

**Calvin Roberts** proposes the following substitute bill:

**Housing and Community Development Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Calvin Roberts**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

▶ defines terms;

▶ creates the deputy director position within HCD, who is appointed by the governor with the advice and consent of the Senate;

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

▶ repeals certain obsolete sections of code;

▶ repeals certain sections of code to consolidate with other code sections;

▶ repeals the Commission on Housing Affordability;

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

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

▶ moves the Homeless Housing and Services Grant Program from the Office of Homeless Services into HCD; and

29           ▸ makes technical and conforming changes.

30 **Money Appropriated in this Bill:**

31       This bill transfers funds from the Governor's Office - Governor's Office Operations to the  
32       Governor's Office of Economic Opportunity, Division of Housing and Community  
33       Development in the amount of \$345,000 for fiscal year 2027.

34 **Other Special Clauses:**

35       This bill provides a special effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

38       **9-9-104.5 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 233

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

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

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

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

47       **11-13-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 187

48       **17-80-101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,  
49       First Special Session, Chapter 14

50       **17-80-201 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, First Special Session,  
51       Chapter 14

52       **17-80-202 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2025,  
53       First Special Session, Chapter 14

54       **17B-1-612 (Effective 07/01/26)**, as last amended by Laws of Utah 2023, Chapter 15

55       **17C-1-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
56       Session, Chapter 16

57       **17C-1-412 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 459

58       **26B-3-209 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2023,  
59       Chapter 306

60       **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26)**, as last amended by Laws  
61       of Utah 2025, Chapter 441

62       **35A-3-103 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 441

63       **35A-3-309 (Effective 07/01/26)**, as last amended by Laws of Utah 2015, Chapter 221  
64       **35A-8-101 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 406  
65       **35A-8-201 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,  
66       Chapter 212  
67       **35A-8-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
68       Session, Chapter 15  
69       **35A-8-1003 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,  
70       Chapter 212  
71       **35A-8-1009 (Effective 07/01/26)**, as last amended by Laws of Utah 2017, Chapter 223  
72       **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30)**, as last amended by Laws  
73       of Utah 2020, Chapter 234  
74       **59-2-1101 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
75       Session, Chapter 15  
76       **59-5-116 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401  
77       **59-5-119 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401  
78       **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
79       Session, Chapter 15  
80       **59-21-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 339  
81       **63A-3-205 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105  
82       **63B-1b-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105  
83       **63B-1b-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapters 362,  
84       451  
85       **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah  
86       2025, Chapter 105  
87       **63H-8-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 391  
88       **63H-8-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2015,  
89       Chapter 226  
90       **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah  
91       2025, Chapter 140  
92       **72-1-215 (Effective 07/01/26)**, as enacted by Laws of Utah 2020, Chapter 268  
93       **72-1-304 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
94       Session, Chapter 15  
95       **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special  
96       Session, Chapter 15

97       **73-10c-3 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 335

98       ENACTS:

99       **63N-22-101 (Effective 07/01/26)**, Utah Code Annotated 1953

100       **63N-22-102 (Effective 07/01/26)**, Utah Code Annotated 1953

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

102       RENUMBERS AND AMENDS:

103       **63N-22-104 (Effective 07/01/26)**, (Renumbered from 63J-4-402, as last amended by  
104       Laws of Utah 2025, First Special Session, Chapter 15)

105       **63N-22-201 (Effective 07/01/26)**, (Renumbered from 35A-8-803, as last amended by  
106       Laws of Utah 2025, First Special Session, Chapter 15)

107       **63N-22-202 (Effective 07/01/26)**, (Renumbered from 35A-8-804, as last amended by  
108       Laws of Utah 2025, First Special Session, Chapters 15, 16)

109       **63N-22-203 (Effective 07/01/26)**, (Renumbered from 35A-8-805, as last amended by  
110       Laws of Utah 2024, Chapter 438)

111       **63N-22-301 (Effective 07/01/26)**, (Renumbered from 35A-8-501, as last amended by  
112       Laws of Utah 2017, Chapter 279)

113       **63N-22-302 (Effective 07/01/26)**, (Renumbered from 35A-8-502, as renumbered and  
114       amended by Laws of Utah 2012, Chapter 212)

115       **63N-22-303 (Effective 07/01/26)**, (Renumbered from 35A-8-503, as last amended by  
116       Laws of Utah 2024, Chapter 431)

117       **63N-22-304 (Effective 07/01/26)**, (Renumbered from 35A-8-504, as last amended by  
118       Laws of Utah 2024, Chapter 413)

119       **63N-22-305 (Effective 07/01/26)**, (Renumbered from 35A-8-505, as last amended by  
120       Laws of Utah 2025, Chapter 464)

121       **63N-22-306 (Effective 07/01/26)**, (Renumbered from 35A-8-506, as last amended by  
122       Laws of Utah 2017, Chapter 279)

123       **63N-22-307 (Effective 07/01/26)**, (Renumbered from 35A-8-507, as last amended by  
124       Laws of Utah 2016, Chapter 131)

125       **63N-22-308 (Effective 07/01/26)**, (Renumbered from 35A-8-507.5, as last amended  
126       by Laws of Utah 2022, Chapter 406)

127       **63N-22-309 (Effective 07/01/26)**, (Renumbered from 35A-8-508, as last amended by  
128       Laws of Utah 2022, Chapter 406)

129       **63N-22-310 (Effective 07/01/26)**, (Renumbered from 35A-8-509, as last amended by  
130       Laws of Utah 2024, Chapter 381)

131       **63N-22-311 (Effective 07/01/26)**, (Renumbered from 35A-8-509.5, as enacted by  
132       Laws of Utah 2022, Chapter 406)

133       **63N-22-312 (Effective 07/01/26)**, (Renumbered from 35A-8-510, as last amended by  
134       Laws of Utah 2022, Chapter 406)

135       **63N-22-313 (Effective 07/01/26)**, (Renumbered from 35A-8-511, as last amended by  
136       Laws of Utah 2022, Chapter 406)

137       **63N-22-314 (Effective 07/01/26)**, (Renumbered from 35A-8-512, as last amended by  
138       Laws of Utah 2022, Chapter 406)

139       **63N-22-315 (Effective 07/01/26)**, (Renumbered from 35A-8-513, as last amended by  
140       Laws of Utah 2022, Chapter 406)

141       **63N-22-316 (Effective 07/01/26)**, (Renumbered from 35A-8-2401, as last amended  
142       by Laws of Utah 2024, Chapter 413)

143       **63N-22-401 (Effective 07/01/26)**, (Renumbered from 35A-8-2102, as renumbered  
144       and amended by Laws of Utah 2018, Chapter 182)

145       **63N-22-402 (Effective 07/01/26)**, (Renumbered from 35A-8-2103, as last amended  
146       by Laws of Utah 2024, Chapter 529)

147       **63N-22-403 (Effective 07/01/26)**, (Renumbered from 35A-8-2104, as renumbered  
148       and amended by Laws of Utah 2018, Chapter 182)

149       **63N-22-404 (Effective 07/01/26)**, (Renumbered from 35A-8-2105, as last amended  
150       by Laws of Utah 2022, Chapters 68, 406)

151       **63N-22-405 (Effective 07/01/26)**, (Renumbered from 35A-8-2106, as last amended  
152       by Laws of Utah 2022, Chapter 406)

153       **63N-22-406 (Effective 07/01/26)**, (Renumbered from 35A-8-2107, as renumbered  
154       and amended by Laws of Utah 2018, Chapter 182)

155       **63N-22-407 (Effective 07/01/26)**, (Renumbered from 35A-8-2108, as renumbered  
156       and amended by Laws of Utah 2018, Chapter 182)

157       **63N-22-408 (Effective 07/01/26)**, (Renumbered from 35A-8-2109, as renumbered  
158       and amended by Laws of Utah 2018, Chapter 182)

159       **63N-22-409 (Effective 07/01/26)**, (Renumbered from 35A-8-2110, as renumbered  
160       and amended by Laws of Utah 2018, Chapter 182)

161       **63N-22-501 (Effective 07/01/26)**, (Renumbered from 35A-8-301, as last amended by  
162       Laws of Utah 2025, Chapter 261)

163       **63N-22-502 (Effective 07/01/26)**, (Renumbered from 35A-8-302, as last amended by  
164       Laws of Utah 2025, Chapter 277)

165       **63N-22-503 (Effective 07/01/26)**, (Renumbered from 35A-8-303, as renumbered and  
166        amended by Laws of Utah 2012, Chapter 212)

167        **63N-22-504 (Effective 07/01/26)**, (Renumbered from 35A-8-304, as last amended by  
168        Laws of Utah 2024, Chapter 529)

169        **63N-22-505 (Effective 07/01/26)**, (Renumbered from 35A-8-305, as last amended by  
170        Laws of Utah 2021, Chapter 339)

171        **63N-22-506 (Effective 07/01/26)**, (Renumbered from 35A-8-307, as last amended by  
172        Laws of Utah 2021, Chapter 339)

173        **63N-22-507 (Effective 07/01/26)**, (Renumbered from 35A-8-308, as last amended by  
174        Laws of Utah 2025, Chapter 451)

175        **63N-22-508 (Effective 07/01/26)**, (Renumbered from 35A-8-309, as last amended by  
176        Laws of Utah 2025, Chapter 451)

177        **63N-22-509 (Effective 07/01/26)**, (Renumbered from 35A-8-310, as last amended by  
178        Laws of Utah 2025, Chapter 261)

179        **63N-22-601 (Effective 07/01/26)**, (Renumbered from 35A-8-1601, as last amended  
180        by Laws of Utah 2019, Chapter 136)

181        **63N-22-602 (Effective 07/01/26)**, (Renumbered from 35A-8-1602, as last amended  
182        by Laws of Utah 2025, Chapter 261)

183        **63N-22-603 (Effective 07/01/26)**, (Renumbered from 35A-8-1603, as renumbered  
184        and amended by Laws of Utah 2012, Chapter 212)

185        **63N-22-604 (Effective 07/01/26)**, (Renumbered from 35A-8-1604, as last amended  
186        by Laws of Utah 2019, Chapter 136)

187        **63N-22-605 (Effective 07/01/26)**, (Renumbered from 35A-8-1606, as renumbered  
188        and amended by Laws of Utah 2012, Chapter 212)

189        **63N-22-606 (Effective 07/01/26)**, (Renumbered from 35A-8-1607, as last amended  
190        by Laws of Utah 2014, Chapter 371)

191        **63N-22-701 (Effective 07/01/26)**, (Renumbered from 35A-8-1702, as last amended  
192        by Laws of Utah 2019, Chapter 136)

193        **63N-22-702 (Effective 07/01/26)**, (Renumbered from 35A-8-1703, as last amended  
194        by Laws of Utah 2025, Chapter 261)

195        **63N-22-703 (Effective 07/01/26)**, (Renumbered from 35A-8-1704, as last amended  
196        by Laws of Utah 2025, Chapter 261)

197        **63N-22-704 (Effective 07/01/26)**, (Renumbered from 35A-8-1705, as last amended  
198        by Laws of Utah 2016, Chapter 348)

199       **63N-22-705 (Effective 07/01/26)**, (Renumbered from 35A-8-1706, as renumbered  
200 and amended by Laws of Utah 2012, Chapter 212)

201       **63N-22-706 (Effective 07/01/26)**, (Renumbered from 35A-8-1707, as last amended  
202 by Laws of Utah 2019, Chapter 136)

203       **63N-22-801 (Effective 07/01/26)**, (Renumbered from 35A-16-601, as enacted by  
204 Laws of Utah 2022, Chapter 467)

205       **63N-22-802 (Effective 07/01/26)**, (Renumbered from 35A-16-602, as last amended  
206 by Laws of Utah 2025, Chapter 530)

207       **REPEALS:**

208       **35A-8-306 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 89

209       **35A-8-504.5 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 102

210       **35A-8-504.6 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 464

211       **35A-8-801 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,  
212 Chapter 212

213       **35A-8-802 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,  
214 Chapter 212

215       **35A-8-901 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 335

216       **35A-8-1605 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,  
217 Chapter 212

218       **35A-8-1608 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 241

219       **35A-8-1708 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 371

220       **35A-8-2101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2018,  
221 Chapter 182

222       **35A-8-2201 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

223       **35A-8-2202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 118

224       **35A-8-2203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 512

225       **35A-8-2204 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

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

227       Section 1. Section **9-9-104.5** is amended to read:

228       **9-9-104.5 (Effective 07/01/26). Meetings with Tribal Leaders and Native  
229       American Indian organizations.**

230       (1) The division shall meet regularly with:

231       (a) elected officials of Indian Tribal Nations located in whole or in part in the state; or

233 (b) individuals designated by elected officials of the Indian Tribal Nations described in  
234 Subsection (1)(a).

235 (2)(a) Subject to Section 9-9-104.6, at least six times each year, the division shall  
236 coordinate and attend a joint meeting of the representatives of tribal governments  
237 listed in Subsection (2)(b) for the purpose of coordinating the efforts of state and  
238 tribal governments in meeting the needs of the Native American Indians residing in  
239 Utah.

240 (b)(i) The representatives to be included in the meeting described in Subsection (2)(a)  
241 shall be elected officials, serve as representatives for [their] the entire elected term,  
242 and be selected as follows:

243 (A) an elected Navajo Nation council delegate who resides in Utah or Arizona and  
244 represents at least one Utah Navajo Chapter, as defined in Section [35A-8-1702]  
245 63N-22-701, selected by the [President] president of the Navajo Nation;

246 (B) an elected official of the Ute Indian Tribe of the Uintah and Ouray  
247 Reservation selected by the Uintah and Ouray Tribal Business Committee;

248 (C) an elected official of the Paiute Indian Tribe of Utah selected by the Paiute  
249 Indian Tribe of Utah Tribal Council;

250 (D) an elected official of the Northwestern Band of the Shoshone Nation that  
251 resides in Utah or Idaho selected by the Northwestern Band of the Shoshone  
252 Nation Tribal Council;

253 (E) an elected official of the Confederated Tribes of the Goshute selected by the  
254 Confederated Tribes of the Goshute Reservation Tribal Council;

255 (F) an elected official of the Skull Valley Band of Goshute Indians selected by the  
256 Skull Valley Band of Goshute Indian Tribal Executive Committee;

257 (G) an elected official of the Ute Mountain Ute Tribe that resides in Utah or  
258 Colorado selected by the Ute Mountain Ute Tribal Council; and

259 (H) an elected official of the San Juan Southern Paiute Tribe, residing in Utah or  
260 Arizona, selected by the San Juan Southern Paiute Tribal Council.

261 (ii) Notwithstanding Subsection (2)(b)(i), if an elected official of an Indian Tribal  
262 Nation provides notice to the division, the Indian Tribal Nation may designate an  
263 individual other than the elected official selected under Subsection (2)(b)(i) to  
264 represent the Indian Tribal Nation at an individual meeting held under Subsection  
265 (2)(a).

266 (iii) A majority of members listed in Subsection (2)(b)(i) constitutes a quorum for

267 purposes of a meeting held under Subsection (2)(a). An action of a majority of  
268 members present when a quorum is present constitutes action of the  
269 representatives for purposes of a meeting described in Subsection (2)(a).

270 (c)(i) A meeting held in accordance with Subsection (2)(a) is subject to Title 52,  
271 Chapter 4, Open and Public Meetings Act.  
272 (ii) A meeting of representatives listed in Subsection (2)(b) is not subject to the  
273 requirements of Title 52, Chapter 4, Open and Public Meetings Act[  
274 notwithstanding whether it] , whether the meeting is held on the same day as a  
275 meeting held in accordance with Subsection (2)(a) if:  
276 (A) the division does not coordinate the meeting described in this Subsection  
277 (2)(c)(ii);  
278 (B) no state agency participates in the meeting described in this Subsection  
279 (2)(c)(ii);  
280 (C) a representative receives no per diem or expenses under this section for  
281 attending the meeting described in this Subsection (2)(c)(ii) that is in addition  
282 to any per diem or expenses the representative receives under Subsection (2)(d)  
283 for attending a meeting described in Subsection (2)(a); and  
284 (D) the meeting described in this Subsection (2)(c)(ii) is not held:  
285 (I) after a meeting described in Subsection (2)(a) begins; and  
286 (II) before the meeting described in Subsection (2)(c)(ii)(D)(I) adjourns.  
287 (d) A representative of a tribal government that attends a meeting held in accordance  
288 with Subsection (2)(a) may not receive compensation or benefits for the  
289 representative's service, but may receive per diem and travel expenses in accordance  
290 with:  
291 (i) Section 63A-3-106;  
292 (ii) Section 63A-3-107; and  
293 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
294 63A-3-107.  
295 (e) For a meeting described in Subsection (2)(a), only the individuals described in  
296 Subsection (2)(b) may receive per diem and expenses, as provided in Subsection  
297 (2)(d).  
298 (3) The division may meet as necessary with Native American Indian groups other than  
299 tribal governments representing the interests of Native American Indians who are  
300 citizens of the state residing on or off reservation land.

301       Section 2. Section **10-21-101** is amended to read:

302       **10-21-101 (Effective 07/01/26). Definitions.**

303       As used in this part:

- 304       (1) "Affordable housing" means housing offered for sale at 80% or less of the median  
305            county home price for housing of that type.
- 306       (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- 307       (3) "Applicable metropolitan planning organization" means the metropolitan planning  
308            organization that has jurisdiction over the area in which a fixed guideway public transit  
309            station is located.
- 310       (4) "Applicable public transit district" means the public transit district, as defined in Section  
311            17B-2a-802, of which a fixed guideway public transit station is included.
- 312       (5) "Base taxable value" means a property's taxable value as shown upon the assessment  
313            roll last equalized during the base year.
- 314       (6) "Base year" means, for a proposed home ownership promotion zone area, a year  
315            beginning the first day of the calendar quarter determined by the last equalized tax roll  
316            before the adoption of the home ownership promotion zone.
- 317       (7) "Division" means the ~~Housing and Community Development Division within the~~  
318            ~~Department of Workforce Services~~ Division of Housing and Community Development  
319            within the Governor's Office of Economic Opportunity.
- 320       (8) "Existing fixed guideway public transit station" means a fixed guideway public transit  
321            station for which construction begins before June 1, 2022.
- 322       (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 323       (10) "Home ownership promotion zone" means a home ownership promotion zone created  
324            in accordance with this part.
- 325       (11) "Implementation plan" means the implementation plan adopted as part of the moderate  
326            income housing element of a specified municipality's general plan as provided in  
327            Subsection 10-21-201(4).
- 328       (12) "Initial report" or "initial moderate income housing report" means the one-time report  
329            described in Subsection 10-21-202(1).
- 330       (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
  - 331            (a) within a primary dwelling;
  - 332            (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the  
333              time the internal accessory dwelling unit is created; and
  - 334            (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.

335 (14) "Moderate income housing strategy" means a strategy described in Subsection  
336 10-21-201(3)(a)(iii).

337 (15) "New fixed guideway public transit station" means a fixed guideway public transit  
338 station for which construction begins on or after June 1, 2022.

339 (16) "Participant" means the same as that term is defined in Section 17C-1-102.

340 (17) "Participation agreement" means the same as that term is defined in Section 17C-1-102.

341 (18)(a) "Primary dwelling" means a single-family dwelling that:

342 (i) is detached; and

343 (ii) is occupied as the primary residence of the owner of record.

344 (b) "Primary dwelling" includes a garage if the garage:

345 (i) is a habitable space; and

346 (ii) is connected to the primary dwelling by a common wall.

347 (19) "Project improvements" means the same as that term is defined in Section 11-36a-102.

348 (20) "Qualifying land use petition" means a petition:

349 (a) that involves land located within a station area for an existing public transit station  
350 that provides rail services;

351 (b) that involves land located within a station area for which the municipality has not yet  
352 satisfied the requirements of Subsection 10-21-203(1)(a);

353 (c) that proposes the development of an area greater than five contiguous acres, with no  
354 less than 51% of the acreage within the station area;

355 (d) that would require the municipality to amend the municipality's general plan or  
356 change a zoning designation for the land use application to be approved;

357 (e) that would require a higher density than the density currently allowed by the  
358 municipality;

359 (f) that proposes the construction of new residential units, at least 10% of which are  
360 dedicated to moderate income housing; and

361 (g) for which the land use applicant requests the municipality to initiate the process of  
362 satisfying the requirements of Subsection 10-21-203(1)(a) for the station area in  
363 which the development is proposed, subject to Subsection 10-21-203(2)(d).

364 (21) "Report" means an initial report or a subsequent progress report.

365 (22) "Specified municipality" means:

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

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

369 (23)(a) "Station area" means:

370 (i) for a fixed guideway public transit station that provides rail services, the area  
371 within a one-half mile radius of the center of the fixed guideway public transit  
372 station platform; or  
373 (ii) for a fixed guideway public transit station that provides bus services only, the area  
374 within a one-fourth mile radius of the center of the fixed guideway public  
375 transit station platform.

376 (b) "Station area" includes any parcel bisected by the radius limitation described in [  
377 ~~Subsection (a)(i) or (ii)~~] Subsection (23)(a)(i) or (ii).

378 (24) "Station area plan" means a plan that:

379 (a) establishes a vision, and the actions needed to implement that vision, for the  
380 development of land within a station area; and  
381 (b) is developed and adopted in accordance with this section.

382 (25) "Subsequent progress report" means the annual report described in Subsection  
383 10-21-202(2).

384 (26) "System improvements" means the same as that term is defined in Section 11-36a-102.

385 (27) "Tax commission" means the State Tax Commission created in Section 59-1-201.

386 (28)(a) "Tax increment" means the difference between:

387 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
388 the area within a home ownership promotion zone, using the current assessed  
389 value and each taxing entity's current certified tax rate as defined in Section  
390 59-2-924; and  
391 (ii) the amount of property tax revenue that would be generated from that same area  
392 using the base taxable value and each taxing entity's current certified tax rate as  
393 defined in Section 59-2-924.

394 (b) "Tax increment" does not include property revenue from:

395 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);  
396 or  
397 (ii) a county additional property tax described in Subsection 59-2-1602(4).

398 (29) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

399 Section 3. Section **10-21-201** is amended to read:

400 **10-21-201 (Effective 07/01/26). Moderate income housing plan required.**

401 (1) A moderate income housing element of a general plan shall include a moderate income  
402 housing plan that meets the requirements of this section.

403 (2) A moderate income housing plan:

404 (a) shall provide a realistic opportunity to meet the need for additional moderate income  
405 housing within the municipality during the next five years;

406 (b) for a municipality that is not a specified municipality, may include a  
407 recommendation to implement three or more of the moderate income housing  
408 strategies described in Subsection (3)(a)(iii);

409 (c) for a specified municipality that does not have a fixed guideway public transit  
410 station, shall include a recommendation to implement three or more of the moderate  
411 income housing strategies described in Subsection (3)(a)(iii) or at least one of the  
412 moderate income housing strategies described in Subsections (3)(a)(iii)(X) through  
413 (CC);

414 (d) for a specified municipality that has a fixed guideway public transit station, shall  
415 include:

416 (i) a recommendation to implement five or more of the moderate income housing  
417 strategies described in Subsection (3)(a)(iii), of which one shall be the moderate  
418 income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a  
419 moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or

420 (ii) a recommendation to implement the moderate income housing strategy described  
421 in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies  
422 described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income  
423 housing strategy described in Subsection (3)(a)(iii); and

424 (e) for a specified municipality shall include an implementation plan as provided in  
425 Subsection (4).

