

3016 Section 38. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered
 3017 and amended to read:

3018 **[35A-8-504] 63N-22-304 (Effective 07/01/26). Distribution of fund money.**

3019 (1) As used in this section:

3020 (a) "Community" means the same as that term is defined in Section 17C-1-102.

3021 (b) "Income targeted housing" means the same as that term is defined in Section

- 3022 17C-1-102.
- 3023 (2) The ~~[executive-]~~ deputy director shall:
- 3024 (a) make grants and loans from the fund for any of the activities authorized by Section [
- 3025 35A-8-505] 63N-22-305, as directed by the board;
- 3026 (b) establish the criteria with the approval of the board by which loans and grants will be
- 3027 made; and
- 3028 (c) determine with the approval of the board the order in which projects will be funded.
- 3029 (3) The ~~[executive-]~~ deputy director shall distribute, as directed by the board, any federal
- 3030 money contained in the fund according to the procedures, conditions, and restrictions
- 3031 placed upon the use of the money by the federal government.
- 3032 (4) The ~~[executive-]~~ deputy director shall distribute, as directed by the board, any funds
- 3033 received under Section 17C-1-412 to pay the costs of providing income targeted housing
- 3034 within the community that created the community reinvestment agency under Title 17C,
- 3035 Limited Purpose Local Government Entities - Community Reinvestment Agency Act.
- 3036 (5) Except for federal money, money received under Section 17C-1-412, and money
- 3037 appropriated for use in accordance with Section [~~35A-8-2105~~] 63N-22-404, the [
- 3038 ~~executive-~~] deputy director shall distribute, as directed by the board, money in the fund
- 3039 according to the following requirements:
- 3040 (a) the ~~[executive-]~~ deputy director shall distribute at least 70% of the money in the fund
- 3041 to benefit persons whose annual income is at or below 50% of the median family
- 3042 income for the state;
- 3043 (b) the ~~[executive-]~~ deputy director may use up to 6% of the revenues of the fund,
- 3044 including any appropriation to the fund, to offset [~~department~~] division or board
- 3045 administrative expenses;
- 3046 (c) the ~~[executive-]~~ deputy director shall distribute any remaining money in the fund to
- 3047 benefit persons whose annual income is at or below 80% of the median family
- 3048 income for the state; and
- 3049 (d) if the ~~[executive-]~~ deputy director or the ~~[executive-]~~ deputy director's designee makes
- 3050 a loan in accordance with this section, the interest rate of the loan shall be based on
- 3051 the borrower's ability to pay.
- 3052 (6) The ~~[executive-]~~ deputy director may, with the approval of the board:
- 3053 (a) enact rules to establish procedures for the grant and loan process by following the
- 3054 procedures and requirements of Title 63G, Chapter 3, Utah Administrative
- 3055 Rulemaking Act; and

3056 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
 3057 servicing of loans made by the fund.

3058 Section 39. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered
 3059 and amended to read:

3060 **[35A-8-505] 63N-22-305 (Effective 07/01/26). Activities authorized to receive**
 3061 **fund money -- Powers of the deputy director.**

3062 At the direction of the board, the [executive-] deputy director may:

3063 (1) provide fund money to any of the following activities:

3064 (a) the acquisition, rehabilitation, or new construction of low-income housing units;

3065 (b) matching funds for social services projects directly related to providing housing for
 3066 special-need renters in assisted projects;

3067 (c) the development and construction of accessible housing designed for low-income
 3068 persons;

3069 (d) the construction or improvement of a shelter or transitional housing facility that
 3070 provides services intended to prevent or minimize homelessness among members of a
 3071 specific homeless subpopulation;

3072 (e) the purchase of an existing facility to provide temporary or transitional housing for
 3073 the homeless in an area that does not require rezoning before providing such
 3074 temporary or transitional housing;

3075 (f) the purchase of land that will be used as the site of low-income housing units;

3076 (g) the preservation of existing affordable housing units for low-income persons;

3077 [~~(h) providing loan guarantees under the two-year pilot program established in Section~~
 3078 ~~35A-8-504.5;~~]

3079 [~~(i) distribute funds to a qualifying applicant under the subordinate shared appreciation~~
 3080 ~~mortgage loan program established in Section 35A-8-504.6;~~]

3081 [~~(j)~~] (h) the award of predevelopment grants in accordance with Section [~~35A-8-507.5]~~
 3082 ~~63N-22-308;~~

3083 [~~(k)~~] (i) the creation or financial support of a mediation program for landlords and
 3084 tenants designed to minimize the loss of housing for low-income persons, which
 3085 program may include:

3086 (i) funding for the hiring or training of mediators;

3087 (ii) connecting landlords and tenants with mediation services; and

3088 (iii) providing a limited amount of gap funding to assist a tenant in making a good
 3089 faith payment towards attorney fees, damages, or other costs associated with

- 3090 eviction proceedings or avoiding eviction proceedings; and
- 3091 [~~(h)~~] (j) other activities that will assist in minimizing homelessness or improving the
- 3092 availability or quality of housing in the state for low-income persons; and
- 3093 (2) do any act necessary or convenient to the exercise of the powers granted by this part or
- 3094 reasonably implied from those granted powers, including:
- 3095 (a) making or executing contracts and other instruments necessary or convenient for the
- 3096 performance of the [~~executive~~] deputy director and board's duties and the exercise of
- 3097 the [~~executive~~] deputy director and board's powers and functions under this part,
- 3098 including contracts or agreements for the servicing and originating of mortgage loans;
- 3099 (b) procuring insurance against a loss in connection with property or other assets held by
- 3100 the fund, including mortgage loans, in amounts and from insurers it considers
- 3101 desirable;
- 3102 (c) entering into agreements with a department, agency, or instrumentality of the United
- 3103 States or this state and with mortgagors and mortgage lenders for the purpose of
- 3104 planning and regulating and providing for the financing and refinancing, purchase,
- 3105 construction, reconstruction, rehabilitation, leasing, management, maintenance,
- 3106 operation, sale, or other disposition of residential housing undertaken with the
- 3107 assistance of the [~~department~~] division under this part;
- 3108 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
- 3109 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real
- 3110 or personal property obtained by the fund due to the default on a mortgage loan held
- 3111 by the fund in preparation for disposition of the property, taking assignments of
- 3112 leases and rentals, proceeding with foreclosure actions, and taking other actions
- 3113 necessary or incidental to the performance of [~~its~~] the deputy director and board's
- 3114 duties; and
- 3115 (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation
- 3116 held by the fund.

3117 Section 40. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered

3118 and amended to read:

3119 **[35A-8-506] 63N-22-306 (Effective 07/01/26). Authority of the deputy director.**

3120 The [~~executive~~] deputy director, with the approval of the board, may grant or lend fund

3121 money to a housing sponsor.

3122 Section 41. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered

3123 and amended to read:

3124 **[35A-8-507] 63N-22-307 (Effective 07/01/26). Application process and priorities.**

3125 (1)(a) In each calendar year that money is available from the fund for distribution by the [
3126 ~~executive-~~ deputy director under the direction of the board, the [~~executive-~~ deputy
3127 director shall, at least once in that year, announce a grant and loan application period
3128 by sending notice to interested persons.

3129 (b) The [~~executive-~~ deputy director shall accept applications that are received in a timely
3130 manner.

3131 (2) The [~~executive-~~ deputy director shall give priority to applications for projects and
3132 activities in the following order:

3133 (a) first, to applications for projects and activities intended to minimize homelessness;

3134 (b) second, to applications for projects and activities that use existing privately owned
3135 housing stock, including privately owned housing stock purchased by a nonprofit
3136 public development authority; and

3137 (c) third, to all other applications.

3138 (3) Within each level of priority described in Subsection (2), the [~~executive-~~ deputy director
3139 shall give preference to applications that demonstrate the following:

3140 (a) a high degree of leverage with other sources of financing;

3141 (b) high recipient contributions to total project costs, including allied contributions from
3142 other sources such as professional, craft, and trade services and lender interest rate
3143 subsidies;

3144 (c) high local government project contributions in the form of infrastructure
3145 improvements, or other assistance;

3146 (d) projects that encourage ownership, management, and other project-related
3147 responsibility opportunities;

3148 (e) projects that demonstrate a strong probability of serving the original target group or
3149 income level for a period of at least 15 years;

3150 (f) projects where the applicant has demonstrated the ability, stability, and resources to
3151 complete the project;

3152 (g) projects that appear to serve the greatest need;

3153 (h) projects that provide housing for persons and families with the lowest income;

3154 (i) projects that promote economic development benefits;

3155 (j) projects that align with a local government plan to address housing and homeless
3156 services; and

3157 (k) projects that would mitigate or correct existing health, safety, or welfare problems.

3158 (4) The ~~[executive-]~~ deputy director may give consideration to projects that increase the
3159 supply of accessible housing.