426 (3)(a) In drafting the moderate income housing element, the planning commission:

427 (i) shall consider the Legislature's determination that municipalities shall facilitate a  
428 reasonable opportunity for a variety of housing, including moderate income  
429 housing:  
430 (A) to meet the needs of people of various income levels living, working, or  
431 desiring to live or work in the community; and  
432 (B) to allow people with various incomes to benefit from and fully participate in  
433 all aspects of neighborhood and community life;

434 (ii) for a municipality that is not a specified municipality, may include, and for a  
435 specified municipality shall include, an analysis of how the municipality will  
436 provide a realistic opportunity for the development of moderate income housing

within the next five years; and

- (iii) for a municipality that is not a specified municipality, may include, and for a specified municipality shall include, a recommendation to implement the required number of any of the following moderate income housing strategies as specified in Subsection (2):
  - (A) rezone for densities necessary to facilitate the production of moderate income housing;
  - (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
  - (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
  - (D) identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate income housing;
  - (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
  - (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;
  - (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
  - (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
  - (I) amend land use regulations to allow for single room occupancy developments;
  - (J) implement zoning incentives for moderate income units in new developments;
  - (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program[; or, notwithstanding Section 10-21-301,] or establishing a housing loss mitigation fund;
  - (L) reduce, waive, or eliminate impact fees related to moderate income housing;
  - (M) demonstrate creation of, or participation in, a community land trust program

471 for moderate income housing;

472 (N) implement a mortgage assistance program for employees of the municipality,  
473 an employer that provides contracted services to the municipality, or any other  
474 public employer that operates within the municipality;

475 (O) apply for or partner with an entity that applies for state or federal funds or tax  
476 incentives to promote the construction of moderate income housing, an entity  
477 that applies for programs offered by the Utah Housing Corporation within the  
478 Utah Housing Corporation's funding capacity, an entity that applies for  
479 affordable housing programs administered by[ the Department of Workforce  
480 Services] the Division of Housing and Community Development within the  
481 Governor's Office of Economic Opportunity, an entity that applies for  
482 affordable housing programs administered by an association of governments  
483 established by an interlocal agreement under Title 11, Chapter 13, Interlocal  
484 Cooperation Act, an entity that applies for services provided by a public  
485 housing authority to preserve and create moderate income housing, or any  
486 other entity that applies for programs or services that promote the construction  
487 or preservation of moderate income housing;

488 (P) demonstrate utilization of a moderate income housing set aside from a  
489 community reinvestment agency, redevelopment agency, or community  
490 development and renewal agency to create or subsidize moderate income  
491 housing;

492 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal  
493 accessory dwelling unit as defined in Section 10-21-101;

494 (R) create a program to transfer development rights for moderate income housing;

495 (S) ratify a joint acquisition agreement with another local political subdivision for  
496 the purpose of combining resources to acquire property for moderate income  
497 housing;

498 (T) develop a moderate income housing project for residents who are disabled or  
499 55 years old or older;

500 (U) develop and adopt a station area plan in accordance with Section 10-21-203;

501 (V) create or allow for, and reduce regulations related to, multifamily residential  
502 dwellings compatible in scale and form with detached single-family residential  
503 dwellings and located in walkable communities within residential or mixed-use  
504 zones;

505 (W) demonstrate implementation of any other program or strategy to address the  
506 housing needs of residents of the municipality who earn less than 80% of the  
507 area median income, including the dedication of a local funding source to  
508 moderate income housing or the adoption of a land use ordinance that requires  
509 10% or more of new residential development in a residential zone be dedicated  
510 to moderate income housing;

511 (X) create a housing and transit reinvestment zone in accordance with Title 63N,  
512 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

513 (Y) create a home ownership promotion zone in accordance with Part 5, Home  
514 Ownership Promotion Zone for Municipalities;

515 (Z) create a first home investment zone in accordance with Title 63N, Chapter 3,  
516 Part 16, First Home Investment Zone Act;

517 (AA) approve a project that receives funding from, or qualifies to receive funding  
518 from, the Utah Homes Investment Program created in Title 51, Chapter 12,  
519 Utah Homes Investment Program;

520 (BB) adopt or approve a qualifying affordable home ownership density bonus for  
521 single-family residential units, as described in Section 10-21-401; and

522 (CC) adopt or approve a qualifying affordable home ownership density bonus for  
523 multi-family residential units, as described in Section 10-21-402; and

524 (b) the planning commission shall identify each moderate income housing strategy  
525 recommended to the legislative body for implementation by restating the exact  
526 language used to describe the strategy in Subsection (3)(a)(iii).

527 (4)(a) In drafting the implementation plan portion of the moderate income housing  
528 element as described in Subsection (2)(c), the planning commission shall recommend  
529 to the legislative body the establishment of a five-year timeline for implementing  
530 each of the moderate income housing strategies selected by the municipality for  
531 implementation.

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

533 (i) identify specific measures and benchmarks for implementing each moderate  
534 income housing strategy selected by the municipality, whether one-time or  
535 ongoing; and

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

537 Section 4. Section **10-21-202** is amended to read:

538 **10-21-202 (Effective 07/01/26). Moderate income housing report -- Contents --**

539      **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**  
540      **actions.**

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

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

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

550      (c) The initial report shall:

551      (i) identify each moderate income housing strategy selected by the specified  
552      municipality for continued, ongoing, or one-time implementation, restating the  
553      exact language used to describe the moderate income housing strategy; and  
554      (ii) include an implementation plan.

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

559      (b) The subsequent progress report shall include:

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

564      (ii) a description of each land use regulation or land use decision made by the  
565      specified municipality during the previous 12-month period to implement the  
566      moderate income housing strategies, including an explanation of how the land use  
567      regulation or land use decision supports the specified municipality's efforts to  
568      implement the moderate income housing strategies;

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

572      (iv) information regarding the number of internal and external or detached accessory

573 dwelling units located within the specified municipality for which the specified  
574 municipality:

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

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

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

579 (vi) shapefiles, or website links if shapefiles are not available, to current maps and  
580 tables related to zoning;

581 (vii) a description of how the market has responded to the selected moderate income  
582 housing strategies, including the number of entitled moderate income housing  
583 units or other relevant data; and

584 (viii) any recommendations on how the state can support the specified municipality  
585 in implementing the moderate income housing strategies.

586 (c) For purposes of describing actions taken by a specified municipality under  
587 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken  
588 by the specified municipality before the 12-month reporting period applicable to the  
589 subsequent progress report if the specified municipality:

590 (i) has already adopted an ordinance, approved a land use application, made an  
591 investment, or approved an agreement or financing that substantially promotes the  
592 implementation of a moderate income housing strategy identified in the initial  
593 report; and

594 (ii) demonstrates in the subsequent progress report that the action taken under  
595 Subsection (2)(c)(i) is relevant to making meaningful progress towards the  
596 specified municipality's implementation plan.

597 (d) A specified municipality's report shall be in a form:

598 (i) approved by the division; and

599 (ii) made available by the division on or before May 1 of the year in which the report  
600 is required.

601 (3) Within 90 days after the day on which the division receives a specified municipality's  
602 report, the division shall:

603 (a) post the report on the division's website;

604 (b) send a copy of the report to the Department of Transportation, the Governor's Office  
605 of Planning and Budget, the association of governments in which the specified  
606 municipality is located, and, if the specified municipality is located within the

607        boundaries of a metropolitan planning organization, the appropriate metropolitan  
608        planning organization; and

609        (c) subject to Subsection (4), review the report to determine compliance with this section.

610        (4)(a) An initial report complies with this section if the report:

611            (i) includes the information required under Subsection (1)(c);

612            (ii) demonstrates to the division that the specified municipality made plans to  
613            implement:

614              (A) three or more moderate income housing strategies if the specified  
615              municipality does not have a fixed guideway public transit station; or

616              (B) if the specified municipality has a fixed guideway public transit station:

617                (I) five or more of the moderate income housing strategies described in  
618                Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income  
619                housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one  
620                shall be a moderate income housing strategy described in Subsection  
621                10-21-201(3)(a)(iii)(G) or (H); or

622                (II) the moderate income housing strategy described in Subsection  
623                10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies  
624                described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one  
625                moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and

626              (iii) is in a form approved by the division.

627        (b) A subsequent progress report complies with this section if the report:

628            (i) demonstrates to the division that the specified municipality made plans to  
629            implement:

630              (A) three or more moderate income housing strategies if the specified  
631              municipality does not have a fixed guideway public transit station; or

632              (B) if the specified municipality has a fixed guideway public transit station:

633                (I) five or more of the moderate income housing strategies described in  
634                Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income  
635                housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one  
636                shall be a moderate income housing strategy described in Subsection  
637                10-21-201(3)(a)(iii)(G) or (H); or

638                (II) the moderate income housing strategy described in Subsection  
639                10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies  
640                described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one

moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii);

(ii) is in a form approved by the division; and

(iii) provides sufficient information for the division to:

- (A) assess the specified municipality's progress in implementing the moderate income housing strategies;
- (B) monitor compliance with the specified municipality's implementation plan;
- (C) identify a clear correlation between the specified municipality's land use regulations and land use decisions and the specified municipality's efforts to implement the moderate income housing strategies;
- (D) identify how the market has responded to the specified municipality's selected moderate income housing strategies; and
- (E) identify any barriers encountered by the specified municipality in implementing the selected moderate income housing strategies.

(c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a specified municipality without a fixed guideway public transit station implements or is implementing, by ordinance or development agreement, one of the following moderate income housing strategies, the division shall consider that one moderate income housing strategy to be the equivalent of three moderate income housing strategies:

(A) a housing and transit reinvestment zone, as described in Subsection 10-21-201(3)(a)(iii)(X);

(B) a home ownership promotion zone, as described in Subsection 10-21-201(3)(a)(iii)(Y);

(C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);

(D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);

(E) a qualifying affordable home ownership density bonus for single-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or

(F) a qualifying affordable home ownership density bonus for multi-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).

(ii) If the division considers one moderate income housing strategy described in Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies, the division shall also consider the specified municipality compliant with the reporting requirement described in this section for:

(A) the year in which the specified municipality submits the initial report or subsequent report; and

(B) two subsequent reporting years.

specified municipality qualifies for priority consideration under this Subsection if the specified municipality's report:

- complies with this section; and
- demonstrates to the division that the specified municipality made plans to implement:
  - (A) five or more moderate income housing strategies if the specified municipality does not have a fixed guideway public transit station; or
  - (B) six or more moderate income housing strategies if the specified municipality has a fixed guideway public transit station.

The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the boundaries of the specified municipality described in Subsection (5)(a) until the Department of Transportation receives notice from the division under Subsection (5)(e).

On determining that a specified municipality qualifies for priority consideration under this Subsection (5), the division shall send a notice of prioritization to the legislative body of the specified municipality and the Department of Transportation. The notice described in Subsection (5)(c) shall:

- name the specified municipality that qualifies for priority consideration;
- describe the funds or projects for which the specified municipality qualifies to receive priority consideration; and
- state the basis for the division's determination that the specified municipality qualifies for priority consideration.

The division shall notify the legislative body of a specified municipality and the Department of Transportation in writing if the division determines that the specified municipality no longer qualifies for priority consideration under this Subsection (5).

If the division, after reviewing a specified municipality's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified municipality.

A specified municipality that receives a notice of noncompliance may:

- cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

709 (ii) request an appeal of the division's determination of noncompliance within 10  
710 days after the day on which the notice of noncompliance is sent.

711 (c) The notice described in Subsection (6)(a) shall:

712 (i) describe each deficiency in the report and the actions needed to cure each  
713 deficiency;

714 (ii) state that the specified municipality has an opportunity to:

715 (A) submit to the division a corrected report that cures each deficiency in the  
716 report within 90 days after the day on which the notice of compliance is sent; or

717 (B) submit to the division a request for an appeal of the division's determination of  
718 noncompliance within 10 days after the day on which the notice of  
719 noncompliance is sent; and

720 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the  
721 specified municipality's ineligibility for funds under Subsection (8).

722 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the  
723 action needed to cure the deficiency as described by the division requires the  
724 specified municipality to make a legislative change, the specified municipality may  
725 cure the deficiency by making that legislative change within the 90-day cure period.

726 (e)(i) If a specified municipality submits to the division a corrected report in  
727 accordance with Subsection (6)(b)(i) and the division determines that the  
728 corrected report does not comply with this section, the division shall send a  
729 second notice of noncompliance to the legislative body of the specified  
730 municipality within 30 days after the day on which the corrected report is  
731 submitted.

732 (ii) A specified municipality that receives a second notice of noncompliance may  
733 submit to the division a request for an appeal of the division's determination of  
734 noncompliance within 10 days after the day on which the second notice of  
735 noncompliance is sent.

736 (iii) The notice described in Subsection (6)(e)(i) shall:

737 (A) state that the specified municipality has an opportunity to submit to the  
738 division a request for an appeal of the division's determination of  
739 noncompliance within 10 days after the day on which the second notice of  
740 noncompliance is sent; and

741 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the  
742 specified municipality's ineligibility for funds under Subsection (8).

743 (7)(a) A specified municipality that receives a notice of noncompliance under  
744 Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of  
745 noncompliance within 10 days after the day on which the notice of noncompliance is  
746 sent.

747 (b) Within 90 days after the day on which the division receives a request for an appeal,  
748 an appeal board consisting of the following three members shall review and issue a  
749 written decision on the appeal:  
750 (i) one individual appointed by the Utah League of Cities and Towns;  
751 (ii) one individual appointed by the Utah Homebuilders Association; and  
752 (iii) one individual appointed by the presiding member of the association of  
753 governments, established in accordance with an interlocal agreement under Title  
754 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is  
755 a member.

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

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

759 (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:  
760 (i) the specified municipality fails to submit a report to the division;  
761 (ii) after submitting a report to the division, the division determines that the report  
762 does not comply with this section and the specified municipality fails to:  
763 (A) cure each deficiency in the report within 90 days after the day on which the  
764 notice of noncompliance is sent; or  
765 (B) request an appeal of the division's determination of noncompliance within 10  
766 days after the day on which the notice of noncompliance is sent;  
767 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
768 previously submitted report, the division determines that the corrected report does  
769 not comply with this section and the specified municipality fails to request an  
770 appeal of the division's determination of noncompliance within 10 days after the  
771 day on which the second notice of noncompliance is sent; or  
772 (iv) after submitting a request for an appeal under Subsection (7), the appeal board  
773 issues a written decision upholding the division's determination of noncompliance.

774 (b) The following apply to a specified municipality described in Subsection (8)(a) until  
775 the division provides notice under Subsection (8)(e):  
776 (i) the executive director of the Department of Transportation may not program funds

777 from the Transportation Investment Fund of 2005, including the Transit  
778 Transportation Investment Fund, to projects located within the boundaries of the  
779 specified municipality in accordance with Subsection 72-2-124(5);  
780 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a  
781 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that  
782 the specified municipality:  
783 (A) fails to submit the report to the division in accordance with this section,  
784 beginning the day after the day on which the report was due; or  
785 (B) fails to cure the deficiencies in the report, beginning the day after the day by  
786 which the cure was required to occur as described in the notice of  
787 noncompliance under Subsection (6); and  
788 (iii) beginning with the report submitted in 2025, the specified municipality shall pay  
789 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that  
790 the specified municipality, in a consecutive year:  
791 (A) fails to submit the report to the division in accordance with this section,  
792 beginning the day after the day on which the report was due; or  
793 (B) fails to cure the deficiencies in the report, beginning the day after the day by  
794 which the cure was required to occur as described in the notice of  
795 noncompliance under Subsection (6).  
796 (c) Upon determining that a specified municipality is ineligible for funds under this  
797 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the  
798 division shall send a notice of ineligibility to the legislative body of the specified  
799 municipality, the Department of Transportation, the State Tax Commission, and the  
800 Governor's Office of Planning and Budget.  
801 (d) The notice described in Subsection (8)(c) shall:  
802 (i) name the specified municipality that is ineligible for funds;  
803 (ii) describe the funds for which the specified municipality is ineligible to receive;  
804 (iii) describe the fee the specified municipality is required to pay under Subsection  
805 (8)(b), if applicable; and  
806 (iv) state the basis for the division's determination that the specified municipality is  
807 ineligible for funds.  
808 (e) The division shall notify the legislative body of a specified municipality and the  
809 Department of Transportation in writing if the division determines that the provisions  
810 of this Subsection (8) no longer apply to the specified municipality.

811 (f) The division may not determine that a specified municipality that is required to pay a  
812 fee under Subsection (8)(b) is in compliance with the reporting requirements of this  
813 section until the specified municipality pays all outstanding fees required under  
814 Subsection (8)(b) to the Olene Walker Housing Loan Fund, created [under Title 35A,  
815 Chapter 8, Part 5, Olene Walker Housing Loan Fund] in Section 63N-22-302.  
816 (9) In a civil action seeking enforcement or claiming a violation of this section or of  
817 Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded  
818 only injunctive or other equitable relief.

819 Section 5. Section **10-21-203** is amended to read:

**10-21-203 (Effective 07/01/26). Station area plan requirements -- Contents --**

**Review and certification by applicable metropolitan planning organization.**

(1)(a) Subject to the requirements of this section, a municipality that has a fixed guideway public transit station located within the municipality's boundaries shall, for the station area:

- (i) develop and adopt a station area plan; and
- (ii) adopt any appropriate land use regulations to implement the station area plan.

(b) The requirements of Subsection (1)(a) shall be considered satisfied if:

- (i)(A) the municipality has already adopted plans or ordinances, approved land use applications, approved agreements or financing, or investments have been made, before June 1, 2022, that substantially promote each of the objectives in Subsection (6)(a) within the station area, and can demonstrate that such plans, ordinances, approved land use applications, approved agreements or financing, or investments are still relevant to making meaningful progress towards achieving such objectives; and
- (B) the municipality adopts a resolution finding that the objectives of Subsection (6)(a) have been substantially promoted; or

(ii)(A) the municipality has determined that conditions exist that make satisfying a portion or all of the requirements of Subsection (1)(a) for a station area impracticable, including conditions that relate to existing development, entitlements, land ownership, land uses that make opportunities for new development and long-term redevelopment infeasible, environmental limitations, market readiness, development impediment conditions, or other similar conditions; and

(B) the municipality adopts a resolution describing the conditions that exist to

845 make satisfying the requirements of Subsection (1)(a) impracticable.

846 (c) To the extent that previous actions by a municipality do not satisfy the requirements  
847 of Subsection (1)(a) for a station area, the municipality shall take the actions  
848 necessary to satisfy those requirements.

849 (2)(a) A municipality that has a new fixed guideway public transit station located within  
850 the municipality's boundaries shall satisfy the requirements of Subsection (1)(a) for  
851 the station area surrounding the new fixed guideway public transit station before the  
852 new fixed guideway public transit station begins transit services.

853 (b) Except as provided in Subsections (2)(c) and (d), a municipality that has an existing  
854 fixed guideway public transit station located within the municipality's boundaries  
855 shall satisfy the requirements of Subsection (1)(a) for the station area surrounding the  
856 existing fixed guideway public transit station on or before December 31, 2025.

857 (c) If a municipality has more than four existing fixed guideway public transit stations  
858 located within the municipality's boundaries, the municipality shall:  
859 (i) on or before December 31, 2025, satisfy the requirements of Subsection (1)(a) for  
860 four or more station areas located within the municipality; and  
861 (ii) on or before December 31 of each year thereafter, satisfy the requirements of  
862 Subsection (1)(a) for no less than two station areas located within the municipality  
863 until the municipality has satisfied the requirements of Subsection (1)(a) for each  
864 station area located within the municipality.

865 (d)(i) Subject to Subsection (2)(d)(ii):

866 (A) if a municipality receives a complete qualifying land use petition on or before  
867 July 1, 2022, the municipality shall satisfy the requirements of Subsection  
868 (1)(a) for the station area in which the development is proposed on or before  
869 July 1, 2023; and

870 (B) if a municipality receives a complete qualifying land use petition after July 1,  
871 2022, the municipality shall satisfy the requirements of Subsection (1)(a) for  
872 the station area in which the development is proposed within a 12-month  
873 period beginning on the first day of the month immediately following the  
874 month in which the qualifying land use petition is submitted to the  
875 municipality, and shall notify the applicable metropolitan planning  
876 organization of the receipt of the qualified land use petition within 45 days of  
877 the date of receipt.

878 (ii)(A) A municipality is not required to satisfy the requirements of Subsection

879 (1)(a) for more than two station areas under Subsection (2)(d)(i) within any  
880 12-month period.

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

885 (iii) A municipality shall process on a first priority basis a land use application,  
886 including an application for a building permit, if:  
887 (A) the land use application is for a residential use within a station area for which  
888 the municipality has not satisfied the requirements of Subsection (1)(a); and  
889 (B) the municipality would be required to change a zoning designation for the  
890 land use application to be approved.

891 (e) Notwithstanding Subsections (2)(a) through (d), the time period for satisfying the  
892 requirements of Subsection (1)(a) for a station area may be extended once for a  
893 period of 12 months if:  
894 (i) the municipality demonstrates to the applicable metropolitan planning  
895 organization that conditions exist that make satisfying the requirements of  
896 Subsection (1)(a) within the required time period infeasible, despite the  
897 municipality's good faith efforts; and  
898 (ii) the applicable metropolitan planning organization certifies to the municipality in  
899 writing that the municipality satisfied the demonstration in Subsection (2)(e)(i).

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

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

906 (4) A municipality that has more than one fixed guideway public transit station located  
907 within the municipality may, through an integrated process, develop station area plans  
908 for multiple station areas if the station areas are within close proximity of each other.

909 (5)(a) A municipality that is required to develop and adopt a station area plan under this  
910 section may request technical assistance from the applicable metropolitan planning  
911 organization.

912 (b) An applicable metropolitan planning organization that receives funds from the

913 Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when  
914 utilizing the funds, give priority consideration to requests for technical assistance for  
915 station area plans required under Subsection (2)(d).

916 (6)(a) A station area plan shall promote the following objectives within the station area:

- 917 (i) increasing the availability and affordability of housing, including moderate  
918 income housing;
- 919 (ii) promoting sustainable environmental conditions;
- 920 (iii) enhancing access to opportunities; and
- 921 (iv) increasing transportation choices and connections.

922 (b)(i) To promote the objective described in Subsection (6)(a)(i), a municipality may  
923 consider implementing the following actions:

- 924 (A) aligning the station area plan with the moderate income housing element of  
925 the municipality's general plan;
- 926 (B) providing for densities necessary to facilitate the development of moderate  
927 income housing;
- 928 (C) providing for affordable costs of living in connection with housing,  
929 transportation, and parking; or
- 930 (D) any other similar action that promotes the objective described in Subsection  
931 (6)(a)(i).

932 (ii) To promote the objective described in Subsection (6)(a)(ii), a municipality may  
933 consider implementing the following actions:

- 934 (A) conserving water resources through efficient land use;
- 935 (B) improving air quality by reducing fuel consumption and motor vehicle trips;
- 936 (C) establishing parks, open spaces, and recreational opportunities; or
- 937 (D) any other similar action that promotes the objective described in Subsection  
938 (6)(a)(ii).

939 (iii) To promote the objective described in Subsection (6)(a)(iii), a municipality may  
940 consider the following actions:

- 941 (A) maintaining and improving the connections between housing, transit,  
942 employment, education, recreation, and commerce;
- 943 (B) encouraging mixed-use development;
- 944 (C) enabling employment and educational opportunities within the station area;
- 945 (D) encouraging and promoting enhanced broadband connectivity; or
- 946 (E) any other similar action that promotes the objective described in Subsection

947 (6)(a)(iii).

948 (iv) To promote the objective described in Subsection (6)(a)(iv), a municipality may  
949 consider the following:  
950 (A) supporting investment in infrastructure for all modes of transportation;  
951 (B) increasing utilization of public transit;  
952 (C) encouraging safe streets through the designation of pedestrian walkways and  
953 bicycle lanes;  
954 (D) encouraging manageable and reliable traffic conditions;  
955 (E) aligning the station area plan with the regional transportation plan of the  
956 applicable metropolitan planning organization; or  
957 (F) any other similar action that promotes the objective described in Subsection  
958 (6)(a)(iv).

959 (7) A station area plan shall include the following components:

960 (a) a station area vision that:  
961 (i) is consistent with Subsection (6); and  
962 (ii) describes the following:  
963 (A) opportunities for the development of land within the station area under  
964 existing conditions;  
965 (B) constraints on the development of land within the station area under existing  
966 conditions;  
967 (C) the municipality's objectives for the transportation system within the station  
968 area and the future transportation system that meets those objectives;  
969 (D) the municipality's objectives for land uses within the station area and the  
970 future land uses that meet those objectives;  
971 (E) the municipality's objectives for public and open spaces within the station area  
972 and the future public and open spaces that meet those objectives; and  
973 (F) the municipality's objectives for the development of land within the station  
974 area and the future development standards that meet those objectives;  
975 (b) a map that depicts:  
976 (i) the station area;  
977 (ii) the area within the station area to which the station area plan applies, provided  
978 that the station area plan may apply to areas outside the station area, and the  
979 station area plan is not required to apply to the entire station area; and  
980 (iii) the area where each action is needed to implement the station area plan;

981 (c) an implementation plan that identifies and describes each action needed within the  
982 next five years to implement the station area plan, and the party responsible for  
983 taking each action, including any actions to:  
984 (i) modify land use regulations;  
985 (ii) make infrastructure improvements;  
986 (iii) modify deeds or other relevant legal documents;  
987 (iv) secure funding or develop funding strategies;  
988 (v) establish design standards for development within the station area; or  
989 (vi) provide environmental remediation;

990 (d) a statement that explains how the station area plan promotes the objectives described  
991 in Subsection (6)(a); and

992 (e) as an alternative or supplement to the requirements of Subsection (6) or this  
993 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes  
994 any conditions that would make the following impracticable:  
995 (i) promoting the objectives described in Subsection (6)(a); or  
996 (ii) satisfying the requirements of this Subsection (7).

997 (8) A municipality shall develop a station area plan with the involvement of all relevant  
998 stakeholders that have an interest in the station area through public outreach and  
999 community engagement, including:  
1000 (a) other impacted communities;  
1001 (b) the applicable public transit district;  
1002 (c) the applicable metropolitan planning organization;  
1003 (d) the Department of Transportation;  
1004 (e) owners of property within the station area; and  
1005 (f) the municipality's residents and business owners.

1006 (9)(a) A municipality that is required to develop and adopt a station area plan for a  
1007 station area under this section shall submit to the applicable metropolitan planning  
1008 organization and the applicable public transit district documentation evidencing that  
1009 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station  
1010 area, including:  
1011 (i) a station area plan; or  
1012 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).

1013 (b) The applicable metropolitan planning organization, in consultation with the  
1014 applicable public transit district, shall:

1015 (i) review the documentation submitted under Subsection (9)(a) to determine the  
1016 municipality's compliance with this section; and  
1017 (ii) provide written certification to the municipality if the applicable metropolitan  
1018 planning organization determines that the municipality has satisfied the  
1019 requirement of Subsection (1)(a)(i) for the station area.

1020 (c) The municipality shall include the certification described in Subsection (9)(b)(ii) in  
1021 the municipality's report to the ~~Department of Workforce Services~~ Division of  
1022 Housing and Community Development within the Governor's Office of Economic  
1023 Opportunity under Section 10-21-202.

1024 (10)(a) Following certification by a metropolitan planning organization of a  
1025 municipality's station area plan under Subsection (9)(b)(ii), the municipality shall  
1026 provide a report to the applicable metropolitan planning organization on or before  
1027 December 31 of the fifth year after the year in which the station area plan was  
1028 certified, and every five years thereafter for a period not to exceed 15 years.

1029 (b) The report described in Subsection (10)(a) shall:

1030 (i) contain the status of advancing the station area plan objectives, including, if  
1031 applicable, actions described in the implementation plan required in Subsection  
1032 (7)(c); and

1033 (ii) identify potential actions over the next five years that would advance the station  
1034 area plan objectives.

1035 (c) If a municipality has multiple certified station area plans, the municipality may  
1036 consolidate the reports required in Subsection (10)(a) for the purpose of submitting  
1037 reports to the metropolitan planning organization.

1038 Section 6. Section **11-13-103** is amended to read:

1039 **11-13-103 (Effective 07/01/26). Definitions.**

1040 As used in this chapter:

1041 (1)(a) "Additional project capacity" means electric generating capacity provided by a  
1042 generating unit that first produces electricity on or after May 6, 2002, and that is  
1043 constructed or installed at or adjacent to the site of a project that first produced  
1044 electricity before May 6, 2002, regardless of whether:

1045 (i) the owners of the new generating unit are the same as or different from the owner  
1046 of the project; and

1047 (ii) the purchasers of electricity from the new generating unit are the same as or  
1048 different from the purchasers of electricity from the project.

1049 (b) "Additional project capacity" does not mean or include replacement project capacity.

1050 (2) "Board" means the Permanent Community Impact Fund Board created by Section [

1051 ~~35A-8-304~~ 63N-22-504, and [its] ~~the board's~~ successors.

1052 (3) "Candidate" means one or more of:

1053 (a) the state;

1054 (b) a county, municipality, school district, special district, special service district, or

1055 other political subdivision of the state; and

1056 (c) a prosecution district.

1057 (4) "Commercial project entity" means a project entity, defined in Subsection (18), that:

1058 (a) has no taxing authority; and

1059 (b) is not supported in whole or in part by and does not expend or disburse tax revenues.

1060 (5) "Direct impacts" means an increase in the need for public facilities or services that is

1061 attributable to the project or facilities providing additional project capacity, except

1062 impacts resulting from the construction or operation of a facility that is:

1063 (a) owned by an owner other than the owner of the project or of the facilities providing

1064 additional project capacity; and

1065 (b) used to furnish fuel, construction, or operation materials for use in the project.

1066 (6) "Electric interlocal entity" means an interlocal entity described in Subsection

1067 11-13-203(3).

1068 (7) "Energy services interlocal entity" means an interlocal entity that is described in

1069 Subsection 11-13-203(4).

1070 (8)(a) "Estimated electric requirements," when used with respect to a qualified energy

1071 services interlocal entity, includes any of the following that meets the requirements of

1072 Subsection (8)(b):

1073 (i) generation capacity;

1074 (ii) generation output; or

1075 (iii) an electric energy production facility.

1076 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements" if [

1077 ~~it]~~ ~~the item~~ is needed by the qualified energy services interlocal entity to perform the

1078 qualified energy services interlocal entity's contractual or legal obligations to any of[

1079 ~~its]~~ ~~the qualified energy services interlocal entity's~~ members.

1080 (9)(a) "Facilities providing replacement project capacity" means facilities that have

1081 been, are being, or are proposed to be constructed, reconstructed, converted,

1082 repowered, acquired, leased, used, or installed to provide replacement project

1083 capacity.

1084 (b) "Facilities providing replacement project capacity" includes facilities that have been,  
1085 are being, or are proposed to be constructed, reconstructed, converted, repowered,  
1086 acquired, leased, used, or installed:

1087 (i) to support and facilitate the construction, reconstruction, conversion, repowering,  
1088 installation, financing, operation, management, or use of replacement project  
1089 capacity; or

1090 (ii) for the distribution of power generated from existing capacity or replacement  
1091 project capacity to facilities located on real property in which the project entity  
1092 that owns the project has an ownership, leasehold, right-of-way, or permitted  
1093 interest.

1094 (10) "Governing authority" means a governing board or joint administrator.

1095 (11)(a) "Governing board" means the body established in reliance on the authority  
1096 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

1097 (b) "Governing board" includes a board of directors described in an agreement, as  
1098 amended, that creates a project entity.

1099 (c) "Governing board" does not include a board as defined in Subsection (2).

1100 (12) "Interlocal entity" means:

1101 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal  
1102 entity; or

1103 (b) a separate legal or administrative entity created under Section 11-13-205.

1104 (13) "Joint administrator" means an administrator or joint board described in Section  
1105 11-13-207 to administer a joint or cooperative undertaking.

1106 (14) "Joint or cooperative undertaking" means an undertaking described in Section  
1107 11-13-207 that is not conducted by an interlocal entity.

1108 (15) "Member" means a public agency that, with another public agency, creates an  
1109 interlocal entity under Section 11-13-203.

1110 (16) "Out-of-state public agency" means a public agency as defined in Subsection (19)(c),  
1111 (d), or (e).

1112 (17)(a) "Project":

1113 (i) means an electric generation and transmission facility owned by a Utah interlocal  
1114 entity or an electric interlocal entity; and

1115 (ii) includes fuel facilities, fuel production facilities, fuel transportation facilities,  
1116 energy storage facilities, or water facilities that are:

- (A) owned by that Utah interlocal entity or electric interlocal entity; and
- (B) required for the generation and transmission facility.

(b) "Project" includes a project entity's ownership interest in:

- (i) facilities that provide additional project capacity;
- (ii) facilities providing replacement project capacity;
- (iii) additional generating, transmission, fuel, fuel transportation, water, or other facilities added to a project; and
- (iv) a Utah interlocal energy hub, as defined in Section 11-13-602.

18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that owns a project as defined in this section.

19) "Public agency" means:

- (a) a city, town, county, school district, special district, special service district, an interlocal entity, or other political subdivision of the state;
- (b) the state or any department, division, or agency of the state;
- (c) any agency of the United States;
- (d) any political subdivision or agency of another state or the District of Columbia including any interlocal cooperation or joint powers agency formed under the authority of the law of the other state or the District of Columbia; or
- (e) any Indian tribe, band, nation, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

20) "Public agency insurance mutual" means the same as that term is defined in Subsection 31A-1-103(7).

21) "Qualified energy services interlocal entity" means an energy services interlocal entity that at the time that the energy services interlocal entity acquires[its] the energy services interlocal entity's interest in facilities providing additional project capacity has at least five members that are Utah public agencies.

22) "Replacement project capacity" means electric generating capacity or transmission capacity that:

- (a) replaces all or a portion of the existing electric generating or transmission capacity of a project; and
- (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected with the site of a project, regardless of whether:
  - (i) the capacity replacing existing capacity is less than or exceeds the generating or

transmission capacity of the project existing before installation of the capacity replacing existing capacity;

- (ii) the capacity replacing existing capacity is owned by the project entity that is the owner of the project, a segment established by the project entity, or a person with whom the project entity or a segment established by the project entity has contracted; or

(iii) the facility that provides the capacity replacing existing capacity is constructed, reconstructed, converted, repowered, acquired, leased, used, or installed before or after any actual or anticipated reduction or modification to existing capacity of the project.

(23) "Reserve fund" means the same as that term is defined in Subsection 31A-1-103(7).

(24) "Transportation reinvestment zone" means an area created by two or more public agencies by interlocal agreement to capture increased property or sales tax revenue generated by a transportation infrastructure project as described in Section 11-13-227.

(25) "Utah interlocal entity":

(a) means an interlocal entity described in Subsection 11-13-203(2); and

(b) includes a separate legal or administrative entity created under Laws of Utah 1977, Chapter 47, Section 3, as amended.

(26) "Utah public agency" means a public agency under Subsection (19)(a) or (b).

Section 7. Section **17-80-101** is amended to read:

17. 06. 101 (Exce)

(1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for homes of that type.

(2) "Agency" means the same as that term is defined in Section 17G.1.102.

(3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.

(4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.

(5) "Division" means the [Housing and Community Development Division within the Department of Workforce Services] Division of Housing and Community Development within the Governor's Office of Economic Opportunity.

(6) "Home ownership promotion zone" means a home ownership promotion zone created in

1185 accordance with this part.

1186 (7) "Implementation plan" means the implementation plan adopted as part of the moderate  
1187 income housing element of a specified county's general plan.

1188 (8) "Initial report" means the one-time moderate income housing report described in  
1189 Subsection 17-80-202(1).

1190 (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:

1191 (a) within a primary dwelling;

1192 (b) within the footprint of the detached primary dwelling at the time the internal  
1193 accessory dwelling unit is created; and

1194 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.

1195 (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.

1196 (11) "Participant" means the same as that term is defined in Section 17C-1-102.

1197 (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.

1198 (13)(a) "Primary dwelling" means a single-family dwelling that:

1199 (i) is detached; and

1200 (ii) is occupied as the primary residence of the owner of record.

1201 (b) "Primary dwelling" includes a garage if the garage:

1202 (i) is a habitable space; and

1203 (ii) is connected to the primary dwelling by a common wall.

1204 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.

1205 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.

1206 (16) "Specified county" means a county of the first, second, or third class, which has a  
1207 population of more than 5,000 in the county's unincorporated areas.

1208 (17) "Subsequent progress report" means the annual moderate income housing report  
1209 described in Section 17-80-202.

1210 (18) "System improvements" means the same as that term is defined in Section 11-36a-102.

1211 (19) "Tax commission" means the State Tax Commission created in Section 59-1-201.

1212 (20)(a) "Tax increment" means the difference between:

1213 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
1214 the area within a home ownership promotion zone, using the current assessed  
1215 value and each taxing entity's current certified tax rate as defined in Section  
1216 59-2-924; and

1217 (ii) the amount of property tax revenue that would be generated from that same area  
1218 using the base taxable value and each taxing entity's current certified tax rate as

1219 defined in Section 59-2-924.

1220 (b) "Tax increment" does not include property revenue from:

1221 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);

1222 or

1223 (ii) a county additional property tax described in Subsection 59-2-1602(4).

1224 (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

1225 Section 8. Section **17-80-201** is amended to read:

1226 **17-80-201 (Effective 07/01/26). Moderate income housing plan required.**

1227 (1) A moderate income housing element of a general plan shall include a moderate income  
1228 housing element that meets the requirements of this section.

1229 (2) For a specified county, as defined in Section 17-80-101, a moderate income housing  
1230 element shall:

1231 (a) provide a realistic opportunity to meet the need for additional moderate income  
1232 housing within the next five years;

1233 (b) select three or more moderate income housing strategies described in Subsections  
1234 (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described  
1235 in Subsections (3)(a)(ii)(W) through (BB), for implementation; and

1236 (c) include an implementation plan as provided in Subsection (4).

1237 (3)(a) In drafting the moderate income housing element, the county planning  
1238 commission shall:

1239 (i) consider the Legislature's determination that counties should facilitate a  
1240 reasonable opportunity for a variety of housing, including moderate income  
1241 housing:

1242 (A) to meet the needs of people of various income levels living, working, or  
1243 desiring to live or work in the community; and

1244 (B) to allow people with various incomes to benefit from and fully participate in  
1245 all aspects of neighborhood and community life; and

1246 (ii) include an analysis of how the county will provide a realistic opportunity for the  
1247 development of moderate income housing within the planning horizon, including  
1248 a recommendation to implement three or more of the following moderate income  
1249 housing strategies:

1250 (A) rezone for densities necessary to facilitate the production of moderate income  
1251 housing;

1252 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that

1253 facilitates the construction of moderate income housing;

1254 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing

1255 stock into moderate income housing;

1256 (D) identify and utilize county general fund subsidies or other sources of revenue

1257 to waive construction related fees that are otherwise generally imposed by the

1258 county for the construction or rehabilitation of moderate income housing;

1259 (E) create or allow for, and reduce regulations related to, internal or detached

1260 accessory dwelling units in residential zones;

1261 (F) zone or rezone for higher density or moderate income residential development

1262 in commercial or mixed-use zones, commercial centers, or employment centers;

1263 (G) amend land use regulations to allow for higher density or new moderate

1264 income residential development in commercial or mixed-use zones near major

1265 transit investment corridors;

1266 (H) amend land use regulations to eliminate or reduce parking requirements for

1267 residential development where a resident is less likely to rely on the resident's

1268 own vehicle, such as residential development near major transit investment

1269 corridors or senior living facilities;

1270 (I) amend land use regulations to allow for single room occupancy developments;

1271 (J) implement zoning incentives for moderate income units in new developments;

1272 (K) preserve existing and new moderate income housing and subsidized units by

1273 utilizing a landlord incentive program, providing for deed restricted units

1274 through a grant program, or establishing a housing loss mitigation fund;

1275 (L) reduce, waive, or eliminate impact fees related to moderate income housing;

1276 (M) demonstrate creation of, or participation in, a community land trust program

1277 for moderate income housing;

1278 (N) implement a mortgage assistance program for employees of the county, an

1279 employer that provides contracted services for the county, or any other public

1280 employer that operates within the county;

1281 (O) apply for or partner with an entity that applies for state or federal funds or tax

1282 incentives to promote the construction of moderate income housing, an entity

1283 that applies for programs offered by the Utah Housing Corporation within that

1284 agency's funding capacity, an entity that applies for affordable housing

1285 programs administered by the Department of Workforce Services the Division

1286 of Housing and Community Development within the Governor's Office of

Economic Opportunity, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;

- (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- (Q) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 17-79-611;
- (R) create a program to transfer development rights for moderate income housing;
- (S) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;
- (T) develop a moderate income housing project for residents who are disabled or 55 years old or older;
- (U) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones;
- (V) demonstrate implementation of any other program or strategy to address the housing needs of residents of the county who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing;
- (W) create a housing and transit reinvestment zone in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- (X) create a home ownership investment zone in accordance with Part 5, Home Ownership Promotion Zone;
- (Y) create a first home investment zone in accordance with Title 63N, Chapter 3, Part 16, First Home Investment Zone Act;
- (Z) approve a project that receives funding from, or qualifies to receive funding from, the Utah Homes Investment Program created in Title 51, Chapter 12,

## Utah Homes Investment Program;

(AA) adopt or approve a qualifying affordable home ownership density bonus for single-family residential units, as described in Section 17-80-401; and

(BB) adopt or approve an affordable home ownership density bonus for multi-family residential units, as described in Section 17-80-402.

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

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

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

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

Section 9. Section **17-80-202** is amended to read:

17-80-202 (Effective 07/01/26). Moderate income housing report -- Contents --

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

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

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

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

(c) The initial report shall:

- (i) identify each moderate income housing strategy selected by the specified county for continued, ongoing, or one-time implementation, using the exact language used to describe the moderate income housing strategy; and
- (ii) include an implementation plan.

1355 (2)(a) After the division approves a specified county's initial report under this section,  
1356 the specified county shall, as an administrative act, annually submit to the division a  
1357 subsequent progress report on or before August 1 of each year after the year in which  
1358 the specified county is required to submit the initial report.

1359 (b) The subsequent progress report shall include:

1360 (i) subject to Subsection (2)(c), a description of each action, whether one-time or  
1361 ongoing, taken by the specified county during the previous 12-month period to  
1362 implement the moderate income housing strategies identified in the initial report  
1363 for implementation;

1364 (ii) a description of each land use regulation or land use decision made by the  
1365 specified county during the previous 12-month period to implement the moderate  
1366 income housing strategies, including an explanation of how the land use  
1367 regulation or land use decision supports the specified county's efforts to  
1368 implement the moderate income housing strategies;

1369 (iii) a description of any barriers encountered by the specified county in the previous  
1370 12-month period in implementing the moderate income housing strategies;

1371 (iv) the number of residential dwelling units that have been entitled that have not  
1372 received a building permit as of the submission date of the progress report;

1373 (v) shapefiles, or website links if shapefiles are not available, to current maps and  
1374 tables related to zoning;

1375 (vi) information regarding the number of internal and external or detached accessory  
1376 dwelling units located within the specified county for which the specified county:  
1377 (A) issued a building permit to construct; or  
1378 (B) issued a business license or comparable license or permit to rent;

1379 (vii) a description of how the market has responded to the selected moderate income  
1380 housing strategies, including the number of entitled moderate income housing  
1381 units or other relevant data; and

1382 (viii) any recommendations on how the state can support the specified county in  
1383 implementing the moderate income housing strategies.

1384 (c) For purposes of describing actions taken by a specified county under Subsection  
1385 (2)(b)(i), the specified county may include an ongoing action taken by the specified  
1386 county before the 12-month reporting period applicable to the subsequent progress  
1387 report if the specified county:  
1388 (i) has already adopted an ordinance, approved a land use application, made an

1389 investment, or approved an agreement or financing that substantially promotes the  
1390 implementation of a moderate income housing strategy identified in the initial  
1391 report; and

1392 (ii) demonstrates in the subsequent progress report that the action taken under  
1393 Subsection (2)(b)(i) is relevant to making meaningful progress towards the  
1394 specified county's implementation plan.

1395 (d) A specified county's report shall be in a form:

1396 (i) approved by the division; and

1397 (ii) made available by the division on or before May 1 of the year in which the report  
1398 is required.

1399 (3) Within 90 days after the day on which the division receives a specified county's report,  
1400 the division shall:

1401 (a) post the report on the division's website;

1402 (b) send a copy of the report to the Department of Transportation, the Governor's Office  
1403 of Planning and Budget, the association of governments in which the specified  
1404 county is located, and, if the unincorporated area of the specified county is located  
1405 within the boundaries of a metropolitan planning organization, the appropriate  
1406 metropolitan planning organization; and

1407 (c) subject to Subsection (4), review the report to determine compliance with this section.

1408 (4)(a) An initial report complies with this section if the report:

1409 (i) includes the information required under Subsection (1)(c);

1410 (ii) demonstrates to the division that the specified county made plans to implement  
1411 three or more moderate income housing strategies described in Subsections  
1412 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing  
1413 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and

1414 (iii) is in a form approved by the division.

1415 (b) A subsequent progress report complies with this section if the report:

1416 (i) demonstrates to the division that the specified county made plans to implement or  
1417 is implementing three or more moderate income housing strategies described in  
1418 Subsections 17-80-201(3)(a)(ii)(A) though (V) or at least one moderate income  
1419 housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);

1420 (ii) is in a form approved by the division; and

1421 (iii) provides sufficient information for the division to:

1422 (A) assess the specified county's progress in implementing the moderate income

housing strategies;

- (B) monitor compliance with the specified county's implementation plan;
- (C) identify a clear correlation between the specified county's land use decisions and efforts to implement the moderate income housing strategies;
- (D) identify how the market has responded to the specified county's selected moderate income housing strategies; and
- (E) identify any barriers encountered by the specified county in implementing the selected moderate income housing strategies.

(c) If a specified county initial report or subsequent progress report demonstrates the county plans to implement or is implementing at least one moderate income housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division shall also consider the specified county compliant with the reporting requirement described in this section for:

- (i) the year in which the specified county submits the report; and
- (ii) two subsequent reporting years.

(5)(a) A specified county qualifies for priority consideration under this Subsection (5) if the specified county's report:

- (i) complies with this section; and
- (ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.

(b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the unincorporated areas of a specified county described in Subsection (5)(a) until the Department of Transportation receives notice from the division under Subsection (5)(e).

(c) Upon determining that a specified county qualifies for priority consideration under this Subsection (5), the division shall send a notice of prioritization to the legislative body of the specified county and the Department of Transportation.

(d) The notice described in Subsection (5)(c) shall:

- (i) name the specified county that qualifies for priority consideration;
- (ii) describe the funds or projects for which the specified county qualifies to receive priority consideration; and
- (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.

1457 (e) The division shall notify the legislative body of a specified county and the  
1458 Department of Transportation in writing if the division determines that the specified  
1459 county no longer qualifies for priority consideration under this Subsection (5).