3160 Section 42. Section **63N-22-308**, which is renumbered from Section 35A-8-507.5 is renumbered
3161 and amended to read:

3162 **~~[35A-8-507.5]~~ 63N-22-308 (Effective 07/01/26). Predevelopment grants.**

3163 (1) The ~~[executive-]~~ deputy director may, under the direction of the board, award one or
3164 more predevelopment grants to a nonprofit or for-profit entity:

3165 (a) in preparation for a project that:

3166 (i) involves the construction of moderate income housing units; and

3167 (ii) is located within:

3168 (A) a city of the fifth or sixth class, or a town, in a rural area of the state; or

3169 (B) any municipality or unincorporated area in a county of the fourth, fifth, or
3170 sixth class; and

3171 (b) in an amount of no more than \$50,000 per project.

3172 (2) The ~~[executive-]~~ deputy director shall, under the direction of the board, award each
3173 predevelopment grant in accordance with the provisions of this section and the
3174 provisions related to grant applications, grant awards, and reporting requirements in this
3175 part.

3176 (3) The recipient of a predevelopment grant:

3177 (a) may use grant funds to offset the predevelopment funds needed to prepare for the
3178 construction of low-income housing units, including market studies, surveys,
3179 environmental and impact studies, technical assistance, and preliminary architecture,
3180 engineering, or legal work; and

3181 (b) may not use grant funds to pay for staff salaries or construction costs.

3182 (4) The ~~[executive-]~~ deputy director shall, under the direction of the board, prioritize the
3183 awarding of a predevelopment grant for a project that is located within:

3184 (a) a county of the fifth or sixth class; and

3185 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the
3186 following:

3187 (i) limited or no availability of natural gas;

3188 (ii) limited or no availability of a sewer system;

3189 (iii) limited or no availability of broadband Internet;

3190 (iv) unpaved residential streets; or

3191 (v) limited local construction professionals, vendors, or services.

3192 Section 43. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered
3193 and amended to read:

3194 **~~[35A-8-508]~~ 63N-22-309 (Effective 07/01/26). Annual accounting.**

3195 (1) The ~~[executive-]~~ deputy director shall monitor the activities of recipients of grants and
3196 loans issued under this part on a yearly basis to ensure compliance with the terms and
3197 conditions imposed on the recipient by the ~~[executive-]~~ deputy director with the approval
3198 of the board or by this part.

3199 (2) Beginning July 1, 2021, an entity that receives any money from the fund under this part
3200 shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the
3201 money the entity received from the fund has been spent.

3202 (3) The ~~[executive-]~~ deputy director shall make an annual report to the board accounting for
3203 the expenditures authorized by the board.

3204 (4) The board shall submit a report to the ~~[department]~~ office for inclusion in the annual
3205 written report described in Section ~~[35A-1-109]~~ 63N-1a-306:

3206 (a) accounting for expenditures authorized by the board; and

3207 (b) evaluating the effectiveness of the program.

3208 Section 44. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered
3209 and amended to read:

3210 **~~[35A-8-509]~~ 63N-22-310 (Effective 07/01/26). Economic Revitalization and
3211 Investment Fund.**

3212 (1) There is created an enterprise fund known as the "Economic Revitalization and
3213 Investment Fund."

3214 (2) The Economic Revitalization and Investment Fund consists of money from the
3215 following:

3216 (a) money appropriated to the account by the Legislature;

3217 (b) private contributions;

3218 (c) donations or grants from public or private entities; and

3219 (d) money returned to the ~~[department]~~ division under ~~[Subsection 35A-8-512(3)(a)]~~
3220 Section 63N-22-314.

3221 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be
3222 deposited into the Economic Revitalization and Investment Fund.

3223 (4) The ~~[executive-]~~ director may distribute money from the Economic Revitalization and
3224 Investment Fund to one or more projects that:

3225 (a) include affordable housing units for households whose income is no more than 30%

- 3226 of the area median income for households of the same size in the county or
 3227 municipality where the project is located; and
- 3228 (b) have been approved by the board in accordance with Section [~~35A-8-510~~]
 3229 63N-22-312.
- 3230 (5)(a) A housing sponsor may apply to the [~~department~~] division to receive a distribution
 3231 in accordance with Subsection (4).
- 3232 (b) The application shall include:
- 3233 (i) the location of the project;
- 3234 (ii) the number, size, and tenant income requirements of affordable housing units
 3235 described in Subsection (4)(a) that will be included in the project; and
- 3236 (iii) a written commitment to enter into a deed restriction that reserves for a period of
 3237 30 years the affordable housing units described in Subsection (5)(b)(ii) or [~~their~~]
 3238 the affordable housing unit equivalent for occupancy by households that meet the
 3239 income requirements described in Subsection (5)(b)(ii).
- 3240 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- 3241 (i) occupied or reserved for occupancy by a household whose income is no more than
 3242 30% of the area median income for households of the same size in the county or
 3243 municipality where the project is located; or
- 3244 (ii) occupied by a household whose income is no more than 60% of the area median
 3245 income for households of the same size in the county or municipality where the
 3246 project is located if that household met the income requirement described in
 3247 Subsection (4)(a) when the household originally entered into the lease agreement
 3248 for the housing unit.
- 3249 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~department~~]
 3250 division may make additional rules providing procedures for a person to
 3251 apply to the [~~department~~] division to receive a distribution described in Subsection (4).
- 3252 (6) The [~~executive-~~] deputy director may expend up to 3% of the revenues of the Economic
 3253 Revitalization and Investment Fund, including any appropriation to the Economic
 3254 Revitalization and Investment Fund, to offset [~~department~~] division or board
 3255 administrative expenses.

3256 Section 45. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered
 3257 and amended to read:

3258 **[~~35A-8-509.5~~] 63N-22-311 (Effective 07/01/26). Rural Housing Fund.**

- 3259 (1) There is created an enterprise fund known as the "Rural Housing Fund."

- 3260 (2) The Rural Housing Fund consists of money from the following:
- 3261 (a) money appropriated to the account by the Legislature;
- 3262 (b) private contributions;
- 3263 (c) donations or grants from public or private entities; and
- 3264 (d) money returned to the [~~department~~] division under [~~Subsection 35A-8-512(3)(b)~~]
- 3265 Section 63N-22-314.
- 3266 (3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural
- 3267 Housing Fund.
- 3268 (4) Subject to appropriation, the [~~executive-~~] deputy director may expend funds in the Rural
- 3269 Housing Fund to provide loans for projects that:
- 3270 (a) are located within:
- 3271 (i) a county of the third, fourth, fifth, or sixth class; or
- 3272 (ii) a municipality in a county of the second class with a population of 10,000 or less;
- 3273 (b) include moderate income housing units; and
- 3274 (c) have been approved by the board in accordance with Section [~~35A-8-510~~] 63N-22-312.
- 3275 (5)(a) A housing sponsor may apply to the [~~department~~] division to receive a loan under
- 3276 this section.
- 3277 (b) An application under Subsection (5)(a) shall specify:
- 3278 (i) the location of the project;
- 3279 (ii) the number, size, and income requirements of moderate income housing units that
- 3280 will be included in the project; and
- 3281 (iii) a written commitment to enter into a deed restriction that reserves for a period of
- 3282 50 years the moderate income housing units described in Subsection (5)(b)(ii).
- 3283 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing
- 3284 unit is occupied by a household that met the income requirement for moderate
- 3285 income housing when the household originally entered into the lease agreement for
- 3286 the housing unit.
- 3287 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~department~~]
- 3288 division may make rules establishing procedures and requirements for
- 3289 housing sponsors to apply for and receive loans under this section.
- 3290 (6) The [~~executive-~~] deputy director may expend up to 3% of the revenues of the Rural
- 3291 Housing Fund, including any appropriation to the Rural Housing Fund, to offset [~~department~~]
- 3292 division or board administrative expenses.
- 3293 Section 46. Section **63N-22-312**, which is renumbered from Section 35A-8-510 is renumbered

3294 and amended to read:

3295 **[35A-8-510] 63N-22-312 (Effective 07/01/26). Housing loan fund board approval.**

3296 (1) The board shall review the project applications described in [~~Subsections 35A-8-509(5)~~
3297 ~~and 35A-8-509.5(5)] Sections 63N-22-310 and 63N-22-311.~~

3298 (2)(a) The board may approve a project that meets the requirements of [~~Subsections~~
3299 ~~35A-8-509(4) and (5)] Section 63N-22-310 to receive funds from the Economic
3300 Revitalization and Investment Fund.~~

3301 (b) The board may approve a project that meets the requirements of [~~Subsections~~
3302 ~~35A-8-509.5(4) and (5)] Section 63N-22-311 to receive funds from the Rural Housing
3303 Fund.~~

3304 (3) The board shall give preference to projects:

3305 (a) that include significant additional or matching funds from an individual, private
3306 organization, or local government entity;

3307 (b) that include significant contributions by the applicant to total project costs, including
3308 contributions secured by the applicant from other sources such as professional, craft,
3309 and trade services and lender interest rate subsidies;

3310 (c) with significant local government contributions in the form of infrastructure,
3311 improvements, or other assistance;

3312 (d) where the applicant has demonstrated the ability, stability, and resources to complete
3313 the project;

3314 (e) that will serve the greatest need;

3315 (f) that promote economic development benefits;

3316 (g) that allow integration into a local government housing plan;

3317 (h) that would mitigate or correct existing health, safety, or welfare concerns; or

3318 (i) that remedy a gap in the supply of and demand for affordable housing.