1460 (6)(a) If the division, after reviewing a specified county's report, determines that the  
1461 report does not comply with this section, the division shall send a notice of  
1462 noncompliance to the legislative body of the specified county.

1463 (b) A specified county that receives a notice of noncompliance may:  
1464 (i) cure each deficiency in the report within 90 days after the day on which the notice  
1465 of noncompliance is sent; or  
1466 (ii) request an appeal of the division's determination of noncompliance within 10  
1467 days after the day on which the notice of noncompliance is sent.

1468 (c) The notice described in Subsection (6)(a) shall:  
1469 (i) describe each deficiency in the report and the actions needed to cure each  
1470 deficiency;  
1471 (ii) state that the specified county has an opportunity to:  
1472 (A) submit to the division a corrected report that cures each deficiency in the  
1473 report within 90 days after the day on which the notice of noncompliance is  
1474 sent; or  
1475 (B) submit to the division a request for an appeal of the division's determination of  
1476 noncompliance within 10 days after the day on which the notice of  
1477 noncompliance is sent; and  
1478 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the  
1479 specified county's ineligibility for funds and fees owed under Subsection (8).

1480 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the  
1481 action needed to cure the deficiency as described by the division requires the  
1482 specified county to make a legislative change, the specified county may cure the  
1483 deficiency by making that legislative change within the 90-day cure period.

1484 (e)(i) If a specified county submits to the division a corrected report in accordance  
1485 with Subsection (6)(b)(i), and the division determines that the corrected report  
1486 does not comply with this section, the division shall send a second notice of  
1487 noncompliance to the legislative body of the specified county.  
1488 (ii) A specified county that receives a second notice of noncompliance may request  
1489 an appeal of the division's determination of noncompliance within 10 days after  
1490 the day on which the second notice of noncompliance is sent.

1491 (iii) The notice described in Subsection (6)(e)(i) shall:

1492 (A) state that the specified county has an opportunity to submit to the division a  
1493 request for an appeal of the division's determination of noncompliance within  
1494 10 days after the day on which the second notice of noncompliance is sent; and

1495 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the  
1496 specified county's ineligibility for funds under Subsection (8).

1497 (7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a)  
1498 or (6)(e)(i) may request an appeal of the division's determination of noncompliance  
1499 within 10 days after the day on which the notice of noncompliance is sent.

1500 (b) Within 90 days after the day on which the division receives a request for an appeal,  
1501 an appeal board consisting of the following three members shall review and issue a  
1502 written decision on the appeal:

1503 (i) one individual appointed by the Utah Association of Counties;

1504 (ii) one individual appointed by the Utah Homebuilders Association; and

1505 (iii) one individual appointed by the presiding member of the association of  
1506 governments, established in accordance with an interlocal agreement under Title  
1507 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a  
1508 member.

1509 (c) The written decision of the appeal board shall either uphold or reverse the division's  
1510 determination of noncompliance.

1511 (d) The appeal board's written decision on the appeal is final.

1512 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)  
1513 if:

1514 (i) the specified county fails to submit a report to the division;

1515 (ii) after submitting a report to the division, the division determines that the report  
1516 does not comply with this section and the specified county fails to:

1517 (A) cure each deficiency in the report within 90 days after the day on which the  
1518 notice of noncompliance is sent; or

1519 (B) request an appeal of the division's determination of noncompliance within 10  
1520 days after the day on which the notice of noncompliance is sent;

1521 (iii) after submitting to the division a corrected report to cure the deficiencies in a  
1522 previously submitted report, the division determines that the corrected report does  
1523 not comply with this section and the specified county fails to request an appeal of  
1524 the division's determination of noncompliance within 10 days after the day on

- which the second notice of noncompliance is sent; or
- (iv) after submitting a request for an appeal under Subsection (7), the appeal board issues a written decision upholding the division's determination of noncompliance.

(b) The following apply to a specified county described in Subsection (8)(a) until the division provides notice under Subsection (8)(e):

- (i) the executive director of the Department of Transportation may not program funds from the Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to projects located within the unincorporated areas of the specified county in accordance with Subsection 72-2-124(6);
- (ii) beginning with the report submitted in 2024, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified county:
  - (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or
  - (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (6); and
- (iii) beginning with the report submitted in 2025, the specified county shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified county, for a consecutive year:
  - (A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or
  - (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (6).

(c) Upon determining that a specified county is ineligible for funds under this Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the division shall send a notice of ineligibility to the legislative body of the specified county, the Department of Transportation, the State Tax Commission, and the Governor's Office of Planning and Budget.

(d) The notice described in Subsection (8)(c) shall:

- (i) name the specified county that is ineligible for funds;
- (ii) describe the funds for which the specified county is ineligible to receive;
- (iii) describe the fee the specified county is required to pay under Subsection (8)(b),

1559 if applicable; and

1560 (iv) state the basis for the division's determination that the specified county is  
1561 ineligible for funds.

1562 (e) The division shall notify the legislative body of a specified county and the  
1563 Department of Transportation in writing if the division determines that the provisions  
1564 of this Subsection (8) no longer apply to the specified county.

1565 (f) The division may not determine that a specified county that is required to pay a fee  
1566 under Subsection (8)(b) is in compliance with the reporting requirements of this  
1567 section until the specified county pays all outstanding fees required under Subsection  
1568 (8)(b) to the Olene Walker Housing Loan Fund, created ~~[under Title 35A, Chapter 8,~~  
1569 ~~Part 5, Olene Walker Housing Loan Fund]~~ in Section 63N-22-302.

1570 (9) In a civil action seeking enforcement or claiming a violation of this section or of  
1571 Subsection 17-79-404(5)(c), a plaintiff may not recover damages but may be awarded  
1572 only injunctive or other equitable relief.

1573 Section 10. Section **17B-1-612** is amended to read:

**17B-1-612 (Effective 07/01/26). Accumulated fund balances -- Limitations --**

**Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.**

(1)(a) A special district may accumulate retained earnings or fund balances, as  
1577 appropriate, in any fund.

1578 (b) For the general fund only, a special district may only use an accumulated fund  
1579 balance to:

1580 (i) provide working capital to finance expenditures from the beginning of the budget  
1581 year until general property taxes or other applicable revenues are collected,  
1582 subject to Subsection (1)(c);

1583 (ii) provide a resource to meet emergency expenditures under Section 17B-1-623; and  
1584 (iii) cover a pending year-end excess of expenditures over revenues from an  
1585 unavoidable shortfall in revenues, subject to Subsection (1)(d).

1586 (c) Subsection (1)(b)(i) does not authorize a special district to appropriate a fund balance  
1587 for budgeting purposes, except as provided in Subsection (4).

1588 (d) Subsection (1)(b)(iii) does not authorize a special district to appropriate a fund  
1589 balance to avoid an operating deficit during a budget year except:

1590 (i) as provided under Subsection (4); or

1591 (ii) for emergency purposes under Section 17B-1-623.

1592 (2)(a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the

1593 general fund may not exceed the most recently adopted general fund budget, plus  
1594 100% of the current year's property tax.

1595 (b) Notwithstanding Subsection (2)(a), a special district may accumulate in the general  
1596 fund mineral lease revenue that the special district receives from the United States  
1597 under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a  
1598 distribution under:

1599 (i) [Title 35A, Chapter 8, Part 3, Community Impact Fund Act] Title 63N, Chapter 22,  
1600 Part 5, Community Impact Fund; or  
1601 (ii) Title 59, Chapter 21, Mineral Lease Funds.

1602 (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under  
1603 Subsection (2), the district shall appropriate the excess in accordance with Section  
1604 17B-1-613.

1605 (4) A special district may utilize any fund balance in excess of 5% of the total revenues of  
1606 the general fund for budget purposes.

1607 (5)(a) Within a capital projects fund, the board of trustees may, in any budget year,  
1608 appropriate from estimated revenue or fund balance to a reserve for capital projects  
1609 for the purpose of financing future specific capital projects, including new  
1610 construction, capital repairs, replacement, and maintenance, under a formal  
1611 long-range capital plan that the board of trustees adopts.

1612 (b) A special district may allow a reserve amount under Subsection (5)(a) to accumulate  
1613 from year to year until the accumulated total is sufficient to permit economical  
1614 expenditure for the specified purposes.

1615 (c) A special district may disburse from a reserve account under Subsection (5)(a) only  
1616 by a budget appropriation that the special district adopts in accordance with this part.

1617 (d) A special district shall ensure that the expenditures from the appropriation budget  
1618 accounts described in this Subsection (5) conform to all requirements of this part  
1619 relating to execution and control of budgets.

1620 Section 11. Section **17C-1-102** is amended to read:

1621 **17C-1-102 (Effective 07/01/26). Definitions.**

1622 As used in this title:

1623 (1) "Active project area" means a project area that has not been dissolved in accordance  
1624 with Section 17C-1-702.

1625 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that  
1626 an agency is authorized to receive:

- 1627 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax  
1628 increment under Subsection 17C-1-403(3);
- 1629 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax  
1630 increment under Section 17C-1-406;
- 1631 (c) under a project area budget approved by a taxing entity committee; or
- 1632 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's  
1633 tax increment.
- 1634 (3) "Affordable housing" means housing owned or occupied by a low or moderate income  
1635 family, as determined by resolution of the agency.
- 1636 (4) "Agency" or "community reinvestment agency" means a separate body corporate and  
1637 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community  
1638 development and renewal agency under previous law:
  - 1639 (a) that is a political subdivision of the state;
  - 1640 (b) that is created to undertake or promote project area development as provided in this  
1641 title; and
  - 1642 (c) whose geographic boundaries are coterminous with:
    - 1643 (i) for an agency created by a county, the unincorporated area of the county; and
    - 1644 (ii) for an agency created by a municipality, the boundaries of the municipality.
- 1645 (5) "Agency funds" means money that an agency collects or receives for agency operations,  
1646 implementing a project area plan or an implementation plan as defined in Section  
1647 17C-1-1001, or other agency purposes, including:
  - 1648 (a) project area funds;
  - 1649 (b) income, proceeds, revenue, or property derived from or held in connection with the  
1650 agency's undertaking and implementation of project area development or  
1651 agency-wide project development as defined in Section 17C-1-1001;
  - 1652 (c) a contribution, loan, grant, or other financial assistance from any public or private  
1653 source;
  - 1654 (d) project area incremental revenue as defined in Section 17C-1-1001; or
  - 1655 (e) property tax revenue as defined in Section 17C-1-1001.
- 1656 (6) "Annual income" means the same as that term is defined in regulations of the United  
1657 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as  
1658 amended or as superseded by replacement regulations.
- 1659 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.
- 1660 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of

1661 this title, a property's taxable value as shown upon the assessment roll last equalized  
1662 during the base year.

1663 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during  
1664 which the assessment roll is last equalized:

1665 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,  
1666 before the project area plan's effective date;

1667 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,  
1668 or a community reinvestment project area plan that is subject to a taxing entity  
1669 committee:

1670 (i) before the date on which the taxing entity committee approves the project area  
1671 budget; or

1672 (ii) if taxing entity committee approval is not required for the project area budget,  
1673 before the date on which the community legislative body adopts the project area  
1674 plan;

1675 (c) for a project on an inactive airport site, after the later of:

1676 (i) the date on which the inactive airport site is sold for remediation and  
1677 development; or

1678 (ii) the date on which the airport that operated on the inactive airport site ceased  
1679 operations; or

1680 (d) for a community development project area plan or a community reinvestment project  
1681 area plan that is subject to an interlocal agreement, as described in the interlocal  
1682 agreement.

1683 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum  
1684 basic levy under Section 59-2-902.

1685 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.

1686 (12) "Budget hearing" means the public hearing on a proposed project area budget required  
1687 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection  
1688 17C-3-201(2)(d) for an economic development project area budget, or Subsection  
1689 17C-5-302(2)(e) for a community reinvestment project area budget.

1690 (13) "Closed military base" means land within a former military base that the Defense Base  
1691 Closure and Realignment Commission has voted to close or realign when that action has  
1692 been sustained by the president of the United States and Congress.

1693 (14) "Combined incremental value" means the combined total of all incremental values  
1694 from all project areas, except project areas that contain some or all of a military

1695 installation or inactive industrial site, within the agency's boundaries under project area  
1696 plans and project area budgets at the time that a project area budget for a new project  
1697 area is being considered.

1698 (15) "Community" means a county or municipality.

1699 (16) "Community development project area plan" means a project area plan adopted under  
1700 Chapter 4, Part 1, Community Development Project Area Plan.

1701 (17) "Community legislative body" means the legislative body of the community that  
1702 created the agency.

1703 (18) "Community reinvestment project area plan" means a project area plan adopted under  
1704 Chapter 5, Part 1, Community Reinvestment Project Area Plan.

1705 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title  
1706 78A, Judiciary and Judicial Administration, and in a county in which the agency is  
1707 located if the action is filed in the district court.

1708 (20) "Development impediment" means a condition of an area that meets the requirements  
1709 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405  
1710 for a community reinvestment project area.

1711 (21) "Development impediment hearing" means a public hearing regarding whether a  
1712 development impediment exists within a proposed:

1713 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section  
1714 17C-2-302; or

1715 (b) community reinvestment project area under Section 17C-5-404.

1716 (22) "Development impediment study" means a study to determine whether a development  
1717 impediment exists within a survey area as described in Section 17C-2-301 for an urban  
1718 renewal project area or Section 17C-5-403 for a community reinvestment project area.

1719 (23) "Economic development project area plan" means a project area plan adopted under  
1720 Chapter 3, Part 1, Economic Development Project Area Plan.

1721 (24) "Fair share ratio" means the ratio derived by:

1722 (a) for a municipality, comparing the percentage of all housing units within the  
1723 municipality that are publicly subsidized income targeted housing units to the  
1724 percentage of all housing units within the county in which the municipality is located  
1725 that are publicly subsidized income targeted housing units; or

1726 (b) for the unincorporated part of a county, comparing the percentage of all housing  
1727 units within the unincorporated county that are publicly subsidized income targeted  
1728 housing units to the percentage of all housing units within the whole county that are

1729                   publicly subsidized income targeted housing units.

1730                   (25) "Family" means the same as that term is defined in regulations of the United States  
1731                   Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended  
1732                   or as superseded by replacement regulations.

1733                   (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

1734                   (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous  
1735                   substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or  
1736                   toxic substance, or identified as hazardous to human health or the environment, under  
1737                   state or federal law or regulation.

1738                   (28) "Housing allocation" means project area funds allocated for housing under Section  
1739                   17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

1740                   (29) "Housing fund" means a fund created by an agency for purposes described in Section  
1741                   17C-1-411 or 17C-1-412 that is comprised of:

1742                   (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,  
1743                   or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes  
1744                   described in Section 17C-1-411; or  
1745                   (b) an agency's housing allocation.

1746                   (30)(a) "Inactive airport site" means land that:

1747                   (i) consists of at least 100 acres;

1748                   (ii) is occupied by an airport:

1749                   (A)(I) that is no longer in operation as an airport; or

1750                   (II)(Aa) that is scheduled to be decommissioned; and

1751                   (Bb) for which a replacement commercial service airport is under  
1752                   construction; and

1753                   (B) that is owned or was formerly owned and operated by a public entity; and

1754                   (iii) requires remediation because:

1755                   (A) of the presence of hazardous waste or solid waste; or

1756                   (B) the site lacks sufficient public infrastructure and facilities, including public  
1757                   roads, electric service, water system, and sewer system, needed to support  
1758                   development of the site.

1759                   (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land  
1760                   described in Subsection (30)(a).

1761                   (31)(a) "Inactive industrial site" means land that:

1762                   (i) consists of at least 1,000 acres;

- (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and
- (iii) requires remediation because of the presence of hazardous waste or solid waste.

(b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection (31)(a).

2) "Income targeted housing" means housing that is:

- (a) owned and occupied by a family whose annual income is at or below 120% of the median annual income for a family within the county in which the housing is located; or
- (b) occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.

3) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to the agency.

4) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund] created in Section 63N-22-303.

5)(a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:

- (i) a fire station;
- (ii) a police station;
- (iii) a city hall; or
- (iv) a court or other judicial building.

(b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.

6) "Low-income individual" means the same as that term is defined in Section [35A-8-504.5] 63N-22-101.

7) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.

8) "Marginal value" means the difference between actual taxable value and base taxable value.

9) "Military installation project area" means a project area or a portion of a project area

1797 located within a federal military installation ordered closed by the federal Defense Base  
1798 Realignment and Closure Commission.

1799 (40) "Municipality" means a city or town.

1800 (41) "Non-profit housing fund" means:

1801 (a) an organization that meets the definition of "housing organization" in Section [  
1802 ~~35A-8-2401~~ 63N-22-316;  
1803 (b) a registered nonprofit that assists veterans or individuals who work in public service  
1804 to achieve homeownership in the state;  
1805 (c) a registered nonprofit that:  
1806 (i) assists low-income individuals or families who would qualify for income targeted  
1807 housing to achieve homeownership in the state; and  
1808 (ii) provides direct support to help a low-income individual or a family eligible for  
1809 income targeted housing to retain ownership of a home, including through  
1810 rehabilitation services, lending for rehabilitation, or foreclosure mitigation  
1811 counseling that results in retention of the home, refinancing, or a reverse mortgage;  
1812 (d) a registered nonprofit that partners with a community to promote affordable housing  
1813 for the workforce in that community; or  
1814 (e) a registered nonprofit established to administer housing programs on behalf of an  
1815 association representing 10 or more counties in the state.

1816 (42) "Participant" means one or more persons that enter into a participation agreement with  
1817 an agency.

1818 (43) "Participation agreement" means a written agreement between a person and an agency  
1819 under Subsection 17C-1-202(5).

1820 (44) "Plan hearing" means the public hearing on a proposed project area plan required  
1821 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection  
1822 17C-3-102(1)(d) for an economic development project area plan, Subsection  
1823 17C-4-102(1)(d) for a community development project area plan, or Subsection  
1824 17C-5-104(3)(e) for a community reinvestment project area plan.

1825 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after  
1826 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the  
1827 project area plan's adoption.

1828 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,  
1829 1993, whether or not amended subsequent to the project area plan's adoption.

1830 (47) "Private," with respect to real property, means property not owned by a public entity or

1831 any other governmental entity.

1832 (48) "Project area" means the geographic area described in a project area plan within which  
1833 the project area development described in the project area plan takes place or is  
1834 proposed to take place.

1835 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues  
1836 and expenses and other fiscal matters pertaining to a project area prepared in accordance  
1837 with:

- 1838 (a) for an urban renewal project area, Section 17C-2-201;
- 1839 (b) for an economic development project area, Section 17C-3-201;
- 1840 (c) for a community development project area, Section 17C-4-204; or
- 1841 (d) for a community reinvestment project area, Section 17C-5-302.

1842 (50) "Project area development" means activity within a project area that, as determined by  
1843 the board, encourages, promotes, or provides development or redevelopment for the  
1844 purpose of implementing a project area plan, including:

- 1845 (a) promoting, creating, or retaining public or private jobs within the state or a  
1846 community;
- 1847 (b) providing office, manufacturing, warehousing, distribution, parking, or other  
1848 facilities or improvements;
- 1849 (c) planning, designing, demolishing, clearing, constructing, rehabilitating, or  
1850 remediating environmental issues;
- 1851 (d) providing residential, commercial, industrial, public, or other structures or spaces,  
1852 including recreational and other facilities incidental or appurtenant to the structures  
1853 or spaces;
- 1854 (e) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating  
1855 existing structures;
- 1856 (f) providing open space, including streets or other public grounds or space around  
1857 buildings;
- 1858 (g) providing public or private buildings, infrastructure, structures, or improvements;
- 1859 (h) relocating a business;
- 1860 (i) improving public or private recreation areas or other public grounds;
- 1861 (j) eliminating a development impediment or the causes of a development impediment;
- 1862 (k) redevelopment as defined under the law in effect before May 1, 2006; or
- 1863 (l) any activity described in this Subsection (50) outside of a project area that the board  
1864 determines to be a benefit to the project area.

1865 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency  
1866 receives under a project area budget adopted by a taxing entity committee or an  
1867 interlocal agreement.

1868 (52) "Project area funds collection period" means the period of time that:  
1869 (a) begins the day on which the first payment of project area funds is distributed to an  
1870 agency under a project area budget approved by a taxing entity committee or an  
1871 interlocal agreement; and  
1872 (b) ends the day on which the last payment of project area funds is distributed to an  
1873 agency under a project area budget approved by a taxing entity committee or an  
1874 interlocal agreement.

1875 (53) "Project area plan" means an urban renewal project area plan, an economic  
1876 development project area plan, a community development project area plan, or a  
1877 community reinvestment project area plan that, after the project area plan's effective  
1878 date, guides and controls the project area development.

1879 (54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible  
1880 personal or real property.  
1881 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege  
1882 Tax.

1883 (55) "Public entity" means:  
1884 (a) the United States, including an agency of the United States;  
1885 (b) the state, including any of the state's departments or agencies; or  
1886 (c) a political subdivision of the state, including a county, municipality, school district,  
1887 special district, special service district, community reinvestment agency, or interlocal  
1888 cooperation entity.

1889 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm  
1890 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,  
1891 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation  
1892 facilities, or other facilities, infrastructure, and improvements benefitting the public and  
1893 to be publicly owned or publicly maintained or operated.

1894 (57) "Record property owner" or "record owner of property" means the owner of real  
1895 property, as shown on the records of the county in which the property is located, to  
1896 whom the property's tax notice is sent.

1897 (58) "Sales and use tax revenue" means revenue that is:  
1898 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and

1899 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

1900 (59) "Superfund site":

1901 (a) means an area included in the National Priorities List under the Comprehensive  
1902 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.  
1903 9605; and

1904 (b) includes an area formerly included in the National Priorities List, as described in  
1905 Subsection (59)(a), but removed from the list following remediation that leaves on  
1906 site the waste that caused the area to be included in the National Priorities List.

1907 (60) "Survey area" means a geographic area designated for study by a survey area  
1908 resolution to determine whether:

1909 (a) one or more project areas within the survey area are feasible; or  
1910 (b) a development impediment exists within the survey area.

1911 (61) "Survey area resolution" means a resolution adopted by a board that designates a  
1912 survey area.

1913 (62) "Taxable value" means:

1914 (a) the taxable value of all real property a county assessor assesses in accordance with  
1915 Title 59, Chapter 2, Part 3, County Assessment, for the current year;

1916 (b) the taxable value of all real and personal property the commission assesses in  
1917 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current  
1918 year; and

1919 (c) the year end taxable value of all personal property a county assessor assesses in  
1920 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the  
1921 prior year's tax rolls of the taxing entity.

1922 (63)(a) "Tax increment" means the difference between:

1923 (i) the amount of property tax revenue generated each tax year by a taxing entity from  
1924 the area within a project area designated in the project area plan as the area from  
1925 which tax increment is to be collected, using the current assessed value of the  
1926 property and each taxing entity's current certified tax rate as defined in Section  
1927 59-2-924; and

1928 (ii) the amount of property tax revenue that would be generated from that same area  
1929 using the base taxable value of the property and each taxing entity's current  
1930 certified tax rate as defined in Section 59-2-924.

1931 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602  
1932 on or after January 1, 1994, upon the taxable property in the project area unless:

1933 (i) the project area plan was adopted before May 4, 1993, whether or not the project  
1934 area plan was subsequently amended; and  
1935 (ii) the taxes were pledged to support bond indebtedness or other contractual  
1936 obligations of the agency.

1937 (64) "Taxing entity" means a public entity that:

1938 (a) levies a tax on property located within a project area; or  
1939 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

1940 (65) "Taxing entity committee" means a committee representing the interests of taxing  
1941 entities, created in accordance with Section 17C-1-402.

1942 (66) "Unincorporated" means not within a municipality.

1943 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,  
1944 Part 1, Urban Renewal Project Area Plan.

1945 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.

1946 Section 17C-1-412 is amended to read:

1947 **17C-1-412 (Effective 07/01/26). Use of housing allocation -- Separate accounting**  
1948 **required -- Issuance of bonds for housing -- Action to compel agency to provide housing**  
1949 **allocation.**

1950 (1)(a) An agency shall use the agency's housing allocation to:

1951 (i) pay part or all of the cost of land or construction of income targeted housing  
1952 within the boundary of the agency, if practicable in a mixed income development  
1953 or area;  
1954 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the  
1955 boundary of the agency;  
1956 (iii) lend, grant, or contribute money to a person, public entity, housing authority,  
1957 private entity or business, or nonprofit corporation for income targeted housing  
1958 within the boundary of the agency;  
1959 (iv) plan or otherwise promote income targeted housing within the boundary of the  
1960 agency;  
1961 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of  
1962 any building, facility, structure, or other housing improvement, including  
1963 infrastructure improvements, related to housing located in a project area where a  
1964 board has determined that a development impediment exists;  
1965 (vi) replace housing units lost as a result of the project area development;  
1966 (vii) make payments on or establish a reserve fund for bonds:

1967 (A) issued by the agency, the community, or the housing authority that provides  
1968 income targeted housing within the community; and  
1969 (B) all or part of the proceeds of which are used within the community for the  
1970 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);  
1971 (viii) if the community's fair share ratio at the time of the first adoption of the project  
1972 area budget is at least 1.1 to 1.0, make payments on bonds:  
1973 (A) that were previously issued by the agency, the community, or the housing  
1974 authority that provides income targeted housing within the community; and  
1975 (B) all or part of the proceeds of which were used within the community for the  
1976 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);  
1977 (ix) relocate mobile home park residents displaced by project area development;  
1978 (x) subject to Subsection (7), transfer funds to a community that created the agency;  
1979 or  
1980 (xi) pay for or make a contribution toward the acquisition, construction, or  
1981 rehabilitation of housing that:  
1982 (A) is located in the same county as the agency;  
1983 (B) is owned in whole or in part by, or is dedicated to supporting, a public  
1984 nonprofit college or university; and  
1985 (C) only students of the relevant college or university, including the students'  
1986 immediate families, occupy.

1987 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or  
1988 any portion of the agency's housing allocation to:  
1989 (i) the community for use as described in Subsection (1)(a);  
1990 (ii) a housing authority that provides income targeted housing within the community  
1991 for use in providing income targeted housing within the community;  
1992 (iii) a housing authority established by the county in which the agency is located for  
1993 providing:  
1994 (A) income targeted housing within the county;  
1995 (B) permanent housing, permanent supportive housing, or a transitional facility, as  
1996 defined in Section 35A-5-302, within the county; or  
1997 (C) homeless assistance within the county;  
1998 (iv) the Olene Walker Housing Loan Fund, [established under Title 35A, Chapter 8,  
1999 Part 5, Olene Walker Housing Loan Fund] created in Section 63N-22-302, for use  
2000 in providing income targeted housing within the community;

2001 (v) pay for or make a contribution toward the acquisition, construction, or  
2002 rehabilitation of income targeted housing that is outside of the community if the  
2003 housing is located along or near a major transit investment corridor that services  
2004 the community and the related project has been approved by the community in  
2005 which the housing is or will be located;

2006 (vi) pay for or make a contribution toward the acquisition, construction, or  
2007 rehabilitation of income targeted housing that is outside of the boundary of the  
2008 agency if there is an interlocal agreement between the agency and the receiving  
2009 community;

2010 (vii) pay for or make a contribution toward the expansion of child care facilities  
2011 within the boundary of the agency, provided that any recipient of funds from the  
2012 agency's housing allocation reports annually to the agency on how the funds were  
2013 used; or

2014 (viii) a non-profit housing fund, for use in assisting individuals or families within the  
2015 community to achieve homeownership or retain homeownership, in accordance  
2016 with:  
2017 (A) the mission of the non-profit housing fund; and  
2018 (B) a written agreement between the non-profit housing fund and the agency,  
2019 governing appropriate uses of housing allocation funds.

2020 (2)(a) An agency may combine all or any portion of the agency's housing allocation with  
2021 all or any portion of one or more additional agency's housing allocations if the  
2022 agencies execute an interlocal agreement in accordance with Title 11, Chapter 13,  
2023 Interlocal Cooperation Act.

2024 (b) An agency that has entered into an interlocal agreement as described in Subsection  
2025 (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing  
2026 allocation meets the requirements for at least one agency that is a party to the  
2027 interlocal agreement.

2028 (3) The agency shall create a housing fund and separately account for the agency's housing  
2029 allocation, together with all interest earned by the housing allocation and all payments or  
2030 repayments for loans, advances, or grants from the housing allocation.

2031 (4) An agency may:  
2032 (a) issue bonds to finance a housing-related project under this section, including the  
2033 payment of principal and interest upon advances for surveys and plans or preliminary  
2034 loans; and

2035 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a)  
2036 previously issued by the agency.

2037 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the  
2038 housing fund each year in which the agency receives sufficient tax increment to make  
2039 a housing allocation required by the project area budget.

2040 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

2041 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing  
2042 allocation in accordance with the project area budget and the housing plan adopted  
2043 under Subsection 17C-2-204(2), the loan fund board may bring legal action to  
2044 compel the agency to provide the housing allocation.

2045 (b) In an action under Subsection (6)(a), the court:

2046 (i) shall award the loan fund board reasonable attorney fees, unless the court finds  
2047 that the action was frivolous; and  
2048 (ii) may not award the agency the agency's attorney fees, unless the court finds that  
2049 the action was frivolous.

2050 (7) For the purpose of offsetting the community's annual local contribution to the Homeless  
2051 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a  
2052 calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and  
2053 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined  
2054 in Subsection 59-12-205(5).

2055 (8) An agency shall spend, encumber, or allot the money contributed to the housing fund  
2056 under Subsection (5)(a) within six years from the day on which the agency first receives  
2057 the money.

2058 Section 13. Section **26B-3-209** is amended to read:

2059 **26B-3-209 (Effective 07/01/26). Medicaid long-term support services housing  
2060 coordinator.**

2061 (1) There is created within the Medicaid program a full-time-equivalent position of  
2062 Medicaid long-term support services housing coordinator.  
2063 (2) The coordinator shall help Medicaid recipients receive long-term support services in a  
2064 home or other community-based setting rather than in a nursing home or other  
2065 institutional setting by:  
2066 (a) working with municipalities, counties, the [Housing and Community Development  
2067 Division] Division of Community Services within the Department of Workforce  
2068 Services, the Division of Housing and Community Development within the

2069        Governor's Office of Economic Opportunity, and others to identify community-based  
2070        settings available to recipients;

2071        (b) working with the same entities to promote the development, construction, and  
2072        availability of additional community-based settings;

2073        (c) training Medicaid case managers and support coordinators on how to help Medicaid  
2074        recipients move from an institutional setting to a community-based setting; and

2075        (d) performing other related duties.

2076        Section 14. Section **35A-1-202** is amended to read:

2077        **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26). Divisions --**

2078        **Creation -- Duties -- Workforce Appeals Board, councils, Child Care Advisory  
2079        Committee, and economic service areas.**

2080        (1) There is created within the department the following divisions:

2081        (a) the Workforce Development Division to administer the development and  
2082        implementation of employment assistance programs;

2083        (b) the Workforce Research and Analysis Division;

2084        (c) the Unemployment Insurance Division to administer Chapter 4, Employment  
2085        Security Act;

2086        (d) the Eligibility Services Division to administer public assistance eligibility;

2087        (e) the Division of Adjudication to adjudicate claims or actions in accordance with this  
2088        title;

2089        (f) the [Housing and Community Development Division] Division of Community  
2090        Services, which is described in Sections 35A-8-201 and 35A-8-202;

2091        (g) the Utah State Office of Rehabilitation, which is described in Section 35A-13-103;

2092        (h) the Office of Homeless Services, which is described in Section 35A-16-202;

2093        (i) the Office of Child Care, which is described in Sections 35A-3-202 and 35A-3-203;  
2094        and

2095        (j) the Refugee Services Office, which is described in Chapter 3, Part 8, Refugee  
2096        Services.

2097        (2) In addition to the divisions created under Subsection (1), within the department are the  
2098        following:

2099        (a) the Workforce Appeals Board created in Section 35A-1-205;

2100        (b) the State Workforce Development Board created in Section 35A-1-206;

2101        (c) the Employment Advisory Council created in Section 35A-4-502;

2102        (d) the Child Care Advisory Committee created in Section 35A-3-205; and

2103 (e) the economic service areas created in accordance with Chapter 2, Economic Service  
2104 Areas.

2105 Section 15. Section **35A-3-103** is amended to read:

2106 **35A-3-103 (Effective 07/01/26). Department responsibilities.**

2107 The department shall:

2108 (1) administer public assistance programs assigned by the Legislature and the governor;  
2109 (2) determine eligibility for public assistance programs in accordance with the requirements  
2110 of this chapter;

2111 (3) cooperate with the federal government in the administration of public assistance  
2112 programs;

2113 (4) administer state employment services;

2114 (5) provide for the compilation of necessary or desirable information, statistics, and reports;

2115 (6) perform other duties and functions required by law;

2116 (7) monitor the application of eligibility policy;

2117 (8) develop personnel training programs for effective and efficient operation of the  
2118 programs administered by the department;

2119 (9) provide refugee resettlement services in accordance with Section 35A-3-803;

2120 (10) provide child care assistance for children in accordance with Part 2, Office of Child  
2121 Care;

2122 (11) provide services that enable an applicant or recipient to qualify for affordable housing  
2123 in cooperation with:

2124 (a) the Utah Housing Corporation;

2125 (b) the ~~Housing and Community Development Division~~ Division of Community  
2126 Services;

2127 (c) the Division of Housing and Community Development within the Governor's Office  
2128 of Economic Opportunity; and

2129 [(e)] (d) local housing authorities;

2130 (12) administer the Medicaid Eligibility Quality Control function in accordance with 42  
2131 C.F.R. Sec. 431.812; and

2132 (13) conduct non-clinical eligibility hearings and issue final decisions in adjudicative  
2133 proceedings, including expedited appeals as defined in 42 C.F.R. Sec. 431.224, for  
2134 medical assistance eligibility under:

2135 (a) Title 26B, Chapter 3, Health Care - Administration and Assistance; or

2136 (b) Title 26B, Chapter 3, Part 9, Utah Children's Health Insurance Program.

2137       Section 16. Section **35A-3-309** is amended to read:

2138       **35A-3-309 (Effective 07/01/26). Information regarding home ownership.**

2139       (1) The department shall provide information and service coordination to assist an applicant  
2140       in obtaining affordable housing.

2141       (2) The information and services may include:

2142           (a) information from the Utah Housing Corporation[and], the [Housing and Community  
2143           Development Division] Division of Community Services, and the Division of  
2144           Housing and Community Development within the Governor's Office of Economic  
2145           Opportunity regarding special housing programs, including programs for first-time  
2146           home buyers and individuals with low and moderate incomes and the eligibility  
2147           requirements for those programs;

2148           (b) referrals to programs operated by volunteers from the real estate industry that assist  
2149           applicants in obtaining affordable housing, including information on home  
2150           ownership, down payments, closing costs, and credit requirements; and

2151           (c) referrals to housing programs operated by municipalities, counties, local housing  
2152           authorities, and nonprofit housing organizations that assist individuals in obtaining  
2153           affordable housing, including first-time home ownership.

2154       Section 17. Section **35A-8-101** is amended to read:

2155       **35A-8-101 (Effective 07/01/26). Definitions.**

2156       As used in this chapter:

2157       (1) "Accessible housing" means housing which has been constructed or modified to be  
2158       accessible, as described in the State Construction Code or an approved code under Title  
2159       15A, State Construction and Fire Codes Act.

2160       (2) "Director" means the director of the division.

2161       (3) "Division" means the [Housing and Community Development Division] Division of  
2162       Community Services.

2163       [**(4) "Moderate income housing"** means housing occupied or reserved for occupancy by  
2164       households with a gross household income equal to or less than 80% of the median gross  
2165       income for households of the same size in the county in which the housing is located.]

2166       [**(5) "Moderate income housing unit"** means a housing unit that qualifies as moderate  
2167       income housing.]

2168       Section 18. Section **35A-8-201** is amended to read:

2169       **35A-8-201 (Effective 07/01/26). Division of Community Services.**

2170       The [Housing and Community Development] Division of Community Services is under

2171 the administration and general supervision of the director.

2172 Section 19. Section **35A-8-202** is amended to read:

2173 **35A-8-202 (Effective 07/01/26). Powers and duties of division.**

2174 (1) The division shall:

- 2175 (a) assist local governments and citizens in the planning, development, and maintenance  
2176 of necessary public infrastructure and services;
- 2177 (b) cooperate with, and provide technical assistance to, counties, cities, towns, regional  
2178 planning commissions, area-wide clearinghouses, zoning commissions, parks or  
2179 recreation boards, community development groups, community action agencies, and  
2180 other agencies created for the purpose of aiding and encouraging an orderly,  
2181 productive, and coordinated development of the state and [its] the state's political  
2182 subdivisions;
- 2183 (c) assist the governor in coordinating the activities of state agencies which have an  
2184 impact on the solution of community development problems and the implementation  
2185 of community plans;
- 2186 (d) serve as a clearinghouse for information, data, and other materials which may be  
2187 helpful to local governments in discharging [their] local government responsibilities  
2188 and provide information on available federal and state financial and technical  
2189 assistance;
- 2190 (e) carry out continuing studies and analyses of the problems faced by communities  
2191 within the state and develop such recommendations for administrative or legislative  
2192 action as appear necessary;
- 2193 (f) assist the Division of Housing and Community Development within the Governor's  
2194 Office of Economic Opportunity in funding affordable housing;
- 2195 (g) support economic development activities through grants, loans, and direct programs  
2196 financial assistance;
- 2197 (h) certify project funding at the local level in conformance with federal, state, and other  
2198 requirements;
- 2199 (i) utilize the capabilities and facilities of public and private universities and colleges  
2200 within the state in carrying out [its] the division's functions; and
- 2201 (j) assist and support local governments, community action agencies, and citizens in the  
2202 planning, development, and maintenance of home weatherization, energy efficiency,  
2203 and antipoverty activities.

2204 (2) The division may:

2205 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds  
2206 Procedures Act, seek federal grants, loans, or participation in federal programs; and  
2207 (b) if any federal program requires the expenditure of state funds as a condition to  
2208 participation by the state in any fund, property, or service, with the governor's  
2209 approval, expend whatever funds are necessary out of the money provided by the  
2210 Legislature for the use of the department[;] .

2211 [(e) ~~in accordance with Part 9, Domestic Violence Shelters, assist in developing,~~  
2212 ~~constructing, and improving shelters for victims of domestic violence, as described in~~  
2213 ~~Section 77-36-1, through loans and grants to nonprofit and governmental entities;~~]  
2214 [(d) ~~assist, when requested by a county or municipality, in the development of accessible~~  
2215 ~~housing; and]~~]  
2216 [(e) ~~make rules, in accordance with Title 63G, Chapter 3, Utah Administrative~~  
2217 ~~Rulemaking Act, regarding the form and content of a moderate income housing~~  
2218 ~~report, as described in Sections 10-21-202 and 17-80-202, to:]~~  
2219 [(i) ~~ensure consistency across reporting political subdivisions; and]~~  
2220 [(ii) ~~promote better potential analysis of report data.]~~]

2221 Section 20. Section **35A-8-1003** is amended to read:

2222 **35A-8-1003 (Effective 07/01/26). State Community Services Office created --**

2223 **Purpose.**

2224 (1) There is created within the [Housing and Community Development Division] Division  
2225 of Community Services the State Community Services Office.  
2226 (2) The office shall strengthen communities by reducing poverty and improving the quality  
2227 of life for low-income persons in this state.

2228 Section 21. Section **35A-8-1009** is amended to read:

2229 **35A-8-1009 (Effective 07/01/26). Qualified Emergency Food Agencies Fund --**

2230 **Expenditure of revenues.**

2231 (1) As used in this section:  
2232 (a) "Association of governments" means the following created under the authority of  
2233 Title 11, Chapter 13, Interlocal Cooperation Act:  
2234 (i) an association of governments; or  
2235 (ii) a regional council that acts as an association of governments.  
2236 (b) "Food and food ingredients" means the same as that term is defined in Section  
2237 59-12-102.  
2238 (c) "Qualified emergency food agency" means an organization that:

2239 (i) is:

2240 (A) exempt from federal income taxation under Section 501(c)(3), Internal  
2241 Revenue Code;

2242 (B) an association of governments; or

2243 (C) a food pantry operated by a municipality located within the state;

2244 (ii) as part of [its] the organization's activities, operates a program that has as the  
2245 program's primary purpose to:

2246 (A) warehouse and distribute food to other agencies and organizations providing  
2247 food and food ingredients to low-income persons; or

2248 (B) provide food and food ingredients directly to low-income persons; and

2249 (iii) the office determines to be a qualified emergency food agency.

2250 (2) There is created an expendable special revenue fund known as the Qualified Emergency  
2251 Food Agencies Fund.

2252 (3)(a) The Qualified Emergency Food Agencies Fund shall be funded by the sales and  
2253 use tax revenues described in:

2254 (i) Section 59-12-103;

2255 (ii) Section 59-12-204; and

2256 (iii) Section 59-12-1102.

2257 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be  
2258 deposited into the General Fund.

2259 (4) The office shall for a fiscal year distribute money deposited into the Qualified  
2260 Emergency Food Agencies Fund to qualified emergency food agencies within the state  
2261 as provided in this section.

2262 (5) A qualified emergency food agency shall file an application with the office before the  
2263 qualified emergency food agency may receive a distribution under this section.

2264 (6) A qualified emergency food agency may expend a distribution received in accordance  
2265 with this section only for a purpose related to:

2266 (a) warehousing and distributing food and food ingredients to other agencies and  
2267 organizations providing food and food ingredients to low-income persons; or

2268 (b) providing food and food ingredients directly to low-income persons.

2269 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [  
2270 ~~Housing and Community Development Division~~] Division of Community Services may  
2271 make rules providing procedures for implementing the distributions required by this  
2272 section, including:

2273 (a) standards for determining and verifying the amount of a distribution that a qualified  
2274 emergency food agency may receive;

2275 (b) procedures for a qualified emergency food agency to apply for a distribution,  
2276 including the frequency with which a qualified emergency food agency may apply  
2277 for a distribution; and

2278 (c) consistent with Subsection (1)(c), determining whether an entity is a qualified  
2279 emergency food agency.

2280 Section 22. Section **53C-3-203** is amended to read:

2281 **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30). Land Exchange  
2282 Distribution Account.**

2283 (1) As used in this section, "account" means the Land Exchange Distribution Account  
2284 created in Subsection (2)(a).

2285 (2)(a) There is created within the General Fund a restricted account known as the Land  
2286 Exchange Distribution Account.

2287 (b) The account shall consist of revenue deposited in the account as required by Section  
2288 53C-3-202.

2289 (3)(a) The state treasurer shall invest money in the account according to Title 51,  
2290 Chapter 7, State Money Management Act.

2291 (b) The Division of Finance shall deposit interest or other earnings derived from  
2292 investment of account money into the General Fund.

2293 (4) The Legislature shall annually appropriate from the account in the following order:

2294 (a) \$1,000,000 to the Constitutional Defense Restricted Account created in Section  
2295 63C-4a-402; and

2296 (b) from the deposits to the account remaining after the appropriation in Subsection  
2297 (4)(a), the following amounts:

2298 (i) 55% of the deposits to counties in amounts proportionate to the amounts of  
2299 mineral revenue generated from the acquired land, exchanged land, acquired  
2300 mineral interests, or exchanged mineral interests located in each county, to be  
2301 used to mitigate the impacts caused by mineral development;

2302 (ii) 25% of the deposits to counties in amounts proportionate to the total surface and  
2303 mineral acreage within each county that was conveyed to the United States under  
2304 the agreement or an exchange, to be used to mitigate the loss of mineral  
2305 development opportunities resulting from the agreement or exchange;

2306 (iii) 1.68% of the deposits to the State Board of Education, to be used for education

2307 research and experimentation in the use of staff and facilities designed to improve  
2308 the quality of education in Utah;

2309 (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources  
2310 development in the state;

2311 (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University,  
2312 to be used for water development in the state;

2313 (vi) 11% of the deposits to the Constitutional Defense Restricted Account created in  
2314 Section 63C-4a-402;

2315 (vii) 1% of the deposits to the Geological Survey, to be used for test wells and other  
2316 hydrologic studies in the West Desert; and

2317 (viii) 3% of the deposits to the Permanent Community Impact Fund created in  
2318 Section [35A-8-303] 63N-22-503, to be used for grants to political subdivisions of  
2319 the state to mitigate the impacts resulting from the development or use of school  
2320 and institutional trust lands.

2321 (5) The administration shall make recommendations to the Permanent Community Impact  
2322 Fund Board for the Permanent Community Impact Fund Board's consideration when  
2323 awarding the grants described in Subsection (4)(b)(viii).

2324 Section 23. Section **59-2-1101** is amended to read:

**59-2-1101 (Effective 07/01/26). Definitions -- Exemption of certain property --**

**Proportional payments for certain property -- Exception -- County legislative body  
2327 authority to adopt rules or ordinances.**

2328 (1) As used in this section:

2329 (a) "Charitable purposes" means:

2330 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined  
2331 in Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc., 881 P.2d  
2332 880 (Utah 1994); and

2333 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift  
2334 to the community.

2335 (b) "Compliance period" means a period equal to 15 taxable years beginning with the  
2336 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal  
2337 Revenue Code, or Section 59-7-607 or 59-10-1010.

2338 (c)(i) "Educational purposes" means purposes carried on by an educational  
2339 organization that normally:

2340 (A) maintains a regular faculty and curriculum; and

2341 (B) has a regularly enrolled body of pupils and students.

2342 (ii) "Educational purposes" includes:

2343 (A) the physical or mental teaching, training, or conditioning of competitive  
2344 athletes by a national governing body of sport recognized by the United States  
2345 Olympic and Paralympic Committee that qualifies as being tax exempt under  
2346 Section 501(c)(3), Internal Revenue Code; and

2347 (B) an activity in support of or incidental to the teaching, training, or conditioning  
2348 described in this Subsection (1)(c)(ii).

2349 (d) "Exclusive use exemption" means a property tax exemption under Subsection  
2350 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more  
2351 of the following purposes:

2352 (i) religious purposes;  
2353 (ii) charitable purposes; or  
2354 (iii) educational purposes.

2355 (e)(i) "Farm machinery and equipment" means tractors, milking equipment and  
2356 storage and cooling facilities, feed handling equipment, irrigation equipment,  
2357 harvesters, choppers, grain drills and planters, tillage tools, scales, combines,  
2358 spreaders, sprayers, haying equipment, including balers and cubers, and any other  
2359 machinery or equipment used primarily for agricultural purposes.

2360 (ii) "Farm machinery and equipment" does not include vehicles required to be  
2361 registered with the Motor Vehicle Division or vehicles or other equipment used  
2362 for business purposes other than farming.