3319 Section 47. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered
3320 and amended to read:

3321 **[35A-8-511] 63N-22-313 (Effective 07/01/26). Activities authorized to receive**
3322 **account money.**

3323 The [~~executive-~~] deputy director may distribute funds from the Economic Revitalization
3324 and Investment Fund and the Rural Housing Fund for any of the following activities
3325 undertaken as part of an approved project:

3326 (1) the acquisition, rehabilitation, or new construction of a building that includes moderate
3327 income housing units;

- 3328 (2) the purchase of land for the construction of a building that will include moderate income
 3329 housing units; or
 3330 (3) pre-development work, including planning, studies, design, and site work for a building
 3331 that will include moderate income housing units.

3332 Section 48. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered
 3333 and amended to read:

3334 **[35A-8-512] 63N-22-314 (Effective 07/01/26). Repayment of funds.**

- 3335 (1) Upon the earlier of 30 years from the date an approved project is placed in service or the
 3336 sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as
 3337 part of an approved project funded under Subsection [35A-8-511(1)] 63N-22-313(1), the
 3338 housing sponsor shall remit to the [department] division:

- 3339 (a) the total amount of money distributed by the [department] division to the housing
 3340 sponsor for the project; and
 3341 (b) an additional amount of money determined by contract with the [department] division
 3342 prior to the initial disbursement of money.

- 3343 (2) Any claim arising under Subsection (1) is a lien against the real property funded under
 3344 this chapter.

- 3345 (3)(a) Any money returned to the [department] division under Subsection (1) from a
 3346 housing sponsor that received funds from the Economic Revitalization and
 3347 Investment Fund shall be deposited in the Economic Revitalization and Investment
 3348 Fund.

- 3349 (b) Any money returned to the [department] division under Subsection (1) from a
 3350 housing sponsor that received funds from the Rural Housing Fund shall be deposited
 3351 in the Rural Housing Fund.

3352 Section 49. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered
 3353 and amended to read:

3354 **[35A-8-513] 63N-22-315 (Effective 07/01/26). Annual accounting.**

- 3355 (1) The [executive-] deputy director shall monitor the activities of recipients of funds from
 3356 the Economic Revitalization and Investment Fund and the Rural Housing Fund on a
 3357 yearly basis to ensure compliance with the terms and conditions imposed on the
 3358 recipient by the [executive-] deputy director with the approval of the board.

- 3359 (2)(a) A housing sponsor that receives funds from the Economic Revitalization and
 3360 Investment Fund shall provide the [executive-] deputy director with an annual
 3361 accounting of how the money the entity received from the Economic Revitalization

3362 and Investment Fund has been spent and evidence that the commitment described in [
3363 ~~Subsection 35A-8-509(5)] Section 63N-22-310 has been met.~~

3364 (b) A housing sponsor that receives funds from the Rural Housing Fund shall provide
3365 the [~~executive~~] deputy director with an annual accounting of how the money the
3366 entity received from the Rural Housing Fund has been spent and evidence that the
3367 commitment described in [~~Subsection 35A-8-509.5(5)] Section 63N-22-311 has been
3368 met.~~

3369 (3) The [~~executive~~] deputy director shall make an annual report to the board accounting for
3370 the expenditures authorized by the board under the Economic Revitalization and
3371 Investment Fund and the Rural Housing Fund.

3372 (4) The board shall submit a report to the [~~department~~] office for inclusion in the annual
3373 written report described in Section [~~35A-1-109~~] 63N-1a-306 that includes:

- 3374 (a) an accounting for expenditures authorized by the board; and
3375 (b) an evaluation of the effectiveness of each program.

3376 Section 50. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered
3377 and amended to read:

3378 ~~[35A-8-2401]~~ **63N-22-316 (Effective 07/01/26). Pass-through funding agreements**
3379 **-- Accounting for expenditures of a housing organization.**

3380 (1) As used in this section:

3381 (a) "Housing organization" means an entity that:

- 3382 (i) manages a portfolio of investments;
3383 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of
3384 affordable housing through property investment; and
3385 (iii) is controlled by a registered nonprofit.

3386 (b) "Pass-through funding" means state money appropriated by the Legislature to the [
3387 ~~department~~] division with the intent that the [~~department~~] division grant or otherwise
3388 disburse the state money to a third party.

3389 (c) "Rural" means the same as that term is defined in Section [~~35A-8-501~~] 63N-22-301.

3390 (2)(a) This section applies to funds appropriated by the Legislature to the [~~department~~]
3391 division for pass-through to a housing organization.

3392 (b) The [~~department~~] division shall ensure that pass-through funding granted or
3393 distributed before May 1, 2024 to a housing organization is subject to an agreement
3394 as described in this section, either through amending existing agreements or
3395 canceling existing agreements and issuing new agreements.

- 3396 (3)(a) The [department] division shall create agreements governing the use of
3397 pass-through funding as described in this section.
- 3398 (b) Before a housing organization may accept pass-through funding [~~pursuant to~~] in
3399 accordance with this section, the entity shall enter into an agreement with the [
3400 department] division governing the use of pass-through funding.
- 3401 (4) An agreement for pass-through funding shall require, at a minimum:
- 3402 (a) the housing organization match pass-through funding with private funding at no less
3403 than a 70% private, 30% state split;
- 3404 (b) all pass-through funding be used by the housing organization to invest in housing
3405 units that are rented at rates affordable to households with an annual income at or
3406 below 80% of the area median income for a family within the county in which the
3407 housing is located;
- 3408 (c) that 50% of pass-through funding be used by the housing organization to invest in
3409 housing units that are rented at rates affordable to households with an annual income
3410 at or below 50% of the area median income for a family within the county in which
3411 the housing is located;
- 3412 (d) that at least 30% of pass-through funding be used by the housing organization to
3413 invest in housing units that are located in a rural county;
- 3414 (e) that any property purchased with pass-through funding be subject to a deed
3415 restriction for a minimum of 40 years to ensure the property remains a rental property
3416 affordable to households as described in Subsection (4)(b);
- 3417 (f) that returns on investment generated by pass-through funding shall be reinvested by
3418 the housing organization the same as if the returns on investment are pass-through
3419 funding; and
- 3420 (g) that the housing organization shall provide the division with the following
3421 information at the end of each fiscal year:
- 3422 (i) the housing organization's annual audit, including:
- 3423 (A) a third-party independent auditor's findings on the housing organization's
3424 compliance with this section and the terms of the housing organization's
3425 agreement for pass-through funding; and
- 3426 (B) the audited financial statements for a legal entity used by the housing
3427 organization to carry out activities authorized by this section;
- 3428 (ii) allocation of pass-through funds by county and housing type;
- 3429 (iii) progress and status of funded projects; and

3430 (iv) impact of pass-through funds on the availability of affordable housing across the
3431 state and by region.

3432 (5) The ~~[department]~~ division shall include in the annual written report described in Section [
3433 ~~35A-1-109]~~ 63N-1a-306 a report accounting for the expenditures authorized by a housing
3434 organization ~~[pursuant to]~~ in accordance with an agreement with the ~~[department]~~ division.

3435 Section 51. Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered
3436 and amended to read:

3437 **Part 4. Private Activity Bonds**

3438 **~~[35A-8-2102]~~ 63N-22-401 (Effective 07/01/26). Definitions.**

3439 As used in this part:

3440 (1) "Allocated volume cap" means a volume cap for which:

- 3441 (a) a certificate of allocation is in effect; or
- 3442 (b) bonds have been issued.

3443 (2) "Allotment accounts" means the various accounts created in Section [~~35A-8-2106]~~
3444 63N-22-405.

3445 (3) "Board of review" means the Private Activity Bond Review Board created in Section [
3446 ~~35A-8-2103]~~ 63N-22-402.

3447 (4) "Bond" means any obligation for which an allocation of volume cap is required by the
3448 code.

3449 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal
3450 Revenue Service regulations.

3451 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.
3452 1545-0720) or any other federal tax form or other method of reporting required by the
3453 Department of the Treasury under Section 149(e) of the code.

3454 (7) "Issuing authority" means:

- 3455 (a) any county, city, or town in the state;
- 3456 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one
3457 or more counties, cities, towns, or any combination of these;
- 3458 (c) the state; or
- 3459 (d) any other entity authorized to issue bonds under state law.

3460 (8) "State" means the state of Utah and any ~~[of its]~~ state agencies, institutions, and divisions
3461 authorized to issue bonds or certificates under state law.

3462 (9) "Volume cap" means the private activity bond volume cap for the state as computed
3463 under Section 146 of the code.

3464 (10) "Year" means each calendar year.