2363 (f) "Gift to the community" means:

2364 (i) the lessening of a government burden; or

2365 (ii)(A) the provision of a significant service to others without immediate  
2366 expectation of material reward;

2367 (B) the use of the property is supported to a material degree by donations and gifts  
2368 including volunteer service;

2369 (C) the recipients of the charitable activities provided on the property are not  
2370 required to pay for the assistance received, in whole or in part, except that if in  
2371 part, to a material degree;

2372 (D) the beneficiaries of the charitable activities provided on the property are  
2373 unrestricted or, if restricted, the restriction bears a reasonable relationship to  
2374 the charitable objectives of the nonprofit entity that owns the property; and

2375 (E) any commercial activities provided on the property are subordinate or  
2376 incidental to charitable activities provided on the property.

2377 (g) "Government exemption" means a property tax exemption provided under  
2378 Subsection (3)(a)(i), (ii), or (iii).

2379 (h)(i) "Nonprofit entity" means an entity:

2380 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the  
2381 entity's nonprofit purpose, and that makes no dividend or other form of  
2382 financial benefit available to a private interest;

2383 (B) for which, upon dissolution, the entity's assets are distributable only for  
2384 exempt purposes under state law or to the government for a public purpose; and

2385 (C) for which none of the net earnings or donations made to the entity inure to the  
2386 benefit of private shareholders or other individuals, as the private inurement  
2387 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.

2388 (ii) "Nonprofit entity" includes an entity:

2389 (A) if the entity is treated as a disregarded entity for federal income tax purposes  
2390 and wholly owned by, and controlled under the direction of, a nonprofit entity;  
2391 and

2392 (B) for which none of the net earnings and profits of the entity inure to the benefit  
2393 of any person other than a nonprofit entity.

2394 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection  
2395 (1)(h)(i) if the entity jointly owns a property that:

2396 (A) is used for the purpose of providing permanent supportive housing;

2397 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a  
2398 housing authority that operates the permanent supportive housing;

2399 (C) has an owner that receives public funding from a federal, state, or local  
2400 government entity to provide support services and rental subsidies to the  
2401 permanent supportive housing;

2402 (D) is intended to be transferred at or before the end of the compliance period to  
2403 an entity described in Subsection (1)(h)(i) or a housing authority that will  
2404 continue to operate the property as permanent supportive housing; and

2405 (E) has been certified by the Utah Housing Corporation as meeting the  
2406 requirements described in Subsections (1)(h)(iii)(A) through (D).

2407 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection  
2408 (1)(h)(i) if:

2409 (A) the entity is a housing organization as defined in [Subsection  
2410 35A-8-2401(1)(a)] Section 63N-22-316; and  
2411 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing  
2412 authority.

2413 (i) "Permanent supportive housing" means a housing facility that:  
2414 (i) provides supportive services;  
2415 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing  
2416 facility when the housing facility is placed in service;  
2417 (iii) receives an allocation of federal low-income housing tax credits in accordance  
2418 with 26 U.S.C. Sec. 42; and  
2419 (iv) leases each unit to a tenant:  
2420 (A) who, immediately before leasing the housing, was homeless as defined in 24  
2421 C.F.R. 583.5; and  
2422 (B) whose rent is capped at no more than 30% of the tenant's household income.

2423 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)  
2424 has a legal right to possess.  
2425 (ii) "Property of" includes a lease of real property if:  
2426 (A) the property is wholly leased to a state or political subdivision entity listed in  
2427 Subsection (3)(a)(ii) or (iii) under a triple net lease; and  
2428 (B) the lease is in effect for the entire calendar year.  
2429 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.  
2430 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for  
2431 the real estate taxes, building insurance, and maintenance of the property separate  
2432 from and in addition to the rental price.

2433 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be  
2434 allowed only if the claimant is the owner of the property as of January 1 of the year  
2435 the exemption is claimed.  
2436 (b) A claimant shall collect and pay a proportional tax based upon the length of time that  
2437 the property was not owned by the claimant if:  
2438 (i) the claimant is a federal, state, or political subdivision entity described in  
2439 Subsection (3)(a)(i), (ii), or (iii); or  
2440 (ii) in accordance with Subsection (3)(a)(iv):  
2441 (A) the claimant is a nonprofit entity; and  
2442 (B) the property is used exclusively for religious, charitable, or educational



2477 government exemption ceases to qualify for the exemption because of a change in the  
2478 ownership of the property:

2479 (a) the new owner of the property shall pay a proportional tax based upon the period of  
2480 time:  
2481 (i) beginning on the day that the new owner acquired the property; and  
2482 (ii) ending on the last day of the calendar year during which the new owner acquired  
2483 the property; and  
2484 (b) the new owner of the property and the person from whom the new owner acquires  
2485 the property shall notify the county assessor, in writing, of the change in ownership  
2486 of the property within 30 days from the day that the new owner acquires the property.

2487 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):  
2488 (a) is subject to any exclusive use exemption or government exemption that the property  
2489 is entitled to under the new ownership of the property; and  
2490 (b) applies only to property that is acquired after December 31, 2005.

2491 (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:  
2492 (i) the nonprofit entity that owns the property participates in or intervenes in any  
2493 political campaign on behalf of or in opposition to any candidate for public office,  
2494 including the publishing or distribution of statements; or  
2495 (ii) a substantial part of the activities of the nonprofit entity that owns the property  
2496 consists of carrying on propaganda or otherwise attempting to influence  
2497 legislation, except as provided under Subsection 501(h), Internal Revenue Code.  
2498 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)  
2499 shall be determined using the standards described in Section 501, Internal Revenue  
2500 Code.

2501 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:  
2502 (a) the property is used for a purpose that is not religious, charitable, or educational; and  
2503 (b) the use for a purpose that is not religious, charitable, or educational is more than de  
2504 minimis.

2505 (8) A county legislative body may adopt rules or ordinances to:  
2506 (a) effectuate an exemption under this part; and  
2507 (b) designate one or more persons to perform the functions given to the county under  
2508 this part.

2509 (9) If a person is dissatisfied with an exemption decision made under designated  
2510 decision-making authority as described in Subsection (8)(b), that person may appeal the

2511 decision to the commission under Section 59-2-1006.

2512 Section 24. Section **59-5-116** is amended to read:

2513 **59-5-116 (Effective 07/01/26). Disposition of certain taxes collected on Ute Indian  
2514 land.**

2515 (1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin  
2516 Revitalization Fund [established in] created in Section [35A-8-1602] 63N-22-602:

2517 (a) for taxes imposed under this part, 33% of the taxes collected on oil, gas, or other  
2518 hydrocarbon substances produced from a well:  
2519 (i) for which production began on or before June 30, 1995; and  
2520 (ii) attributable to interests:  
2521 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or  
2522 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);  
2523 (b) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other  
2524 hydrocarbon substances produced from a well:  
2525 (i) for which production began on or after July 1, 1995; and  
2526 (ii) attributable to interests:  
2527 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or  
2528 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and  
2529 (c) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other  
2530 hydrocarbon substances produced from a well:  
2531 (i) for which production began on or after January 1, 2001; and  
2532 (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land  
2533 Restoration Act, Pub. L. No. 106-398, Sec. 3303.

2534 (2)(a) The maximum amount deposited in the Uintah Basin Revitalization Fund may not  
2535 exceed:

2536 (i) \$3,000,000 in fiscal year 2005-06;  
2537 (ii) \$5,000,000 in fiscal year 2006-07;  
2538 (iii) \$6,000,000 in fiscal years 2007-08 and 2008-09; and  
2539 (iv) for fiscal years beginning with fiscal year 2009-10, the amount determined by the  
2540 commission as described in Subsection (2)(b).

2541 (b)(i) The commission shall increase or decrease the dollar amount described in  
2542 Subsection (2)(a)(iii) by a percentage equal to the percentage difference between  
2543 the consumer price index for the preceding calendar year and the consumer price  
2544 index for calendar year 2008; and

2545 (ii) after making an increase or decrease under Subsection (2)(b)(i), round the dollar  
2546 amount to the nearest whole dollar.

2547 (c) For purposes of this Subsection (2), "consumer price index" is as described in  
2548 Section 1(f)(4), Internal Revenue Code, and defined in Section (1)(f)(5), Internal  
2549 Revenue Code.

2550 (d) Any amounts in excess of the maximum described in Subsection (2)(a) shall be  
2551 credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

2552 Section 25. Section **59-5-119** is amended to read:

2553 **59-5-119 (Effective 07/01/26). Disposition of certain taxes collected on Navajo**

2554 **Nation land located in Utah.**

2555 (1) Except as provided in Subsection (2), there shall be deposited into the Navajo  
2556 Revitalization Fund [established] created in Section [35A-8-1704] 63N-22-703 for taxes  
2557 imposed under this part beginning on July 1, 1997:

2558 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced  
2559 from a well:

2560 (i) for which production began on or before June 30, 1996; and

2561 (ii) attributable to interests in Utah held in trust by the United States for the Navajo  
2562 Nation and [its] the Navajo Nation's members; and

2563 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced  
2564 from a well:

2565 (i) for which production began on or after July 1, 1996; and

2566 (ii) attributable to interests in Utah held in trust by the United States for the Navajo  
2567 Nation and [its] the Navajo Nation's members.

2568 (2)(a) The maximum amount deposited in the Navajo Revitalization Fund may not  
2569 exceed:

2570 (i) \$2,000,000 in fiscal year 2006-07; and

2571 (ii) \$3,000,000 for fiscal years beginning with fiscal year 2007-08.

2572 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be  
2573 credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

2574 Section 26. Section **59-12-2220** is amended to read:

2575 **59-12-2220 (Effective 07/01/26). County option sales and use tax to fund**  
2576 **highways or a system for public transit -- Base -- Rate.**

2577 (1) Subject to the other provisions of this part and subject to the requirements of this  
2578 section, the following counties may impose a sales and use tax under this section:

2579 (a) a county legislative body may impose the sales and use tax on the transactions  
2580 described in Subsection 59-12-103(1) located within the county, including the cities  
2581 and towns within the county if:  
2582 (i) the entire boundary of a county is annexed into a large public transit district; and  
2583 (ii) the maximum amount of sales and use tax authorizations allowed in accordance  
2584 with Section 59-12-2203 and authorized under the following sections has been  
2585 imposed:  
2586 (A) Section 59-12-2213;  
2587 (B) Section 59-12-2214;  
2588 (C) Section 59-12-2215;  
2589 (D) Section 59-12-2216;  
2590 (E) Section 59-12-2217;  
2591 (F) Section 59-12-2218; and  
2592 (G) Section 59-12-2219;

2593 (b) if the county is not annexed into a large public transit district, the county legislative  
2594 body may impose the sales and use tax on the transactions described in Subsection  
2595 59-12-103(1) located within the county, including the cities and towns within the  
2596 county if:  
2597 (i) the county is an eligible political subdivision; or  
2598 (ii) a city or town within the boundary of the county is an eligible political  
2599 subdivision; or

2600 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may  
2601 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)  
2602 located within the county, including the cities and towns within the county.

2603 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a  
2604 county legislative body that imposes a sales and use tax under this section may impose  
2605 the tax at a rate of .2%.

2606 (3)(a) The commission shall distribute sales and use tax revenue collected under this  
2607 section as determined by a county legislative body as described in Subsection (3)(b).  
2608 (b) If a county legislative body imposes a sales and use tax as described in this section,  
2609 the county legislative body may elect to impose a sales and use tax revenue  
2610 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of  
2611 county, and presence and type of a public transit provider in the county.

2612 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a

2613 county legislative body imposes a sales and use tax as described in this section, and the  
2614 entire boundary of the county is annexed into a large public transit district, and the  
2615 county is a county of the first class, the commission shall distribute the sales and use tax  
2616 revenue as follows:

2617 (a) .10% to a public transit district as described in Subsection (11);  
2618 (b) .05% to the cities and towns as provided in Subsection (8); and  
2619 (c) .05% to the county legislative body.

2620 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as  
2621 described in this section and the entire boundary of the county is annexed into a large  
2622 public transit district, and the county is a county not described in Subsection (4), the  
2623 commission shall distribute the sales and use tax revenue as follows:

2624 (a) .10% to a public transit district as described in Subsection (11);  
2625 (b) .05% to the cities and towns as provided in Subsection (8); and  
2626 (c) .05% to the county legislative body.

2627 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that  
2628 imposes a sales and use tax as described in this section is not annexed into a single  
2629 public transit district, but a city or town within the county is annexed into a single  
2630 public transit district, or if the city or town is an eligible political subdivision, the  
2631 commission shall distribute the sales and use tax revenue collected within the county  
2632 as provided in Subsection (6)(b) or (c).

2633 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is  
2634 annexed into the single public transit district, or an eligible political subdivision, the  
2635 commission shall distribute the sales and use tax revenue collected within the portion  
2636 of the county that is within a public transit district or eligible political subdivision as  
2637 follows:

2638 (i) .05% to a public transit provider as described in Subsection (11);  
2639 (ii) .075% to the cities and towns as provided in Subsection (8); and  
2640 (iii) .075% to the county legislative body.

2641 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county  
2642 described in Subsection (6)(a) that is not annexed into a single public transit district  
2643 or eligible political subdivision in the county, the commission shall distribute the  
2644 sales and use tax revenue collected within that portion of the county as follows:  
2645 (i) .08% to the cities and towns as provided in Subsection (8); and  
2646 (ii) .12% to the county legislative body.

2647 (7) For a county without a public transit service that imposes a sales and use tax as  
2648 described in this section, the commission shall distribute the sales and use tax revenue  
2649 collected within the county as follows:  
2650 (a) .08% to the cities and towns as provided in Subsection (8); and  
2651 (b) .12% to the county legislative body.

2652 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions  
2653 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:  
2654 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),  
2655 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)  
2656 through (7) shall be distributed to the unincorporated areas, cities, and towns  
2657 within those counties on the basis of the percentage that the population of each  
2658 unincorporated area, city, or town bears to the total population of all of the  
2659 counties that impose a tax under this section; and  
2660 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),  
2661 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)  
2662 through (7) shall be distributed to the unincorporated areas, cities, and towns  
2663 within those counties on the basis of the location of the transaction as determined  
2664 under Sections 59-12-211 through 59-12-215.

2665 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent  
2666 not otherwise required by federal law:  
2667 (A) the most recent estimate from the Utah Population Committee created in  
2668 Section 63C-20-103; or  
2669 (B) if the Utah Population Committee estimate is not available for each  
2670 municipality and unincorporated area, the adjusted sub-county population  
2671 estimate provided by the Utah Population Committee in accordance with  
2672 Section 63C-20-104.

2673 (ii) If a needed population estimate is not available from the United States Census  
2674 Bureau, population figures shall be derived from an estimate from the Utah  
2675 Population Estimates Committee created by executive order of the governor.

2676 (c)(i) Beginning on January 1, 2024, if the ~~Housing and Community Development~~  
2677 ~~Division within the Department of Workforce Services~~ Division of Housing and  
2678 Community Development within the Governor's Office of Economic Opportunity  
2679 determines that a city or town is ineligible for funds in accordance with  
2680 Subsection 10-21-202(6), beginning the first day of the calendar quarter after

2681 receiving 90 days' notice, the commission shall distribute the distribution that city  
2682 or town would have received under Subsection (8)(a) to cities or towns to which  
2683 Subsection 10-21-202(6) does not apply.

2684 (ii) Beginning on January 1, 2024, if the [Housing and Community Development  
2685 Division within the Department of Workforce Services] Division of Housing and  
2686 Community Development within the Governor's Office of Economic Opportunity  
2687 determines that a county is ineligible for funds in accordance with Subsection  
2688 17-80-202(6), beginning the first day of the calendar quarter after receiving 90  
2689 days' notice, the commission shall distribute the distribution that county would  
2690 have received under Subsection (8)(a) to counties to which Subsection  
2691 17-80-202(6) does not apply.

2692 (9) If a public transit service is organized after the date a county legislative body first  
2693 imposes a tax under this section, a change in a distribution required by this section may  
2694 not take effect until the first distribution the commission makes under this section after a  
2695 90-day period that begins on the date the commission receives written notice from the  
2696 public transit provider that the public transit service has been organized.

2697 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that  
2698 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),  
2699 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in  
2700 Section 59-12-2212.2.

2701 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes  
2702 the sales and use tax authorized in this section, the county may also use funds  
2703 distributed in accordance with Subsection (4)(c) for public safety purposes.

2704 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city  
2705 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable  
2706 use of revenue from a sales and use tax under this section includes the revitalization  
2707 of a convention center owned by the county within a city of the first class and  
2708 surrounding revitalization projects related to the convention center.

2709 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit  
2710 as described in this section may be used for capital expenses and service delivery  
2711 expenses of:

2712 (i) a public transit district;  
2713 (ii) an eligible political subdivision; or  
2714 (iii) another entity providing a service for public transit or a transit facility within the

2715 relevant county, as those terms are defined in Section 17B-2a-802.

2716 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this  
2717 section, beginning on the date on which the county imposes the sales and use  
2718 tax under this section, and for a three-year period after at least three counties  
2719 described in Subsections (4) and (5) have imposed a tax under this section, or  
2720 until June 30, 2030, whichever comes first, revenue designated for public  
2721 transit within a county of the first class as described in Subsection (4)(a) shall  
2722 be transferred to the County of the First Class Highway Projects Fund created  
2723 in Section 72-2-121.

2724 (B) Revenue deposited into the County of the First Class Highway Projects Fund  
2725 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be  
2726 used for public transit innovation grants as provided in Title 72, Chapter 2, Part  
2727 4, Public Transit Innovation Grants.

2728 (ii) If a county of the first class imposes a sales and use tax described in this section,  
2729 beginning on the day three years after the date on which at least three counties  
2730 described in Subsections (4) and (5) have imposed a tax under this section, or  
2731 beginning on July 1, 2030, whichever comes first, for revenue designated for  
2732 public transit as described in Subsection (4)(a):

2733 (A) 50% of the revenue from a sales and use tax imposed under this section in a  
2734 county of the first class shall be transferred to the County of the First Class  
2735 Highway Projects Fund created in Section 72-2-121; and  
2736 (B) 50% of the revenue from a sales and use tax imposed under this section in a  
2737 county of the first class shall be transferred to the Transit Transportation  
2738 Investment Fund created in Subsection 72-2-124(9).

2739 (c)(i) If a county that is not a county of the first class for which the entire boundary of  
2740 the county is annexed into a large public transit district imposes a sales and use  
2741 tax described in this section, beginning on the date on which the county imposes  
2742 the sales and use tax under this section, and for a three-year period following the  
2743 date on which at least three counties described in Subsections (4) and (5) have  
2744 imposed a tax under this section, or until June 30, 2030, whichever comes first,  
2745 revenue designated for public transit as described in Subsection (5)(a) shall be  
2746 transferred to the relevant county legislative body to be used for a purpose  
2747 described in Subsection (11)(a).

2748 (ii) If a county that is not a county of the first class for which the entire boundary of

2749 the county is annexed into a large public transit district imposes a sales and use  
2750 tax described in this section, beginning on the day three years after the date on  
2751 which at least three counties described in Subsections (4) and (5) have imposed a  
2752 tax under this section, or beginning on July 1, 2030, whichever comes first, for the  
2753 revenue that is designated for public transit in Subsection (5)(a):

2754 (A) 50% shall be transferred to the Transit Transportation Investment Fund  
2755 created in Subsection 72-2-124(9); and  
2756 (B) 50% shall be transferred to the relevant county legislative body to be used for  
2757 a purpose described in Subsection (11)(a).

2758 (d) Except as provided in Subsection ~~[13](e)~~ (14)(c), for a county that imposes a sales  
2759 and use tax under this section, for revenue designated for public transit as described  
2760 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county  
2761 legislative body to be used for a purpose described in Subsection (11)(a).

2762 (12) A large public transit district shall send notice to the commission at least 90 days  
2763 before the earlier of:  
2764 (a) the date that is three years after the date on which at least three counties described in  
2765 Subsections (4) and (5) have imposed a tax under this section; or  
2766 (b) June 30, 2030.

2767 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization  
2768 project described in Subsection (10)(c), the city shall transfer at least 50%, and may  
2769 transfer up to 100%, of any revenue the city receives from a distribution under  
2770 Subsection (4)(b) to a convention center public infrastructure district created in  
2771 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by  
2772 the county within a city of the first class and surrounding revitalization projects related  
2773 to the convention center as permitted in Subsection (10)(c).

2774 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not  
2775 required to, submit an opinion question to the county's registered voters in  
2776 accordance with Section 59-12-2208 to impose a sales and use tax under this section.  
2777 (b) If a county passes an ordinance to impose a sales and use tax as described in this  
2778 section, the sales and use tax shall take effect on the first day of the calendar quarter  
2779 after a 90-day period that begins on the date the commission receives written notice  
2780 from the county of the passage of the ordinance.  
2781 (c) A county that imposed the local option sales and use tax described in this section  
2782 before January 1, 2023, may maintain that county's distribution allocation in place as

2783 of January 1, 2023.

2784 (15)(a) Revenue collected from a sales and use tax under this section may not be used to  
2785 supplant existing General Fund appropriations that a county, city, or town budgeted  
2786 for transportation or public transit as of the date the tax becomes effective for a  
2787 county, city, or town.  
2788 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation  
2789 or public transit capital or reserve account a county, city, or town established before  
2790 the date the tax becomes effective.

2791 Section 27. Section **59-21-1** is amended to read:

2792 **59-21-1 (Effective 07/01/26). Disposition of federal mineral lease money --**

2793 **Priority to political subdivisions impacted by mineral development -- Disposition of**  
2794 **mineral bonus payments -- Appropriation of money attributable to royalties from**  
2795 **extraction of minerals on federal land located within boundaries of Grand**  
2796 **Staircase-Escalante National Monument.**

2797 (1) Except as provided in Subsections (2) through (4), all money received from the United  
2798 States under the provisions of the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et  
2799 seq., shall:  
2800 (a) be deposited in the Mineral Lease Account of the General Fund; and  
2801 (b) be appropriated by the Legislature giving priority to those subdivisions of the state  
2802 socially or economically impacted by development of minerals leased under the  
2803 Mineral Lands Leasing Act, for:  
2804 (i) planning;  
2805 (ii) construction and maintenance of public facilities; and  
2806 (iii) provision of public services.  
2807 (2) Seventy percent of money received from federal mineral lease bonus payments shall be  
2808 deposited into the Permanent Community Impact Fund and shall be used [as provided in  
2809 Title 35A, Chapter 8, Part 3, Community Impact Fund Act] in accordance with Title  
2810 63N, Chapter 22, Part 5, Community Impact Fund.  
2811 (3) Thirty percent of money received from federal mineral lease bonus payments shall be  
2812 deposited in the Mineral Bonus Account created by Subsection 59-21-2(1) and  
2813 appropriated as provided in that subsection.  
2814 (4)(a) For purposes of this Subsection (4):  
2815 (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the  
2816 boundaries:

2817 (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223  
2818 (1996); and  
2819 (B) modified by:  
2820 (I) Pub. L. No. 105-335, 112 Stat. 3139; and  
2821 (II) Pub. L. No. 105-355, 112 Stat. 3247; and  
2822 (ii) a special service district, school district, or federal land is considered to be  
2823 located within the boundaries of the Grand Staircase-Escalante National  
2824 Monument if a portion of the special service district, school district, or federal  
2825 land is located within the boundaries described in Subsection (4)(a)(i).

2826 (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in  
2827 Subsections (4)(c) through (g), money received from the United States that is  
2828 attributable to royalties from the extraction of minerals on federal land that, on  
2829 September 18, 1996, was located within the boundaries of the Grand  
2830 Staircase-Escalante National Monument.