3465 Section 52. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered
3466 and amended to read:

3467 **~~[35A-8-2103]~~ 63N-22-402 (Effective 07/01/26). Private Activity Bond Review**
3468 **Board.**

3469 (1) There is created within the [department] division the Private Activity Bond Review
3470 Board, composed of the following 11 members:

3471 (a)(i) the [~~executive-~~] deputy director [~~of the department-~~] or the [~~executive-~~] deputy
3472 director's designee;

3473 (ii) the executive director [~~of the Governor's Office of Economic Opportunity-~~] or the
3474 executive director's designee;

3475 (iii) the state treasurer or the state treasurer's designee;

3476 (iv) the chair of the Utah Board of Higher Education or the chair's designee; and

3477 (v) the chair of the Utah Housing Corporation or the chair's designee; and

3478 (b) six local government members who are:

3479 (i) three elected or appointed county officials, nominated by the Utah Association of
3480 Counties and appointed or reappointed by the governor with the advice and
3481 consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,
3482 Vacancies; and

3483 (ii) three elected or appointed municipal officials, nominated by the Utah League of
3484 Cities and Towns and appointed or reappointed by the governor with the advice
3485 and consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,
3486 Vacancies.

3487 (2)(a) Except as required by Subsection (2)(b), the terms of office for the local
3488 government members of the board of review shall be four-year terms.

3489 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
3490 time of appointment or reappointment, adjust the length of terms to ensure that the
3491 terms of board of review members are staggered so that approximately half of the
3492 board of review is appointed every two years.

3493 (c) Members may be reappointed only once.

3494 (3)(a) If a local government member ceases to be an elected or appointed official of the
3495 city or county the member is appointed to represent, that membership on the board of
3496 review terminates immediately and there shall be a vacancy in the membership.

3497 (b) When a vacancy occurs in the local government membership for any reason:

- 3498 (i) the Utah Association of Counties or the Utah League of Cities and Towns shall,
 3499 within 30 days after the date of the vacancy, nominate an official described in
 3500 Subsection (1)(b)(i) or (ii), as applicable, to fill the vacancy; and
- 3501 (ii) the governor shall, with the advice and consent of the Senate in accordance with
 3502 Title 63G, Chapter 24, Part 2, Vacancies, appoint the nominee for the unexpired
 3503 term.
- 3504 (4)(a) The chair of the board of review is the [~~executive director of the department or the~~
 3505 ~~executive]~~ deputy director or the deputy director's designee.
- 3506 (b) The chair is nonvoting except in the case of a tie vote.
- 3507 (5) Six members of the board of review constitute a quorum.
- 3508 (6) Formal action by the board of review requires a majority vote of a quorum.
- 3509 (7) A member may not receive compensation or benefits for the member's service, but may
 3510 receive per diem and travel expenses in accordance with:
- 3511 (a) Section 63A-3-106;
- 3512 (b) Section 63A-3-107; and
- 3513 (c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- 3514 (8) The chair of the board of review serves as the state official designated under state law to
 3515 make certifications required to be made under Section 146 of the code including the
 3516 certification required by Section 149(e)(2)(F) of the code.
- 3517 (9) A member appointed to fill a position described in Subsection (1)(b) shall comply with
 3518 the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of
 3519 Interest.

3520 Section 53. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered
 3521 and amended to read:

3522 **[~~35A-8-2104~~] 63N-22-403 (Effective 07/01/26). Powers, functions, and duties of**
 3523 **the board of review.**

3524 The board of review shall:

- 3525 (1) make, subject to the limitations of the code, allocations of volume cap to issuing
 3526 authorities;
- 3527 (2) determine the amount of volume cap to be allocated with respect to approved
 3528 applications;
- 3529 (3) maintain a record of all applications filed by issuing authorities under Section [
 3530 ~~35A-8-2105~~] 63N-22-404 and all certificates of allocation issued under Section [
 3531 ~~35A-8-2107~~] 63N-22-406;

- 3532 (4) maintain a record of all bonds issued by issuing authorities during each year;
- 3533 (5) determine the amount of volume cap to be treated as a carryforward under Section
- 3534 146(f) of the code and allocate this carryforward to one or more qualified carryforward
- 3535 purposes;
- 3536 (6) make available upon reasonable request a certified copy of all or any part of the records
- 3537 maintained by the board of review under this part or a summary of them, including
- 3538 information relating to the volume cap for each year and any amounts available for
- 3539 allocation under this part;
- 3540 (7) make rules for the allocation of volume cap under this part; and
- 3541 (8) charge reasonable fees for the performance of duties prescribed by this part, including
- 3542 application, filing, and processing fees.

3543 Section 54. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered

3544 and amended to read:

3545 **[35A-8-2105] 63N-22-404 (Effective 07/01/26). Allocation of volume cap.**

- 3546 (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by
- 3547 the board of review to the allotment accounts as described in Section [35A-8-2106]
- 3548 63N-22-405.
- 3549 (b) The board of review may distribute up to 50% of each increase in the volume cap for
- 3550 use in development that occurs in quality growth areas, depending upon the board's
- 3551 analysis of the relative need for additional volume cap between development in
- 3552 quality growth areas and the allotment accounts under Section [35A-8-2106]
- 3553 63N-22-405.
- 3554 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board
- 3555 of review an application containing information required by the procedures and
- 3556 processes of the board of review.
- 3557 (3)(a) The board of review shall establish criteria for making allocations of volume cap
- 3558 that are consistent with the purposes of the code and this part.
- 3559 (b) In making an allocation of volume cap the board of review shall consider the
- 3560 following:
- 3561 (i) the principal amount of the bonds proposed to be issued;
- 3562 (ii) the nature and the location of the project or the type of program;
- 3563 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- 3564 (iv) whether the project or program could obtain adequate financing without an
- 3565 allocation of volume cap;

- 3566 (v) the degree to which an allocation of volume cap is required for the project or
 3567 program to proceed or continue;
- 3568 (vi) the social, health, economic, and educational effects of the project or program on
 3569 the local community and state as a whole;
- 3570 (vii) the anticipated economic development created or retained within the local
 3571 community and the state as a whole;
- 3572 (viii) the anticipated number of jobs, both temporary and permanent, created or
 3573 retained within the local community and the state as a whole; and
- 3574 (ix) if the project is a residential rental project, the degree to which the residential
 3575 rental project:
- 3576 (A) targets lower income populations; and
 3577 (B) is accessible housing.
- 3578 (4) The board of review shall provide evidence of an allocation of volume cap by issuing a
 3579 certificate in accordance with Section ~~[35A-8-2107]~~ 63N-22-406.
- 3580 (5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of
 3581 review shall set aside at least 50% of the Small Issue Bond Account that may only be
 3582 allocated to manufacturing projects.
- 3583 (b) Subject to Subsection (5)(c), from July 1 to August 15 of each year, the board of
 3584 review shall set aside at least 50% of the Pool Account that may only be allocated to
 3585 manufacturing projects.
- 3586 (c) The board of review is not required to set aside any unused volume cap under
 3587 Subsection ~~[35A-8-2106(2)(e)]~~ 63N-22-405(2)(c) to satisfy the requirements of
 3588 Subsection (5)(a) or (b).

3589 Section 55. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered
 3590 and amended to read:

3591 ~~[35A-8-2106]~~ **63N-22-405 (Effective 07/01/26). Allotment accounts.**

- 3592 (1) There are created the following allotment accounts:
- 3593 (a) the Single Family Housing Account, for which eligible issuing authorities are those
 3594 authorized under the code and state statute to issue qualified mortgage bonds under
 3595 Section 143 of the code;
- 3596 (b) the Student Loan Account, for which eligible issuing authorities are those authorized
 3597 under the code and state statute to issue qualified student loan bonds under Section
 3598 144(b) of the code;
- 3599 (c) the Small Issue Bond Account, for which eligible issuing authorities are those

- 3600 authorized under the code and state statute to issue:
- 3601 (i) qualified small issue bonds under Section 144(a) of the code;
- 3602 (ii) qualified exempt facility bonds for qualified residential rental projects under
- 3603 Section 142(d) of the code; or
- 3604 (iii) qualified redevelopment bonds under Section 144(c) of the code;
- 3605 (d) the Exempt Facilities Account, for which eligible issuing authorities are those
- 3606 authorized under the code and state statute to issue any bonds requiring an allocation
- 3607 of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);
- 3608 (e) the Pool Account, for which eligible issuing authorities are those authorized under
- 3609 the code and state statute to issue any bonds requiring an allocation of volume cap;
- 3610 and
- 3611 (f) the Carryforward Account, for which eligible issuing authorities are those with
- 3612 projects or programs qualifying under Section 146(f) of the code.
- 3613 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of
- 3614 each year on the following basis:
- 3615 (i) 42% to the Single Family Housing Account;
- 3616 (ii) 33% to the Student Loan Account;
- 3617 (iii) 1% to the Exempt Facilities Account; and
- 3618 (iv) 24% to the Small Issue Bond Account.
- 3619 (b) From July 1 to September 30 of each year, the board of review may transfer any
- 3620 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond
- 3621 Account to the Pool Account.
- 3622 (c) Upon written notification by the issuing authorities eligible for volume cap allocation
- 3623 from the Single Family Housing Account or the Student Loan Account that all or a
- 3624 portion of volume cap distributed into that allotment account will not be used, the
- 3625 board of review may transfer the unused volume cap to any other allotment account.
- 3626 (d) From October 1 to the third Friday of December of each year, the board of review
- 3627 shall transfer all unallocated volume cap into the Pool Account.
- 3628 (e) On the third Saturday of December of each year, the board of review shall transfer
- 3629 uncollected volume cap, or allocated volume cap for which bonds have not been
- 3630 issued prior to the third Saturday of December, into the Carryforward Account.
- 3631 (f) If the authority to issue bonds designated in any allotment account is rescinded by
- 3632 amendment to the code, the board of review may transfer any unallocated volume cap
- 3633 from that allotment account to any other allotment account.

3634 Section 56. Section **63N-22-406**, which is renumbered from Section 35A-8-2107 is renumbered
3635 and amended to read:

3636 **[35A-8-2107] 63N-22-406 (Effective 07/01/26). Certificates of allocation.**

3637 (1)(a) After an allocation of volume cap for a project or program is approved by the
3638 board of review, the board of review shall issue a numbered certificate of allocation
3639 stating the amount of the allocation, the allotment account for which the allocation is
3640 being made, and the expiration date of the allocation.

3641 (b) The certificates of allocation shall be mailed to the issuing authority within 10
3642 working days of the date of approval.

3643 (c) Bonds are not entitled to any allocation of the volume cap unless the issuing
3644 authority received a certificate of allocation with respect to the bonds.

3645 (d)(i) Certificates of allocation shall remain in effect for a period of 90 days from the
3646 date of approval.

3647 (ii) If bonds for which a certificate has been approved are not issued within the
3648 90-day period, the certificate of allocation is void and volume cap shall be
3649 returned to the applicable allotment account for reallocation by the board of
3650 review.

3651 (2)(a) An issuing authority receiving an allocation of volume cap from the Carryforward
3652 Account shall receive a certificate of allocation similar to the certificates of allocation
3653 described in Subsection (1) from the board of review stating the amount of allocation
3654 from the Carryforward Account that has been allocated to the issuing authority and
3655 the expiration of the allocation.

3656 (b)(i) If in the judgment of the board of review an issuing authority or a person or
3657 entity responsible for a project or program receiving an allocation from the
3658 Carryforward Account does not proceed with diligence in providing for the
3659 issuance of the bonds with respect to the project or program, and because of the
3660 lack of diligence the volume cap cannot be used, the board of review may exclude
3661 from the board of review's consideration for a given period of time, determined by
3662 the board of review, an application of the issuing authority, person, or entity.

3663 (ii) The board of review may, at any time, review and modify the board of review's
3664 decisions relating to the exclusion described in this Subsection (2)(b).

3665 Section 57. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered
3666 and amended to read:

3667 **[35A-8-2108] 63N-22-407 (Effective 07/01/26). Issuing authorities -- Limitations**

3668 -- **Duties.**

3669 (1)(a) Notwithstanding any law to the contrary, an issuing authority issuing bonds
 3670 without a certificate of allocation issued under Section ~~[35A-8-2107]~~ 63N-22-406, or
 3671 an issuing authority issuing bonds after the expiration of a certificate of allocation, is
 3672 not entitled to an allocation of the volume cap for those bonds.

3673 (b) An issuing authority issuing bonds in excess of the amount set forth in the related
 3674 certificate of allocation is not entitled to an allocation of the volume cap for the
 3675 excess.

3676 (2) Each issuing authority shall:

3677 (a) advise the board of review, within 15 days after the issuance of bonds, of the
 3678 principal amount of bonds issued under each certificate of allocation by delivering to
 3679 the board of review a copy of the Form 8038 that was delivered or shall be delivered
 3680 to the Internal Revenue Service in connection with the bonds, or, if no Form 8038 is
 3681 required to be delivered to the Internal Revenue Service, a completed copy of a Form
 3682 8038 prepared for the board of review with respect to the bonds; and

3683 (b) if all or a stated portion of the bonds for which a certificate of allocation was
 3684 received will not be issued, advise the board of review in writing, within 15 days of
 3685 the earlier of:

3686 (i) the final decision not to issue all or a stated portion of the bonds; or

3687 (ii) the expiration of the certificate of allocation.

3688 (3) Failure by an issuing authority to notify the board of review under Subsection (2),
 3689 including failure to timely deliver a Form 8038, may, in the sole discretion of the board
 3690 of review, result in the board of review denying further consideration of applications
 3691 from the issuing authority.

3692 Section 58. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered
 3693 and amended to read:

3694 **~~[35A-8-2109]~~ 63N-22-408 (Effective 07/01/26). Procedures -- Adjudicative**
 3695 **proceedings.**

3696 The board of review shall comply with the procedures and requirements of Title 63G,
 3697 Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.

3698 Section 59. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered
 3699 and amended to read:

3700 **~~[35A-8-2110]~~ 63N-22-409 (Effective 07/01/26). Duties of the division.**

3701 (1) The ~~[department]~~ division is recognized as an issuing authority, as defined in Section [

3702 35A-8-2102] 63N-22-401, entitled to issue bonds from the Small Issue Bond Account
 3703 created in Subsection [~~35A-8-2106(1)(e)~~] 63N-22-405(1)(c) as a part of the state's private
 3704 activity bond volume cap authorized by the Internal Revenue Code and computed under
 3705 Section 146, Internal Revenue Code.

3706 (2) To promote and encourage the issuance of bonds from the Small Issue Bond Account
 3707 for manufacturing projects, the [~~department~~] division may:

- 3708 (a) develop campaigns and materials that inform qualified small manufacturing
 3709 businesses about the existence of the program and the application process;
 3710 (b) assist small businesses in applying for and qualifying for these bonds; and
 3711 (c) develop strategies to lower the cost to small businesses of applying for and
 3712 qualifying for these bonds, including making arrangements with financial advisors,
 3713 underwriters, bond counsel, and other professionals involved in the issuance process
 3714 to provide services at a reduced rate when the [~~department~~] division can provide such
 3715 service providers with a high volume of applicants or issues.

3716 Section 60. Section **72-1-215** is amended to read:

3717 **72-1-215 (Effective 07/01/26). Affordable housing study.**

3718 (1) As used in this section, "moderate income housing unit" means a housing unit that has
 3719 an appraised value that would allow, as estimated by the department, a household whose
 3720 income is no more than 80% of the area median income to occupy the housing unit
 3721 paying no more than 30% of the household's income for gross housing costs, including
 3722 utilities.

3723 (2) On or before September 15, the department shall provide a written report to the
 3724 Economic Development and Workforce Services Interim Committee [~~and to the~~
 3725 ~~Commission on Housing Affordability created in Section 35A-8-2201~~] and the Political
 3726 Subdivisions Interim Committee that describes:

- 3727 (a) the total number of housing units that were permanently vacated or destroyed as a
 3728 result of department action in the previous fiscal year, including separate subtotals
 3729 describing the total number of housing units with one bedroom, two bedrooms, three
 3730 bedrooms, and four or more bedrooms, which were permanently vacated or destroyed
 3731 as a result of department action in the previous fiscal year; and
 3732 (b) the total number of moderate income housing units that were permanently vacated or
 3733 destroyed as a result of department action in the previous fiscal year, including
 3734 separate subtotals describing the total number of moderate income housing units with
 3735 one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which

3736 were permanently vacated or destroyed as a result of department action in the
3737 previous fiscal year.

3738 Section 61. Section **72-1-304** is amended to read:

3739 **72-1-304 (Effective 07/01/26). Written project prioritization process for new**
3740 **transportation capacity projects -- Rulemaking.**

3741 (1)(a) The Transportation Commission, in consultation with the department and the
3742 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a
3743 written prioritization process for the prioritization of:

- 3744 (i) new transportation capacity projects that are or will be part of the state highway
3745 system under Chapter 4, Part 1, State Highways;
- 3746 (ii) paved pedestrian or paved nonmotorized transportation projects described in
3747 Section 72-2-124;
- 3748 (iii) public transit projects that directly add capacity to the public transit systems
3749 within the state, not including facilities ancillary to the public transit system; and
- 3750 (iv) pedestrian or nonmotorized transportation projects that provide connection to a
3751 public transit system.

3752 (b)(i) A local government or public transit district may nominate a project for
3753 prioritization in accordance with the process established by the commission in rule.

- 3754 (ii) If a local government or public transit district nominates a project for
3755 prioritization by the commission, the local government or public transit district
3756 shall provide data and evidence to show that:
 - 3757 (A) the project will advance the purposes and goals described in Section 72-1-211;
 - 3758 (B) for a public transit project, the local government or public transit district has
3759 an ongoing funding source for operations and maintenance of the proposed
3760 development; and
 - 3761 (C) the local government or public transit district will provide the percentage of
3762 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or
3763 72-2-124(10)(e).