2831 (c) The Legislature shall annually appropriate 40% of the money described in  
2832 Subsection (4)(b) to the Division of Finance to be distributed by the Division of  
2833 Finance to special service districts that are:  
2834 (i) established by counties under Title 17D, Chapter 1, Special Service District Act;  
2835 (ii) socially or economically impacted by the development of minerals under the  
2836 Mineral Lands Leasing Act; and  
2837 (iii) located within the boundaries of the Grand Staircase-Escalante National  
2838 Monument.

2839 (d) The Division of Finance shall distribute the money described in Subsection (4)(c) in  
2840 amounts proportionate to the amount of federal mineral lease money generated by the  
2841 county in which a special service district is located.

2842 (e) The Legislature shall annually appropriate 40% of the money described in  
2843 Subsection (4)(b) to the State Board of Education to be distributed equally to school  
2844 districts that are:  
2845 (i) socially or economically impacted by the development of minerals under the  
2846 Mineral Lands Leasing Act; and  
2847 (ii) located within the boundaries of the Grand Staircase-Escalante National  
2848 Monument.

2849 (f) The Legislature shall annually appropriate 2.25% of the money described in  
2850 Subsection (4)(b) to the Utah Geological Survey to facilitate the development of

2851 energy and mineral resources in counties that are:

2852 (i) socially or economically impacted by the development of minerals under the  
2853 Mineral Lands Leasing Act; and

2854 (ii) located within the boundaries of the Grand Staircase-Escalante National  
2855 Monument.

2856 (g) Seventeen and three-fourths percent of the money described in Subsection (4)(b)  
2857 shall be deposited annually into the State School Fund established by Utah  
2858 Constitution Article X, Section 5.

2859 Section 28. Section **63A-3-205** is amended to read:

2860 **63A-3-205 (Effective 07/01/26). Revolving loan funds -- Standards and  
2861 procedures.**

2862 (1) As used in this section, "revolving loan fund" means:

2863 (a) the Water Resources Conservation and Development Fund, created in Section  
2864 73-10-24;  
2865 (b) the Water Resources Construction Fund, created in Section 73-10-8;  
2866 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels  
2867 and Emission Reduction Technology Program Act;  
2868 (d) the Water Development Security Fund and [its] the Water Development Security  
2869 Fund's subaccounts, created in Section 73-10c-5;

2870 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;

2871 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

2872 (g) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-22-503;

2873 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;

2874 (i) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602] 63N-22-602;

2875 (j) the Navajo Revitalization Fund, created in Section [35A-8-1704] 63N-22-703; and

2876 (k) the Energy Efficiency Fund, created in Section 11-45-201.

2877 (2) The division shall for each revolving loan fund make rules establishing standards and  
2878 procedures governing:

2879 (a) payment schedules and due dates;  
2880 (b) interest rate effective dates;  
2881 (c) loan documentation requirements; and  
2882 (d) interest rate calculation requirements.

2883 Section 29. Section **63B-1b-102** is amended to read:

2884 **63B-1b-102 (Effective 07/01/26). Definitions.**

2885        As used in this chapter:

2886        (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness  
2887                representing loans or grants made by an authorizing agency.

2888        (2) "Authorized official" means the state treasurer or other person authorized by a bond  
2889                document to perform the required action.

2890        (3) "Authorizing agency" means the board, person, or unit with legal responsibility for  
2891                administering and managing revolving loan funds.

2892        (4) "Bond document" means:

2893                (a) a resolution of the commission; or

2894                (b) an indenture or other similar document authorized by the commission that authorizes  
2895                and secures outstanding revenue bonds from time to time.

2896        (5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.

2897        (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

2898        (7) "Revolving Loan Funds" means:

2899                (a) the Water Resources Conservation and Development Fund, created in Section  
2900                73-10-24;

2901                (b) the Water Resources Construction Fund, created in Section 73-10-8;

2902                (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels  
2903                and Emission Reduction Technology Program Act;

2904                (d) the Water Development Security Fund and [its] the Water Development Security  
2905                Fund's subaccounts, created in Section 73-10c-5;

2906                (e) the Agriculture Resource Development Fund, created in Section 4-18-106;

2907                (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

2908                (g) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-22-503;

2909                (h) the Petroleum Storage Tank Fund, created in Section 19-6-409; and

2910                (i) the State Infrastructure Bank Fund, created in Section 72-2-202.

2911        Section 30. Section **63B-1b-202** is amended to read:

2912        **63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.**

2913        (1)(a) There is created within the Division of Finance an officer responsible for the care,  
2914                custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust  
2915                documents, and other evidences of indebtedness:

2916                (i) owned or administered by the state or [any of its agencies] an agency of the state;  
2917                and

2918                (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

2919 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not  
2920 responsible for the care, custody, safekeeping, collection, and accounting of a bond,  
2921 note, contract, trust document, or other evidence of indebtedness relating to the:  
2922 (i) Agriculture Resource Development Fund, created in Section 4-18-106;  
2923 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;  
2924 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;  
2925 (iv) Olene Walker Housing Loan Fund, created in Section [35A-8-502] 63N-22-302;  
2926 (v) Brownfields Fund, created in Section 19-8-120; and  
2927 (vi) Rural Opportunity Fund, created in Section 63N-4-805.

2928 (2)(a) Each authorizing agency shall deliver to [this] the officer for the officer's care,  
2929 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust  
2930 documents, and other evidences of indebtedness:  
2931 (i) owned or administered by the state or [any of its agencies] an agency of the state;  
2932 and  
2933 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

2934 (b) [This] The officer shall:  
2935 (i) establish systems, programs, and facilities for the care, custody, safekeeping,  
2936 collection, and accounting for the bonds, notes, contracts, trust documents, and  
2937 other evidences of indebtedness submitted to the officer under this Subsection (2);  
2938 and  
2939 (ii) [shall] make available updated reports to each authorizing agency as to the status  
2940 of loans under [their] each authorizing agency's authority.

2941 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in  
2942 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the  
2943 officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and  
2944 other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).

2945 Section 31. Section **63C-25-101** is amended to read:

2946 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

2947 As used in this chapter:

2948 (1) "Authority" means the same as that term is defined in Section 63B-1-303.  
2949 (2) "Bond" means the same as that term is defined in Section 63B-1-101.  
2950 (3)(a) "Bonding government entity" means the state or any entity that is authorized to  
2951 issue bonds under any provision of state law.  
2952 (b) "Bonding government entity" includes:

2953 (i) a bonding political subdivision; and  
2954 (ii) a public infrastructure district that is authorized to issue bonds either directly, or  
2955 through the authority of a bonding political subdivision or other governmental  
2956 entity.

2957 (4) "Bonding political subdivision" means:

2958 (a) the Utah Inland Port Authority, created in Section 11-58-201;  
2959 (b) the Military Installation Development Authority, created in Section 63H-1-201;  
2960 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;  
2961 (d) the Utah Lake Authority, created in Section 11-65-201;  
2962 (e) the State Fair Park Authority, created in Section 11-68-201; or  
2963 (f) the Utah Fairpark Area Investment and Restoration District, created in Section  
2964 11-70-201.

2965 (5) "Commission" means the State Finance Review Commission created in Section  
2966 63C-25-201.

2967 (6) "Concessionaire" means a person who:

2968 (a) operates, finances, maintains, or constructs a government facility under a contract  
2969 with a bonding political subdivision; and  
2970 (b) is not a bonding government entity.

2971 (7) "Concessionaire contract" means a contract:

2972 (a) between a bonding government entity and a concessionaire for the operation, finance,  
2973 maintenance, or construction of a government facility;  
2974 (b) that authorizes the concessionaire to operate the government facility for a term of  
2975 five years or longer, including any extension of the contract; and  
2976 (c) in which all or some of the annual source of payment to the concessionaire comes  
2977 from state funds provided to the bonding government entity.

2978 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.

2979 (9) "Government facility" means infrastructure, improvements, or a building that:

2980 (a) costs more than \$5,000,000 to construct; and  
2981 (b) has a useful life greater than five years.

2982 (10) "Large public transit district" means the same as that term is defined in Section  
2983 17B-2a-802.

2984 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for  
2985 making a loan from a revolving loan fund.

2986 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.

2987 (13) "Parameters resolution" means a resolution of a bonding government entity that sets  
2988 forth for proposed bonds:  
2989 (a) the maximum:  
2990 (i) amount of bonds;  
2991 (ii) term; and  
2992 (iii) interest rate; and  
2993 (b) the expected security for the bonds.

2994 (14) "Public infrastructure district" means a public infrastructure district created under Title  
2995 17D, Chapter 4, Public Infrastructure District Act.

2996 (15) "Revolving loan fund" means:  
2997 (a) the Water Resources Conservation and Development Fund, created in Section  
2998 73-10-24;  
2999 (b) the Water Resources Construction Fund, created in Section 73-10-8;  
3000 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels  
3001 and Emission Reduction Technology Program Act;  
3002 (d) the Water Development Security Fund and [its] the Water Development Security  
3003 Fund's subaccounts, created in Section 73-10c-5;  
3004 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;  
3005 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;  
3006 (g) the Permanent Community Impact Fund, created in Section ~~[35A-8-303]~~ 63N-22-503;  
3007 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;  
3008 (i) the School Building Revolving Account, created in Section 53F-9-206;  
3009 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;  
3010 (k) the Uintah Basin Revitalization Fund, created in Section ~~[35A-8-1602]~~ 63N-22-602;  
3011 (l) the Navajo Revitalization Fund, created in Section ~~[35A-8-1704]~~ 63N-22-703;  
3012 (m) the Energy Efficiency Fund, created in Section 11-45-201;  
3013 (n) the Brownfields Fund, created in Section 19-8-120;  
3014 (o) any of the enterprise revolving loan funds created in Section 63A-3-402; and  
3015 (p) any other revolving loan fund created in statute where the borrower from the  
3016 revolving loan fund is a public non-profit entity or political subdivision, including a  
3017 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a  
3018 loan.

3019 (16)(a) "State funds" means an appropriation by the Legislature identified as coming  
3020 from the General Fund or Education Fund.

3021 (b) "State funds" does not include:

3022 (i) a revolving loan fund; or

3023 (ii) revenues received by a bonding political subdivision from:

3024 (A) a tax levied by the bonding political subdivision;

3025 (B) a fee assessed by the bonding political subdivision; or

3026 (C) operation of the bonding political subdivision's government facility.

3027 Section 32. Section **63H-8-201** is amended to read:

**63H-8-201 (Effective 07/01/26). Creation -- Trustees -- Terms -- Vacancies --**

**Chair -- Powers -- Quorum -- Per diem and expenses -- Annual conflict of interest disclosure statement -- Penalties.**

3031 (1)(a) There is created an independent body politic and corporate, constituting a public corporation, known as the "Utah Housing Corporation."

3032 (b) The corporation may also be known and do business as the:

3033 (i) Utah Housing Finance Association; and

3035 (ii) Utah Housing Finance Agency in connection with a contract entered into when  
3036 that was the corporation's legal name.

3037 (c) No other entity may use the names described in Subsections (1)(a) and (b) without  
3038 the express approval of the corporation.

3039 (2) The corporation is governed by a board of trustees composed of the following nine  
3040 trustees:

3041 (a) the [executive] deputy director of the [Department of Workforce Services or the  
3042 executive director's designee] Division of Housing and Community Development  
3043 within the Governor's Office of Economic Opportunity;

3044 (b) the commissioner of the Department of Financial Institutions or the commissioner's  
3045 designee;

3046 (c) the state treasurer or the treasurer's designee; and

3047 [(d) six public trustees, who are private citizens of the state, as follows:]  
3048 [(i) two people who represent the mortgage lending industry;]  
3049 [(ii) two people who represent the home building and real estate industry; and]  
3050 [(iii) two people who represent the public at large.]  
3051 (d) six public trustees, all of whom are private citizens of the state, appointed by the  
3052 governor, and who shall have expertise in the following industries or related fields of:  
3053 (i) housing;  
3054 (ii) finance;

(iii) banking; or

(iv) real estate development.

(3) The governor shall:

- (a) appoint the six public trustees of the corporation with the advice and consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and
- (b) ensure that among the six public trustees, no more than two [are from the same county and all are residents of the state] are from the same industry described in Subsections (2)(d)(i) through (iv).

(4)(a) Except as required by Subsection (4)(b), the governor shall appoint the six public trustees to terms of office of four years each.

(b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of corporation trustees are staggered so that approximately half of the board is appointed every two years.

(5)(a) A public trustee of the corporation may be removed from office for cause either by the governor or by an affirmative vote of six trustees of the corporation.

(b) When a vacancy occurs in the board of trustees for any reason, the replacement shall be appointed for the unexpired term.

(c) A public trustee shall hold office for the term of appointment and until the trustee's successor has been appointed and qualified.

(d) A public trustee is eligible for reappointment but may not serve more than two full consecutive terms.

(6)(a) The governor shall select the chair of the corporation.

(b) The trustees shall elect from among [their number] the trustees a vice chair and other officers [they] the trustees may determine.

(7)(a) Five trustees of the corporation constitute a quorum for transaction of business.

(b) An affirmative vote of at least five trustees is necessary for any action to be taken by the corporation.

(c) A vacancy in the board of trustees does not [impair the right of a quorum to exercise all rights and perform all] prevent a quorum from exercising the rights and performing the duties of the corporation.

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

(a) Section 63A-3-106;

3089 (b) Section 63A-3-107; and  
3090 (c) rules made by the Division of Finance [according to] in accordance with Sections  
3091 63A-3-106 and 63A-3-107.

3092 (9) A trustee shall, no sooner than January 1 and no later than January 31 of each year  
3093 during which the trustee holds office on the board of trustees:  
3094 (a) prepare a written conflict of interest disclosure statement that contains a response to  
3095 each item of information described in Subsection 20A-11-1604(6); and  
3096 (b) submit the written disclosure statement to the administrator or clerk of the board of  
3097 trustees.

3098 (10)(a) No later than 10 business days after the date on which the trustee submits the  
3099 written disclosure statement described in Subsection (9) to the administrator or clerk  
3100 of the board of trustees, the administrator or clerk shall:  
3101 (i) post a copy of the written disclosure statement on the corporation's website; and  
3102 (ii) provide the lieutenant governor with a link to the electronic posting described in  
3103 Subsection (10)(a)(i).

3104 (b) The administrator or clerk shall ensure that the trustee's written disclosure statement  
3105 remains posted on the corporation's website until the trustee leaves office.

3106 (11) The administrator or clerk of the board of trustees shall take the action described in  
3107 Subsection (12) if:  
3108 (a) a trustee fails to timely file the written disclosure statement described in Subsection  
3109 (9); or  
3110 (b) a submitted written disclosure statement does not comply with the requirements of  
3111 Subsection 20A-11-1604(6).

3112 (12) If a circumstance described in Subsection (11) occurs, the administrator or clerk of the  
3113 board of trustees shall, within five days after the day on which the administrator or clerk  
3114 determines that a violation occurred, notify the trustee of the violation and direct the  
3115 trustee to submit an amended written disclosure statement correcting the problem.

3116 (13)(a) It is unlawful for a trustee to fail to submit or amend a written disclosure  
3117 statement within seven days after the day on which the trustee receives the notice  
3118 described in Subsection (12).  
3119 (b) A trustee who violates Subsection (13)(a) is guilty of a class B misdemeanor.  
3120 (c) The administrator or clerk of the board of trustees shall report a violation of  
3121 Subsection (13)(a) to the attorney general.  
3122 (d) In addition to the criminal penalty described in Subsection (13)(b), the administrator

3123        or clerk of the board of trustees shall impose a civil fine of \$100 against a member  
3124        who violates Subsection (13)(a).

3125        (14) The administrator or clerk of the board shall deposit a fine collected under this section  
3126        into the corporation's account to pay for the costs of administering this section.

3127        (15) In addition to the written disclosure statement described in Subsection (9), a trustee  
3128        described in Subsection (2)(d) shall also comply with the conflict of interest provisions  
3129        described in Section 63G-24-301.

3130        Section 33. Section **63H-8-203** is amended to read:

3131        **63H-8-203 (Effective 07/01/26). President and chief executive officer --**

3132        **Secretary-treasurer -- Powers and duties -- Power to employ experts -- Power to employ  
3133        independent legal counsel.**

3134        (1)(a)(i) The trustees shall appoint a president who is the chief executive officer of  
3135        the corporation.

3136        (ii) The president:

- 3137            (A) may not be a trustee of the corporation;
- 3138            (B) serves at the pleasure of the trustees; and
- 3139            (C) shall receive compensation as set by the trustees.

3140        (b) The president, who shall also be the secretary-treasurer, shall:

- 3141            (i) establish bank accounts and other monetary investments in the name of the  
3142            corporation; and
- 3143            (ii) administer, manage, and direct the affairs and activities of the corporation in  
3144            accordance with the policies, control, and direction of the trustees.

3145        (c) The president shall approve all accounts for salaries, allowable expenses of the  
3146        corporation, or of any corporation employee or consultant, and expenses incidental to  
3147        the operation of the corporation.

3148        (d) The president shall perform any other duties as may be directed by the trustees in  
3149        carrying out this chapter.

3150        (2)(a) The president shall:

- 3151            (i) attend the meetings of the corporation;
- 3152            (ii) keep a record of the proceedings of the corporation; and
- 3153            (iii) maintain and be custodian of:
  - 3154              (A) books, documents, and papers filed with the corporation;
  - 3155              (B) the minute book or journal of the corporation; and
  - 3156              (C) the corporation's official seal.

3157 (b) The president may cause copies to be made of minutes and other records and  
3158 documents of the corporation and may give certificates under seal of the corporation  
3159 to the effect that those copies are true copies, and a person dealing with the  
3160 corporation may rely upon those certificates.

3161 (3)(a) The corporation may employ or engage technical experts, independent  
3162 professionals and consultants, and other officers, agents, or employees, permanent or  
3163 temporary, as it considers necessary to carry out the efficient operation of the  
3164 corporation, and shall determine their qualifications, duties, and compensation.

3165 (b) The trustees may delegate to one or more of the corporation's agents, representatives,  
3166 or employees administrative duties that the trustees consider proper.

3167 (4) The corporation may employ and retain independent legal counsel.

3168 (5) The corporation shall coordinate with the Division of Housing and Community  
3169 Development within the Governor's Office of Economic Opportunity to assist the  
3170 corporation in meeting the corporation's purposes described in this chapter.

3171 Section 34. Section **63L-11-402** is amended to read:

3172 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27). Membership -- Terms --**  
3173 **Chair -- Expenses.**

3174 (1) The Resource Development Coordinating Committee consists of the following 26  
3175 members:  
3176 (a) the state science advisor;  
3177 (b) a representative from the Department of Agriculture and Food appointed by the  
3178 commissioner of the Department of Agriculture and Food;  
3179 (c) a representative from the Department of Cultural and Community Engagement  
3180 appointed by the executive director of the Department of Cultural and Community  
3181 Engagement;  
3182 (d) a representative from the Department of Environmental Quality appointed by the  
3183 executive director of the Department of Environmental Quality;  
3184 (e) a representative from the Department of Natural Resources appointed by the  
3185 executive director of the Department of Natural Resources;  
3186 (f) a representative from the Department of Transportation appointed by the executive  
3187 director of the Department of Transportation;  
3188 (g) a representative from the Governor's Office of Economic Opportunity appointed by  
3189 the director of the Governor's Office of Economic Opportunity;  
3190 (h) a representative from the [Housing and Community Development Division] Division

3191                   of Community Services appointed by the director of the [Housing and Community  
3192                   Development Division] Division of Community Services;

3193                   (i) a representative from the Utah Historical Society appointed by the director of the  
3194                   Utah Historical Society;

3195                   (j) a representative from the Division of Air Quality appointed by the director of the  
3196                   Division of Air Quality;

3197                   (k) a representative from the Division of Drinking Water appointed by the director of the  
3198                   Division of Drinking Water;

3199                   (l) a representative from the Division of Environmental Response and Remediation  
3200                   appointed by the director of the Division of Environmental Response and  
3201                   Remediation;

3202                   (m) a representative from the Division of Waste Management and Radiation Control  
3203                   appointed by the director of the Division of Waste Management and Radiation  
3204                   Control;

3205                   (n) a representative from the Division of Water Quality appointed by the director of the  
3206                   Division of Water Quality;

3207                   (o) a representative from the Division of Oil, Gas, and Mining appointed by the director  
3208                   of the Division of Oil, Gas, and Mining;

3209                   (p) a representative from the Division of Parks appointed by the director of the Division  
3210                   of Parks;

3211                   (q) a representative from the Division of Outdoor Recreation appointed by the director  
3212                   of the Division of Outdoor Recreation;

3213                   (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the  
3214                   director of the Division of Forestry, Fire, and State Lands;

3215                   (s) a representative from the Utah Geological Survey appointed by the director of the  
3216                   Utah Geological Survey;

3217                   (t) a representative from the Division of Water Resources appointed by the director of  
3218                   the Division of Water Resources;

3219                   (u) a representative from the Division of Water Rights appointed by the director of the  
3220                   Division of Water Rights;

3221                   (v) a representative from the Division of Wildlife Resources appointed by the director of  
3222                   the Division of Wildlife Resources;

3223                   (w) a representative from the School and Institutional Trust Lands Administration  
3224                   appointed by the director of the School and Institutional Trust Lands Administration;

3225 (x) a representative from the Division of Facilities Construction and Management  
3226 appointed by the director of the Division of Facilities Construction and Management;  
3227 (y) a representative from the Division of Emergency Management appointed by the  
3228 director of the Division of Emergency Management; and  
3229 (z) a representative from the Division of Conservation, created under Section 4-46-401,  
3230 appointed by the director of the Division of Conservation.

3231 (2)(a) As particular issues require, the coordinating committee may, by majority vote of  
3232 the members present, appoint additional temporary members to serve as ex officio  
3233 voting members.  
3234 (b) [Those-] The ex officio members described under Subsection (2)(a) may discuss and  
3235 vote on the issue or issues for which [they were] the ex officio member is appointed.  
3236 (3) A chair shall be selected by a vote of 14 committee members with the concurrence of  
3237 the advisor.  
3238 (4) A member may not receive compensation or benefits for the member's service, but may  
3239 receive per diem and travel expenses in accordance with:  
3240 (a) Sections 63A-3-106 and 63A-3-107; and  
3241 (b) rules made by the Division of Finance [pursuant to] in accordance with Sections  
3242 63A-3-106 and 63A-3-107.

3243 Section 35. Section **63N-22-101** is enacted to read:

## CHAPTER 22. Division of Housing and Community Development

### Part 1. General Provisions

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

3247 As used in this chapter:

3248 (1) "Accessible housing" means housing which has been constructed or modified to be  
3249 accessible, as described in the State Construction Code or an approved code under Title  
3250 15A, State Construction and Fire Codes Act.  
3251 (2) "Deputy director" means the deputy director of the Division of Housing and Community  
3252 Development.  
3253 (3) "Division" means the Division of Housing and Community Development.  
3254 (4) "Low-income individual" means an individual whose household income is less than  
3255 80% of the area median income.  
3256 (5) "Moderate income housing" means housing occupied or reserved for occupancy by  
3257 households with a gross household income equal to or less than 80% of the median gross

3258       income for households of the same size in the county in which the housing is located.

3259       (6) "Moderate income housing unit" means a housing unit that qualifies as moderate  
3260       income housing.

3261       Section 36. Section **63N-22-102** is enacted to read:

3262       **63N-22-102 (Effective 07/01/26). Division of Housing and Community**  
3263       **Development -- Creation -- Responsibilities.**

3264       (1) There is created the Division of Housing and Community Development within the  
3265       Governor's Office of Economic Opportunity.

3266       (2) The division shall be under the authority of the deputy director.