3764 (2) The following shall be included in the written prioritization process under Subsection (1):

- 3765 (a) a description of how the strategic initiatives of the department adopted under Section
3766 72-1-211 are advanced by the written prioritization process;
- 3767 (b) a definition of the type of projects to which the written prioritization process applies;
- 3768 (c) specification of a weighted criteria system that is used to rank proposed projects and
3769 how it will be used to determine which projects will be prioritized;

- 3770 (d) specification of the data that is necessary to apply the weighted ranking criteria; and
 3771 (e) any other provisions the commission considers appropriate, which may include
 3772 consideration of:
- 3773 (i) regional and statewide economic development impacts, including improved local
 3774 access to:
 - 3775 (A) employment;
 - 3776 (B) educational facilities;
 - 3777 (C) recreation;
 - 3778 (D) commerce; and
 - 3779 (E) residential areas, including moderate income housing as demonstrated in the
 3780 local government's or public transit district's general plan in accordance with
 3781 Section 10-20-404 or 17-79-403;
 - 3782 (ii) the extent to which local land use plans relevant to a project support and
 3783 accomplish the strategic initiatives adopted under Section 72-1-211; and
 - 3784 (iii) any matching funds provided by a political subdivision or public transit district
 3785 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)
 3786 and 72-2-124(10)(e).
- 3787 (3)(a) When prioritizing a public transit project that increases capacity, the commission:
- 3788 (i) may give priority consideration to projects that are part of a transit-oriented
 3789 development or transit-supportive development as defined in Section 17B-2a-802;
 3790 and
 - 3791 (ii) shall give priority consideration to projects that are within the boundaries of a
 3792 housing and transit reinvestment zone created in accordance with Title 63N,
 3793 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 3794 (b) When prioritizing a transportation project that increases capacity, the commission
 3795 may give priority consideration to projects that are:
- 3796 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:
 - 3797 (A) the state is a participant in the transportation reinvestment zone; or
 - 3798 (B) the commission finds that the transportation reinvestment zone provides a
 3799 benefit to the state transportation system; or
 - 3800 (ii) within the boundaries of a housing and transit reinvestment zone created pursuant
 3801 to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 3802 (c) If the department receives a notice of prioritization for a municipality as described in
 3803 Subsection 10-21-202(5), or a notice of prioritization for a county as described in

3804 Subsection 17-80-202(5), the commission may give priority consideration to
 3805 transportation projects that are within the boundaries of the municipality or the
 3806 unincorporated areas of the county until the department receives notification from the [
 3807 ~~Housing and Community Development Division within the Department of Workforce~~
 3808 ~~Services]~~ Division of Housing within the Governor's Office of Economic Opportunity
 3809 that the municipality or county no longer qualifies for prioritization under this
 3810 Subsection (3)(c).

3811 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),
 3812 the commission may give priority consideration to projects that improve connectivity
 3813 in accordance with Section 10-8-87.

3814 (4) In developing the written prioritization process, the commission:

3815 (a) shall seek and consider public comment by holding public meetings at locations
 3816 throughout the state; and

3817 (b) may not consider local matching dollars as provided under Section 72-2-123 unless
 3818 the state provides an equal opportunity to raise local matching dollars for state
 3819 highway improvements within each county.

3820 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3821 Transportation Commission, in consultation with the department, shall make rules
 3822 establishing the written prioritization process under Subsection (1).

3823 (6) The commission shall submit the proposed rules under this section to the Transportation
 3824 Interim Committee for review before taking final action on the proposed rules or any
 3825 proposed amendment to the rules described in Subsection (5).

3826 Section 62. Section **72-2-124** is amended to read:

3827 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

3828 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
 3829 2005.

3830 (2) The fund consists of money generated from the following sources:

3831 (a) any voluntary contributions received for the maintenance, construction,
 3832 reconstruction, or renovation of state and federal highways;

3833 (b) appropriations made to the fund by the Legislature;

3834 (c) registration fees designated under Section 41-1a-1201;

3835 (d) the sales and use tax revenues deposited into the fund in accordance with Section
 3836 59-12-103;

3837 (e) revenues transferred to the fund in accordance with Section 72-2-106;

- 3838 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
3839 (g) revenue from bond proceeds described in Section 63B-34-201.
- 3840 (3)(a) The fund shall earn interest.
- 3841 (b) All interest earned on fund money shall be deposited into the fund.
- 3842 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
3843 money to pay:
- 3844 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
3845 federal highways prioritized by the Transportation Commission through the
3846 prioritization process for new transportation capacity projects adopted under
3847 Section 72-1-304;
 - 3848 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
3849 highway projects described in Subsections 63B-18-401(2), (3), and (4);
 - 3850 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
3851 Section 72-5-401;
 - 3852 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
3853 minus the costs paid from the County of the First Class Highway Projects Fund in
3854 accordance with Subsection 72-2-121(4)(e);
 - 3855 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
3856 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
3857 amount certified by Salt Lake County in accordance with Subsection
3858 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
3859 revenue bonds issued by Salt Lake County;
 - 3860 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
3861 for projects prioritized in accordance with Section 72-2-125;
 - 3862 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
3863 Class Highway Projects Fund created in Section 72-2-121 to be used for the
3864 purposes described in Section 72-2-121;
 - 3865 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
3866 the costs needed for construction, reconstruction, or renovation of paved
3867 pedestrian or paved nonmotorized transportation for projects that:
 - 3868 (A) mitigate traffic congestion on the state highway system;
 - 3869 (B) are part of an active transportation plan approved by the department; and
 - 3870 (C) are prioritized by the commission through the prioritization process for new
3871 transportation capacity projects adopted under Section 72-1-304;

- 3872 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
 3873 reconstruction, or renovation of or improvement to the following projects:
 3874 (A) the connector road between Main Street and 1600 North in the city of
 3875 Vineyard;
 3876 (B) Geneva Road from University Parkway to 1800 South;
 3877 (C) the SR-97 interchange at 5600 South on I-15;
 3878 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
 3879 South Jordan Parkway;
 3880 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
 3881 (F) improvements to 1600 North in Orem from 1200 West to State Street;
 3882 (G) widening I-15 between mileposts 6 and 8;
 3883 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
 3884 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
 3885 in Spanish Fork Canyon;
 3886 (J) I-15 northbound between mileposts 43 and 56;
 3887 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
 3888 43 and 45.1;
 3889 (L) east Zion SR-9 improvements;
 3890 (M) Toquerville Parkway;
 3891 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
 3892 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
 3893 for construction of an interchange on Bangerter Highway at 13400 South; and
 3894 (P) an environmental impact study for Kimball Junction in Summit County;
 3895 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
 3896 costs based upon a statement of cash flow that the local jurisdiction where the
 3897 project is located provides to the department demonstrating the need for money
 3898 for the project, for the following projects in the following amounts:
 3899 (A) \$5,000,000 for Payson Main Street repair and replacement;
 3900 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
 3901 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
 3902 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
 3903 40 between mile markers 7 and 10;
 3904 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
 3905 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road

- 3906 over the railroad and to U.S. Highway 6;
- 3907 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 3908 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 3909 following projects:
- 3910 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 3911 Salem and Benjamin project; and
- 3912 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 3913 Dunes Road project; and
- 3914 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 3915 right-of-way acquisition and construction for improvements on SR-89 in a county
- 3916 of the first class.
- 3917 (b) The executive director may use fund money to exchange for an equal or greater
- 3918 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 3919 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 3920 not commence until a right-of-way not owned by a federal agency that is required
- 3921 for the realignment and extension of U-111, as described in the department's 2023
- 3922 environmental study related to the project, is dedicated to the department.
- 3923 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
- 3924 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
- 3925 department may proceed with the project, except that the project will be limited to
- 3926 two lanes on U-111 from Herriman Parkway to 11800 South.
- 3927 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
- 3928 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
- 3929 director may not program fund money to a project prioritized by the commission
- 3930 under Section 72-1-304, including fund money from the Transit Transportation
- 3931 Investment Fund, within the boundaries of the municipality until the department
- 3932 receives notification from the [~~Housing and Community Development Division~~
- 3933 ~~within the Department of Workforce Services]~~ Division of Housing within the
- 3934 Governor's Office of Economic Opportunity that ineligibility under this Subsection
- 3935 (5) no longer applies to the municipality.
- 3936 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
- 3937 director:
- 3938 (i) may program fund money in accordance with Subsection (4)(a) for a
- 3939 limited-access facility or interchange connecting limited-access facilities;

- 3940 (ii) may not program fund money for the construction, reconstruction, or renovation
3941 of an interchange on a limited-access facility;
- 3942 (iii) may program Transit Transportation Investment Fund money for a
3943 multi-community fixed guideway public transportation project; and
- 3944 (iv) may not program Transit Transportation Investment Fund money for the
3945 construction, reconstruction, or renovation of a station that is part of a fixed
3946 guideway public transportation project.
- 3947 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
3948 director before July 1, 2022, for projects prioritized by the commission under Section
3949 72-1-304.
- 3950 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
3951 ineligibility for a county as described in Subsection 17-80-202(8), the executive
3952 director may not program fund money to a project prioritized by the commission
3953 under Section 72-1-304, including fund money from the Transit Transportation
3954 Investment Fund, within the boundaries of the unincorporated area of the county until
3955 the department receives notification from the [~~Housing and Community Development~~
3956 ~~Division within the Department of Workforce Services]~~ Division of Housing within
3957 the Governor's Office of Economic Opportunity that ineligibility under this
3958 Subsection (6) no longer applies to the county.
- 3959 (b) Within the boundaries of the unincorporated area of a county described in Subsection
3960 (6)(a), the executive director:
- 3961 (i) may program fund money in accordance with Subsection (4)(a) for a
3962 limited-access facility to a project prioritized by the commission under Section
3963 72-1-304;
- 3964 (ii) may not program fund money for the construction, reconstruction, or renovation
3965 of an interchange on a limited-access facility;
- 3966 (iii) may program Transit Transportation Investment Fund money for a
3967 multi-community fixed guideway public transportation project; and
- 3968 (iv) may not program Transit Transportation Investment Fund money for the
3969 construction, reconstruction, or renovation of a station that is part of a fixed
3970 guideway public transportation project.
- 3971 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
3972 director before July 1, 2022, for projects prioritized by the commission under Section
3973 72-1-304.

- 3974 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
3975 any fiscal year, the department and the commission shall appear before the Executive
3976 Appropriations Committee of the Legislature and present the amount of bond
3977 proceeds that the department needs to provide funding for the projects identified in
3978 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
3979 or next fiscal year.
- 3980 (b) The Executive Appropriations Committee of the Legislature shall review and
3981 comment on the amount of bond proceeds needed to fund the projects.
- 3982 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
3983 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
3984 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
3985 service or sinking fund.
- 3986 (9) The executive director may only use money in the fund for corridor preservation as
3987 described in Subsection (4)(a)(iii):
- 3988 (a) if the project has been prioritized by the commission, including the use of fund
3989 money for corridor preservation; or
- 3990 (b) for a project that has not been prioritized by the commission, if the commission:
- 3991 (i) approves the use of fund money for the corridor preservation; and
- 3992 (ii) finds that the use of fund money for corridor preservation will not result in any
3993 delay to a project that has been prioritized by the commission.
- 3994 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
3995 Transportation Investment Fund.
- 3996 (b) The fund shall be funded by:
- 3997 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 3998 (ii) appropriations into the account by the Legislature;
- 3999 (iii) deposits of sales and use tax increment related to a housing and transit
4000 reinvestment zone as described in Section 63N-3-610;
- 4001 (iv) transfers of local option sales and use tax revenue as described in Subsection
4002 59-12-2220(11)(b) or (c);
- 4003 (v) private contributions; and
- 4004 (vi) donations or grants from public or private entities.
- 4005 (c)(i) The fund shall earn interest.
- 4006 (ii) All interest earned on fund money shall be deposited into the fund.
- 4007 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:

- 4008 (i) for public transit capital development of new capacity projects and fixed guideway
4009 capital development projects to be used as prioritized by the commission through
4010 the prioritization process adopted under Section 72-1-304;
- 4011 (ii) to the department for oversight of a fixed guideway capital development project
4012 for which the department has responsibility; or
- 4013 (iii) up to \$500,000 per year, to be used for a public transit study.
- 4014 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
4015 money from the fund for a public transit capital development project or pedestrian
4016 or nonmotorized transportation project that provides connection to the public
4017 transit system if the public transit district or political subdivision provides funds of
4018 equal to or greater than 30% of the costs needed for the project.
- 4019 (ii) A public transit district or political subdivision may use money derived from a
4020 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
4021 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 4022 (A) the loan is approved by the commission as required in Part 2, State
4023 Infrastructure Bank Fund; and
- 4024 (B) the proposed capital project has been prioritized by the commission pursuant
4025 to Section 72-1-303.
- 4026 (f) Before July 1, 2022, the department and a large public transit district shall enter into
4027 an agreement for a large public transit district to pay the department \$5,000,000 per
4028 year for 15 years to be used to facilitate the purchase of zero emissions or low
4029 emissions rail engines and trainsets for regional public transit rail systems.
- 4030 (g) For any revenue transferred into the fund in accordance with Subsection
4031 59-12-2220(11)(b):
- 4032 (i) the commission may prioritize money from the fund for public transit projects,
4033 operations, or maintenance within the county of the first class; and
- 4034 (ii) Subsection (10)(e) does not apply.
- 4035 (h) For any revenue transferred into the fund in accordance with Subsection
4036 59-12-2220(11)(c):
- 4037 (i) the commission may prioritize public transit projects, operations, or maintenance
4038 in the county from which the revenue was generated; and
- 4039 (ii) Subsection (10)(e) does not apply.
- 4040 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
4041 the project described in Subsection (10)(e) does not apply to a public transit capital

4042 development project or pedestrian or nonmotorized transportation project that the
4043 department proposes.

4044 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
4045 prioritize money from the fund for public transit innovation grants, as defined in
4046 Section 72-2-401, for public transit capital development projects requested by a
4047 political subdivision within a public transit district.

4048 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
4049 Canyons Transportation Investment Fund.

4050 (b) The fund shall be funded by:

4051 (i) money deposited into the fund in accordance with Section 59-12-103;

4052 (ii) appropriations into the account by the Legislature;

4053 (iii) private contributions; and

4054 (iv) donations or grants from public or private entities.

4055 (c)(i) The fund shall earn interest.

4056 (ii) All interest earned on fund money shall be deposited into the fund.

4057 (d) The Legislature may appropriate money from the fund for public transit or
4058 transportation projects in the Cottonwood Canyons of Salt Lake County.

4059 (e) The department may use up to 2% of the revenue deposited into the account under
4060 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
4061 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

4062 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
4063 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
4064 to fund projects to provide ingress and egress for a public transit hub, including
4065 construction of the public transit hub, in the Big Cottonwood Canyon area.

4066 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
4067 Transportation Investment Fund.

4068 (b) The fund shall be funded by:

4069 (i) money deposited into the fund in accordance with Section 59-12-103;

4070 (ii) appropriations into the account by the Legislature; and

4071 (iii) donations or grants from public or private entities.

4072 (c)(i) The fund shall earn interest.

4073 (ii) All interest earned on fund money shall be deposited into the fund.

4074 (d) The executive director may only use fund money to pay the costs needed for:

4075 (i) the planning, design, construction, maintenance, reconstruction, or renovation of

- 4076 paved pedestrian or paved nonmotorized trail projects that:
- 4077 (A) are prioritized by the commission through the prioritization process for new
- 4078 transportation capacity projects adopted under Section 72-1-304;
- 4079 (B) serve a regional purpose; and
- 4080 (C) are part of an active transportation plan approved by the department or the
- 4081 plan described in Subsection (12)(d)(ii);
- 4082 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 4083 nonmotorized trails that serve a regional purpose; and
- 4084 (iii) the administration of the fund, including staff and overhead costs.
- 4085 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 4086 defined in Section 63N-3-602.
- 4087 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 4088 Subaccount.
- 4089 (c) The subaccount shall be funded by:
- 4090 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 4091 (ii) appropriations into the subaccount by the Legislature;
- 4092 (iii) private contributions; and
- 4093 (iv) donations or grants from public or private entities.
- 4094 (d)(i) The subaccount shall earn interest.
- 4095 (ii) All interest earned on money in the subaccount shall be deposited into the
- 4096 subaccount.
- 4097 (e) As prioritized by the commission through the prioritization process adopted under
- 4098 Section 72-1-304 or as directed by the Legislature, the department may only use
- 4099 money from the subaccount for projects that improve the state's commuter rail
- 4100 infrastructure, including the building or improvement of grade-separated crossings
- 4101 between commuter rail lines and public highways.
- 4102 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 4103 with Section 63J-1-602.1.
- 4104 Section 63. Section **72-5-117** is amended to read:
- 4105 **72-5-117 (Effective 07/01/26). Rulemaking for sale of real property -- Licensed**
- 4106 **or certified appraisers -- Exceptions.**
- 4107 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the
- 4108 department buys, sells, or exchanges real property, the department shall make rules to
- 4109 ensure that the value of the real property is congruent with the proposed price and other

- 4110 terms of the purchase, sale, or exchange.
- 4111 (2) The rules:
- 4112 (a) shall establish procedures for determining the value of the real property;
- 4113 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the
- 4114 real property's value;
- 4115 (c) may require that the appraisal be completed by a state-certified general appraiser, as
- 4116 defined under Section 61-2g-102;
- 4117 (d) may provide for the sale or exchange of real property, with or without charge, to a
- 4118 large public transit district if the executive director enters into an agreement with the
- 4119 large public transit district and determines that the real property:
- 4120 (i) is within the boundaries of a station area that has a station area plan certified by a
- 4121 metropolitan planning organization in accordance with Section 10-21-203;
- 4122 (ii) is part of a transit-oriented development or transit-supportive development as
- 4123 defined in Section 17B-2a-802;
- 4124 (iii) is adjacent to a completed fixed guideway capital development that was overseen
- 4125 by the department; or
- 4126 (iv) will only be used by the large public transit district in a manner that the executive
- 4127 director determines will provide a benefit to the state transportation system; and
- 4128 (e) subject to Subsection (4), may provide for a sale of surplus real property to a state
- 4129 agency or an independent entity, as defined in Section 63E-1-102, that administers
- 4130 public interests in housing for a pre-entitlement appraised value the payment of
- 4131 which may be deferred ~~[until]~~ no more than five years after the development of
- 4132 owner-occupied housing.
- 4133 (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to
- 4134 an interest in real property:
- 4135 (a) that is under a contract or other written agreement before May 5, 2008; or
- 4136 (b) with a value of less than \$100,000, as estimated by the state agency.
- 4137 (4) If the department chooses to provide for sale surplus real property to a state agency or
- 4138 an independent entity in accordance with Subsection (2)(e), the department shall:
- 4139 (a) identify the surplus real property described in Subsection (2)(e) as suitable for sale;
- 4140 (b) ensure that the property is appraised at fair market value in accordance with this
- 4141 section;
- 4142 (c) ensure that:
- 4143 (i) the boundary of the property is within one-half mile of a station or loading zone of

- 4144 a public transit facility, as that term is defined in Section 72-1-102; or
 4145 (ii) the property is developed to include:
 4146 (A) at least one parking space for each bedroom in a dwelling unit; or
 4147 (B) the number of parking spaces required for a dwelling unit under local zoning
 4148 and land use regulations; and
 4149 (d) sell the property:
 4150 (i) at the appraisal price within 12 months from the date on which the department
 4151 receives the appraisal described in Subsection (4)(b); and
 4152 (ii) within 18 months from the date on which the department determines that the
 4153 surplus real property is suitable for development.
 4154 (5)(a) The department shall coordinate with the director of the Division of Housing
 4155 within the Governor's Office of Economic Opportunity:
 4156 (i) on the sale of surplus property as described in this section; or
 4157 (ii) on the sale of surplus property to be used for the development or conversion of
 4158 moderate income housing that is granted or leased in accordance with Section
 4159 63L-12-102.

4160 Section 64. Section **73-10c-3** is amended to read:

4161 **73-10c-3 (Effective 07/01/26). Water Development Coordinating Council created**

4162 **-- Purpose -- Members.**

- 4163 (1)(a) There is created within the Department of Natural Resources a Water
 4164 Development Coordinating Council. The council is comprised of:
 4165 (i) the director of the Division of Water Resources;
 4166 (ii) the executive secretary of the Water Quality Board;
 4167 (iii) the executive secretary of the Drinking Water Board;
 4168 (iv) the director of the [~~Housing and~~]Community Development Division or the
 4169 director's designee;
 4170 (v) the state treasurer or the state treasurer's designee;
 4171 (vi) the commissioner of the Department of Agriculture and Food, or the
 4172 commissioner's designee; and
 4173 (vii) an individual appointed by the governor with the advice and consent of the
 4174 Senate who is:
 4175 (A) familiar with water infrastructure projects, including planning, financing,
 4176 construction, or operation; and
 4177 (B) employed by a water conservancy district that is subject to the asset

4178 management criteria ~~[of]~~ described in Section 17B-2a-1010.

4179 (b) The council shall choose a chair and vice chair from among the council's own
4180 members, except the chair and vice chair may not be from the same department.

4181 (c) A member may not receive compensation or benefits for the member's service, but
4182 may receive per diem and travel expenses in accordance with:

4183 (i) Section 63A-3-106;

4184 (ii) Section 63A-3-107; and

4185 (iii) rules made by the Division of Finance ~~[pursuant to]~~ in accordance with Sections
4186 63A-3-106 and 63A-3-107.

4187 (2) The purposes of the council are to:

4188 (a) coordinate the use and application of the money available to the state to give
4189 financial assistance to political subdivisions of this state so as to promote the
4190 conservation, development, treatment, restoration, and protection of the waters of this
4191 state;

4192 (b) promote the coordination of the financial assistance programs administered by the
4193 state and the use of the financing alternative most economically advantageous to the
4194 state and ~~[its-]~~ the political subdivisions of the state;

4195 (c) promote the consideration by the Board of Water Resources, Drinking Water Board,
4196 and Water Quality Board of regional solutions to the water and wastewater needs of
4197 individual political subdivisions of this state;

4198 (d) assess the adequacy and needs of the state and ~~[its-]~~ the political subdivisions ~~[with~~
4199 ~~respect to]~~ of the state concerning water-related infrastructures and advise the
4200 governor and the Legislature on those funding needs;

4201 (e) conduct reviews and reports on water-related infrastructure issues as directed by
4202 statute;

4203 (f) engage in planning and prioritization of water infrastructure projects in accordance
4204 with Chapter 10g, Part 6, Planning and Prioritization; and

4205 (g) expend money from the Water Infrastructure Fund in accordance with Section
4206 73-10g-107.

4207 Section 65. Section **78B-6-521** is amended to read:

4208 **78B-6-521 (Effective 07/01/26). Sale of property acquired by eminent domain.**

4209 (1) As used in this section:

4210 (a) "Condemnation" or "threat of condemnation" means:

4211 (i) acquisition through an eminent domain proceeding; or

4212 (ii) an official body of the state or a subdivision of the state, having the power of
4213 eminent domain, has specifically authorized the use of eminent domain to acquire
4214 the real property.

4215 (b)(i) "Highest offer" means all material terms of the best bona fide offer received by
4216 the state or one of the state's subdivisions, including:

- 4217 (A) purchase price;
- 4218 (B) conditions; and
- 4219 (C) terms of performance.

4220 (ii) "Highest offer" does not mean the terms and conditions of an agreement to
4221 exchange real property or an interest in real property for other real property or an
4222 interest in real property.

4223 (2) If the state or one of the state's subdivisions, at the state's or the state subdivision's sole
4224 discretion, declares real property or an easement the state or state subdivision acquires
4225 through condemnation or threat of condemnation to be surplus real property, the state or
4226 state subdivision may not sell the real property or easement at a private or public sale
4227 unless:

4228 (a)(i) for real property, the state or state subdivision gives the right of first refusal to
4229 the original grantor for the highest offer if, since the date of the original transfer to
4230 the state or state subdivision, the original grantor has owned real property adjacent
4231 to the transferred real property; or

4232 (ii) for an easement, the state or state subdivision gives the right of first refusal to:
4233 (A) if the original grantor owns the servient estate subject to the easement, the
4234 original grantor for the highest offer; or

4235 (B) if a subsequent bona fide purchaser owns the servient estate subject to the
4236 easement, the subsequent bona fide purchaser for the highest offer;

4237 (b) the original grantor or subsequent bona fide purchaser described in Subsection (2)(a):

4238 (i) expressly waives in writing the right of first refusal on the offer; or

4239 (ii) fails to accept the offer within 90 days after the day on which the original grantor
4240 or subsequent bona fide purchaser receives notification by registered mail to the
4241 original grantor's or subsequent bona fide purchaser's last-known address; and

4242 (c) neither the state nor the state subdivision selling the property is involved in the
4243 rezoning of the property or the acquisition of additional property to enhance the value
4244 of the real property to be sold.

4245 (3)(a) If the original grantor or subsequent bona fide purchaser has not waived the right

4246 of first refusal as described in Subsection (2)(b), an original grantor or subsequent
4247 bona fide purchaser may assign the right of first refusal.

4248 (b) The assignment of a right of first refusal in accordance with Subsection (3)(a) does
4249 not extend the time for acceptance of an offer as described in Subsection (2)(b).

4250 (4)(a) Real property acquired through condemnation or the threat of condemnation is not
4251 considered surplus if the real property is approved for use in an exchange for other
4252 real property.

4253 (b) An exchange of real property for other real property is not a private or public sale.

4254 (c) The right of first refusal described in Subsection (2)(a) shall terminate upon an
4255 exchange of the acquired real property.

4256 (5) If the original grantor or subsequent bona fide purchaser fails to purchase the real
4257 property or easement as described in this section, the state or a political subdivision of
4258 the state that owns real property may advertise the real property for sale or lease for
4259 moderate income housing for the purposes described in Section 63L-12-102 or 72-5-117.

4260 [~~5~~] (6) This section shall only apply to property acquired after July 1, 1983.

4261 Section 66. **Repealer.**

4262 This bill repeals:

4263 Section **35A-8-504.5, Low-income ADU loan guarantee pilot program.**

4264 Section **35A-8-504.6, Subordinate shared appreciation loan program.**

4265 Section **35A-8-801, Title.**

4266 Section **35A-8-802, Legislative policy and purpose.**

4267 Section **35A-8-901, Assistance to domestic violence shelters -- Rulemaking authority.**

4268 Section **35A-8-2101, Title -- Purpose.**

4269 Section **35A-8-2201, Definitions.**

4270 Section **35A-8-2202, Commission on Housing Affordability.**

4271 Section **35A-8-2203, Duties of the commission.**

4272 Section **35A-8-2204, Annual report.**

4273 Section 67. **Effective Date.**

4274 This bill takes effect on July 1, 2026.