3267       (3) The division shall:

3268       (a) create the state housing plan, as described in Section 63N-22-104;

3269       (b) assist housing authorities in carrying out the housing authority's responsibilities  
3270       under Title 35A, Chapter 8, Part 4, Housing Authorities;

3271       (c) assist, when requested by a county or municipality, in the development of accessible  
3272       housing;

3273       (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative  
3274       Rulemaking Act, regarding the form and content of a moderate income housing  
3275       report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply  
3276       and Title 17, Chapter 80, Counties and Housing Supply, to:

3277       (i) ensure consistency across reporting political subdivisions; and

3278       (ii) promote better potential analysis of report data;

3279       (e) analyze the housing data received by political subdivisions; and

3280       (f) no later than November 1 of each year, provide a report with the analyses of the  
3281       housing data the division collects to the Economic Development and Workforce  
3282       Services Interim Committee and the Political Subdivisions Interim Committee.

3283       Section 37. Section **63N-22-103** is enacted to read:

3284       **63N-22-103 (Effective 07/01/26). Division of Housing and Community**

3285       **Development deputy director appointment, functions, and duties.**

3286       (1)(a) The governor, with the advice and consent of the Senate, shall appoint a deputy  
3287       director of the Division of Housing and Community Development to perform the  
3288       functions and duties described in this section.

3289       (b) The deputy director serves at the pleasure of and under the direction of the governor.

3290       (c) The salary of the deputy director shall be established by the governor within the  
3291       salary range fixed by the Legislature in Title 67, Chapter 22, State Officer

3292                   Compensation.

3293                   (2) The deputy director shall:

- 3294                   (a) act as the governor's adviser on state housing matters;
- 3295                   (b) counsel with the authorized representatives of the Department of Transportation, the  
Division of Facilities Construction and Management, the Department of Health and  
Human Services, the Department of Workforce Services, the Labor Commission, the  
Department of Natural Resources, the School and Institutional Trust Lands  
Administration, the Utah Housing Corporation, and other proper persons concerning  
state housing matters;
- 3301                   (c) when designated to do so by the governor, receive funds made available to the state  
by the federal government;
- 3303                   (d) provide information and cooperate with the Legislature or legislative committees in  
conducting housing studies;
- 3305                   (e) cooperate and exchange information with federal agencies and local, metropolitan, or  
regional agencies as necessary to assist with federal, state, regional, metropolitan, and  
local housing programs;
- 3308                   (f) make recommendations to the governor that the deputy director considers advisable  
for the proper development and coordination of housing for the state; and
- 3310                   (g) assist in the interpretation of housing projections and analyses with respect to future  
growth needs.

3312                   (3) The deputy director may:

- 3313                   (a) assist city, county, metropolitan, and regional planning agencies in performing local,  
metropolitan, and regional planning, subject to Subsection (4); and
- 3315                   (b) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
  - 3316                   (i) encourage maximum public understanding of and agreement with the factual data  
and assumptions upon which housing projections and analyses are based; and
  - 3318                   (ii) receive suggestions as to the types of housing projections and analyses that are  
needed.

3320                   (4) In performing the duties described in Subsection (3), to the extent possible, the deputy  
director or the deputy director's designee shall recognize and promote the plans, policies,  
programs, processes, and desired outcomes of the city, county, metropolitan, or regional  
planning agency that the deputy director or the deputy director's designee is assisting.

3324                   (5) In assisting in the preparation of housing plans, policies, programs, or processes related  
to the management or use of federal lands or natural resources on federal lands in the

3326 state, the deputy director shall coordinate with the Public Lands Policy Coordinating  
3327 Office created in Section 63L-11-201.

3328 Section 38. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered  
3329 and amended to read:

3330 **[63J-4-402] 63N-22-104 (Effective 07/01/26). State housing plan.**

3331 (1) The [officer] division shall develop a state housing plan by December 31, 2025.

3332 (2)(a) The [officer] division shall partner with the Legislature, municipal and county  
3333 governments, the home building industry and related stakeholders, and the general  
3334 public in the development of the state housing plan described in Subsection (1).

3335 (b) In developing the state housing plan, the [officer] division may develop regional  
3336 housing plans within the state housing plan.

3337 (3) The state housing plan shall:

3338 (a) prioritize collaboration over preemption and collaboration across private and public  
3339 sectors;

3340 (b) promote a holistic and regional approach to housing;

3341 (c) enable connected communities and center-based development;

3342 (d) acknowledge cross-issue policy alignment;

3343 (e) maintain a long-range vision;

3344 (f) promote opportunity and inclusivity;

3345 (g) recognize complex market forces; and

3346 (h) consider rural and urban contexts.

3347 (4) The state housing plan shall include data and metrics:

3348 (a) about actual and potential housing production;

3349 (b) about actual and potential infrastructure capacity, maintenance, and development; and

3350 (c) allowing the [officer] division to measure success of the state housing plan over time.

3351 (5) In gathering data and developing metrics, the [officer may] division shall analyze

3352 moderate income housing reports received by the [Division of Housing and Community  
3353 Development] division and:

3354 (a) determine which, if any, of the moderate income housing strategies described in  
3355 Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of  
3356 moderate income housing, either built or entitled to be built, in the political  
3357 subdivision that implements the moderate income housing strategy; and

3358 (b) draw conclusions regarding any data trends identified by the [officer] division as  
3359 meaningful or significant.

3360 (6) By no later than October 1 of each year, the [office] division shall provide a written  
3361 report on the development and implementation of the state housing plan to the Economic  
3362 Development and Workforce Services Interim Committee and the Political Subdivisions  
3363 Interim Committee.

3364 Section 39. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered  
3365 and amended to read:

## 3366 **Part 2. Housing Coordination and Planning**

### 3367 **[35A-8-803] 63N-22-201 (Effective 07/01/26). Division -- Functions.**

3368 (1) In addition to any other functions the governor or Legislature may assign:

3369 (a) the division shall:

- 3370 (i) provide a clearinghouse of information for federal, state, and local housing  
3371 assistance programs;
- 3372 (ii) establish, in cooperation with political subdivisions, model plans and  
3373 management methods to encourage or provide for the development of affordable  
3374 housing that may be adopted by political subdivisions by reference;
- 3375 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of  
3376 problems relating to housing needs, such as:
  - 3377 (A) inadequate supply of dwellings;
  - 3378 (B) substandard dwellings; and
  - 3379 (C) inability of medium and low income families to obtain adequate housing;
- 3380 (iv) provide the information obtained under Subsection (1)(a)(iii) to:
  - 3381 (A) political subdivisions;
  - 3382 (B) real estate developers;
  - 3383 (C) builders;
  - 3384 (D) lending institutions;
  - 3385 (E) affordable housing advocates; and
  - 3386 (F) others having use for the information;
- 3387 (v) advise political subdivisions of serious housing problems existing within [their]  
3388 the political subdivision's jurisdiction that require concerted public action for  
3389 solution;
- 3390 (vi) assist political subdivisions in defining housing objectives and in preparing for  
3391 adoption a plan of action covering a five-year period designed to accomplish  
3392 housing objectives within [their] the political subdivision's jurisdiction;
- 3393 (vii) for municipalities or counties required to submit an annual moderate income

3394 housing report to the [department] division as described in Section 10-21-202 or  
3395 17-80-202:

3396 (A) assist in the creation of the reports; and  
3397 (B) review the reports to meet the requirements of Sections 10-21-202 and  
3398 17-80-202;

3399 (viii) establish and maintain a database of moderate income housing units located  
3400 within the state; and

3401 (ix) [on or before December 1, 2022, develop and submit to the Commission on  
3402 Housing Affordability a methodology for determining whether a municipality or  
3403 county is taking sufficient measures to protect and promote moderate income  
3404 housing in accordance with the provisions of Sections 10-21-201 and 17-80-201;  
3405 and] coordinate with Utah Housing Corporation to assist the division in the  
3406 administration of housing programs within the state; and

3407 (b) subject to Subsection (2), and within legislative appropriations, the division, in  
3408 cooperation with the Department of Workforce Services and the Utah Housing  
3409 Corporation, may accept for and on behalf of, and bind the state to, any federal  
3410 housing or homeless program in which the state is invited, permitted, or authorized to  
3411 participate in the distribution, disbursement, or administration of any funds or service  
3412 advanced, offered, or contributed in whole or in part by the federal government.

3413 (2) The administration of any federal housing program in which the state is invited,  
3414 permitted, or authorized to participate in distribution, disbursement, or administration of  
3415 funds or services, except those administered by the Utah Housing Corporation, is  
3416 governed by Sections [35A-8-501] 63N-22-301 through [35A-8-508] 63N-22-309.

3417 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [  
3418 department] division shall make rules describing the review process for moderate income  
3419 housing reports described in Subsection (1)(a)(vii).

3420 Section 40. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered  
3421 and amended to read:

3422 **[35A-8-804] 63N-22-202 (Effective 07/01/26). Moderate income housing plan**  
3423 **coordination.**

3424 (1) Within appropriations from the Legislature, the division shall establish a program to  
3425 assist municipalities to comply with the moderate income housing requirements  
3426 described in Section 10-21-201 and counties to comply with the moderate income  
3427 housing requirements described in Section 17-80-201.

3428 (2) Assistance under this section may include:

3429 (a) financial assistance for the cost of developing a plan for low and moderate income  
3430 housing;

3431 (b) information on how to meet present and prospective needs for low and moderate  
3432 income housing; and

3433 (c) technical advice and consultation on how to facilitate the creation of low and  
3434 moderate income housing.

3435 (3) The division shall submit an annual report to the [department] office regarding the  
3436 scope, amount, and type of assistance provided to municipalities and counties under this  
3437 section, including the number of low and moderate income housing units constructed or  
3438 rehabilitated within the state, for inclusion in the [department's] office's annual written  
3439 report described in Section [35A-1-109] 63N-1a-306.

3440 Section 41. Section **63N-22-203**, which is renumbered from Section 35A-8-805 is renumbered  
3441 and amended to read:

**[35A-8-805] 63N-22-203 (Effective 07/01/26). Moderate income housing plan  
3443 reporting requirements.**

3444 (1) As used in this section:

3445 (a) "Affordable housing" means, as determined by the [department] division, the number  
3446 of housing units within a county or municipality where a household whose income is  
3447 at or below 50% of area median income is able to live in a unit without spending  
3448 more than 30% of [their] the household's income on housing costs.

3449 (b) "County" means the unincorporated area of a county.

3450 (c) "Low-income housing" means, as determined by the [department] division, the  
3451 number of Section 42, Internal Revenue Code, housing units within a county or  
3452 municipality.

3453 (d) "Municipality" means a city or town.

3454 (2)(a) On or before October 1 of each year, the division shall provide a report to the [  
3455 department] office for inclusion in the [department's] office's annual report described  
3456 in Section [35A-1-109] 63N-1a-306.

3457 (b) The report shall include:

3458 (i) an estimate of how many affordable housing units and how many low-income  
3459 housing units are available in each county and municipality in the state;

3460 (ii) a determination of the percentage of affordable housing available in each county  
3461 and municipality in the state as compared to the statewide average;

3462 (iii) a determination of the percentage of low-income housing available in each  
3463 county and municipality in the state as compared to the statewide average; and  
3464 (iv) a description of how information in the report was calculated.

3465 Section 42. Section **63N-22-301**, which is renumbered from Section 35A-8-501 is renumbered  
3466 and amended to read:

### 3467 **Part 3. Housing Supply and Service Programs**

#### 3468 **[35A-8-501] 63N-22-301 (Effective 07/01/26). Definitions.**

3469 As used in this part:

3470 (1) "Affordable housing" means housing occupied or reserved for occupancy by households  
3471 whose incomes are at or below certain income requirements at rental rates affordable to  
3472 such households.

3473 (2) "Board" means the Housing Board created by this part.

3474 (3) "Fund" means the Olene Walker Housing Loan Fund created by this part.

3475 (4)(a) "Housing sponsor" means a person who constructs, develops, rehabilitates,  
3476 purchases, or owns a housing development that is or will be subject to legally  
3477 enforceable restrictive covenants that require the housing development to provide, at  
3478 least in part, affordable housing.

3479 (b) "Housing sponsor" may include:

3480 (i) a local public body;

3481 (ii) a nonprofit, limited profit, or for profit corporation;

3482 (iii) a limited partnership;

3483 (iv) a limited liability company;

3484 (v) a joint venture;

3485 (vi) a subsidiary of the Utah Housing Corporation;

3486 (vii) a cooperative;

3487 (viii) a mutual housing organization;

3488 (ix) a local government;

3489 (x) a local housing authority;

3490 (xi) a regional or statewide nonprofit housing or assistance organization; or

3491 (xii) any other entity that helps provide affordable housing.

3492 (5) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

3493 Section 43. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered  
3494 and amended to read:

#### 3495 **[35A-8-502] 63N-22-302 (Effective 07/01/26). Olene Walker Housing Loan Fund**

3496     **-- Creation -- Administration.**

3497     (1)(a) There is created an enterprise fund known as the Olene Walker Housing Loan  
3498         Fund, administered by the [executive] deputy director or the [executive] deputy  
3499         director's designee.

3500         (b) The [department] division is the administrator of the fund.

3501     (2) There shall be deposited into the fund:

3502         (a) grants, paybacks, bonuses, entitlements, and other money received by the [department]  
3503         division from the federal government to preserve, rehabilitate, build, restore, or  
3504         renew housing or for other activities authorized by the fund;  
3505         (b) transfers, grants, gifts, bequests, and money made available from any source to  
3506         implement this part; and  
3507         (c) money appropriated to the fund by the Legislature.

3508     (3) The money in the fund shall be invested by the state treasurer according to the  
3509         procedures and requirements of Title 51, Chapter 7, State Money Management Act,  
3510         except that all interest or other earnings derived from money in the fund shall be  
3511         deposited in the fund.

3512         Section 44. Section **63N-22-303**, which is renumbered from Section 35A-8-503 is renumbered  
3513         and amended to read:

3514         **[35A-8-503] 63N-22-303 (Effective 07/01/26). Housing loan fund board -- Duties**

3515         **-- Expenses.**

3516         (1) There is created the Olene Walker Housing Loan Fund Board.

3517         (2) The board is composed of 14 voting members.

3518             (a) The governor shall appoint the following members to four-year terms:

3519                 (i) two members from local governments, of which:

3520                     (A) one member shall be a locally elected official who resides in a county of the  
3521                     first or second class; and

3522                     (B) one member shall be a locally elected official who resides in a county of the  
3523                     third, fourth, fifth, or sixth class;

3524                 (ii) two members from the mortgage lending community, of which:

3525                     (A) one member shall have expertise in single-family mortgage lending; and

3526                     (B) one member shall have expertise in multi-family mortgage lending;

3527                 (iii) one member from real estate sales interests;

3528                 (iv) two members from home builders interests, of which:

3529                     (A) one member shall have expertise in single-family residential construction; and

- (B) one member shall have expertise in multi-family residential construction;
- (v) one member from rental housing interests;
- (vi) two members from housing advocacy interests, of which:
  - (A) one member who resides within any area in a county of the first or second class; and
  - (B) one member who resides within any area in a county of the third, fourth, fifth, or sixth class;
- (vii) one member of the manufactured housing interest;
- (viii) one member with expertise in transit-oriented developments;
- (ix) one member who represents rural interests; and
- (x) one member who represents the interests of modular housing.

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

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

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

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

(a) The board shall:

- (i) meet regularly, at least quarterly to conduct business of the board, on dates fixed by the board;
- (ii) meet twice per year, with at least one of the meetings in a rural area of the state, to provide information to and receive input from the public regarding the state's housing policies and needs;
- (iii) keep minutes of [its] board meetings; and
- (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and Public Meetings Act.

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

The board shall:

(a) review the housing needs in the state;

3564 (b) determine the relevant operational aspects of any grant, loan, or revenue collection

3565 program established under the authority of this chapter;

3566 (c) determine the means to implement the policies and goals of this chapter;

3567 (d) select specific projects to receive grant or loan money; and

3568 (e) determine how fund money shall be allocated and distributed.

3569 (6) A member may not receive compensation or benefits for the member's service, but may

3570 receive per diem and travel expenses in accordance with:

3571 (a) Section 63A-3-106;

3572 (b) Section 63A-3-107; and

3573 (c) rules made by the Division of Finance [pursuant to] in accordance with Sections

3574 63A-3-106 and 63A-3-107.

3575 Section 45. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered  
3576 and amended to read:

3577 **[35A-8-504] 63N-22-304 (Effective 07/01/26). Distribution of fund money.**

3578 (1) As used in this section:

3579 (a) "Community" means the same as that term is defined in Section 17C-1-102.

3580 (b) "Income targeted housing" means the same as that term is defined in Section  
3581 17C-1-102.

3582 (2) The [executive] deputy director shall:

3583 (a) make grants and loans from the fund for any of the activities authorized by Section [  
3584 35A-8-505] 63N-22-305, as directed by the board;

3585 (b) establish the criteria with the approval of the board by which loans and grants will be  
3586 made; and

3587 (c) determine with the approval of the board the order in which projects will be funded.

3588 (3) The [executive] deputy director shall distribute, as directed by the board, any federal  
3589 money contained in the fund according to the procedures, conditions, and restrictions  
3590 placed upon the use of the money by the federal government.

3591 (4) The [executive] deputy director shall distribute, as directed by the board, any funds  
3592 received under Section 17C-1-412 to pay the costs of providing income targeted housing  
3593 within the community that created the community reinvestment agency under Title 17C,  
3594 Limited Purpose Local Government Entities - Community Reinvestment Agency Act.

3595 (5) Except for federal money, money received under Section 17C-1-412, and money  
3596 appropriated for use in accordance with Section [35A-8-2105] 63N-22-404, the [  
3597 executive] deputy director shall distribute, as directed by the board, money in the fund

3598 according to the following requirements:

3599 (a) the [executive] deputy director shall distribute at least 70% of the money in the fund  
3600 to benefit persons whose annual income is at or below 50% of the median family  
3601 income for the state;

3602 (b) the [executive] deputy director may use up to 6% of the revenues of the fund,  
3603 including any appropriation to the fund, to offset [department] division or board  
3604 administrative expenses;

3605 (c) the [executive] deputy director shall distribute any remaining money in the fund to  
3606 benefit persons whose annual income is at or below 80% of the median family  
3607 income for the state; and

3608 (d) if the [executive] deputy director or the [executive] deputy director's designee makes  
3609 a loan in accordance with this section, the interest rate of the loan shall be based on  
3610 the borrower's ability to pay.

3611 (6) The [executive] deputy director may, with the approval of the board:

3612 (a) enact rules to establish procedures for the grant and loan process by following the  
3613 procedures and requirements of Title 63G, Chapter 3, Utah Administrative  
3614 Rulemaking Act; and

3615 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the  
3616 servicing of loans made by the fund.

3617 Section 46. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered  
3618 and amended to read:

3619 **[35A-8-505] 63N-22-305 (Effective 07/01/26). Activities authorized to receive  
3620 fund money -- Powers of the deputy director.**

3621 At the direction of the board, the [executive] deputy director may:

3622 (1) provide fund money to any of the following activities:

3623 (a) the acquisition, rehabilitation, or new construction of low-income housing units;

3624 (b) matching funds for social services projects directly related to providing housing for  
3625 special-need renters in assisted projects;

3626 (c) the development and construction of accessible housing designed for low-income  
3627 persons;

3628 (d) the construction or improvement of a shelter or transitional housing facility that  
3629 provides services intended to prevent or minimize homelessness among members of a  
3630 specific homeless subpopulation;

3631 (e) the purchase of an existing facility to provide temporary or transitional housing for

3632 the homeless in an area that does not require rezoning before providing such  
3633 temporary or transitional housing;

3634 (f) the purchase of land that will be used as the site of low-income housing units;

3635 (g) the preservation of existing affordable housing units for low-income persons;

3636 ~~[(h) providing loan guarantees under the two-year pilot program established in Section~~  
3637 ~~35A-8-504.5;]~~

3638 ~~[(i) distribute funds to a qualifying applicant under the subordinate shared appreciation~~  
3639 ~~mortgage loan program established in Section 35A-8-504.6;]~~

3640 ~~[(j)] (h) the award of predevelopment grants in accordance with Section [35A-8-507.5]~~  
3641 63N-22-308;

3642 ~~[(k)] (i) the creation or financial support of a mediation program for landlords and~~  
3643 ~~tenants designed to minimize the loss of housing for low-income persons, which~~  
3644 ~~program may include:~~

3645 (i) funding for the hiring or training of mediators;

3646 (ii) connecting landlords and tenants with mediation services; and

3647 (iii) providing a limited amount of gap funding to assist a tenant in making a good  
3648 faith payment towards attorney fees, damages, or other costs associated with  
3649 eviction proceedings or avoiding eviction proceedings; and

3650 ~~[(l)] (j) other activities that will assist in minimizing homelessness or improving the~~  
3651 ~~availability or quality of housing in the state for low-income persons; and~~

3652 (2) do any act necessary or convenient to the exercise of the powers granted by this part or  
3653 reasonably implied from those granted powers, including:

3654 (a) making or executing contracts and other instruments necessary or convenient for the  
3655 performance of the ~~executive~~ deputy director and board's duties and the exercise of  
3656 the ~~executive~~ deputy director and board's powers and functions under this part,  
3657 including contracts or agreements for the servicing and originating of mortgage loans;

3658 (b) procuring insurance against a loss in connection with property or other assets held by  
3659 the fund, including mortgage loans, in amounts and from insurers it considers  
3660 desirable;

3661 (c) entering into agreements with a department, agency, or instrumentality of the United  
3662 States or this state and with mortgagors and mortgage lenders for the purpose of  
3663 planning and regulating and providing for the financing and refinancing, purchase,  
3664 construction, reconstruction, rehabilitation, leasing, management, maintenance,  
3665 operation, sale, or other disposition of residential housing undertaken with the

3666 assistance of the [department] division under this part;

3667 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,  
3668 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real  
3669 or personal property obtained by the fund due to the default on a mortgage loan held  
3670 by the fund in preparation for disposition of the property, taking assignments of  
3671 leases and rentals, proceeding with foreclosure actions, and taking other actions  
3672 necessary or incidental to the performance of [its] the deputy director and board's  
3673 duties; and

3674 (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation  
3675 held by the fund.

3676 Section 47. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered  
3677 and amended to read:

3678 **[35A-8-506] 63N-22-306 (Effective 07/01/26). Authority of the deputy director.**

3679 The [executive] deputy director, with the approval of the board, may grant or lend fund  
3680 money to a housing sponsor.

3681 Section 48. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered  
3682 and amended to read:

3683 **[35A-8-507] 63N-22-307 (Effective 07/01/26). Application process and priorities.**

3684 (1)(a) In each calendar year that money is available from the fund for distribution by the [  
3685 executive] deputy director under the direction of the board, the [executive] deputy  
3686 director shall, at least once in that year, announce a grant and loan application period  
3687 by sending notice to interested persons.

3688 (b) The [executive] deputy director shall accept applications that are received in a timely  
3689 manner.

3690 (2) The [executive] deputy director shall give priority to applications for projects and  
3691 activities in the following order:

3692 (a) first, to applications for projects and activities intended to minimize homelessness;

3693 (b) second, to applications for projects and activities that use existing privately owned  
3694 housing stock, including privately owned housing stock purchased by a nonprofit  
3695 public development authority; and

3696 (c) third, to all other applications.

3697 (3) Within each level of priority described in Subsection (2), the [executive] deputy director  
3698 shall give preference to applications that demonstrate the following:

3699 (a) a high degree of leverage with other sources of financing;

3700 (b) high recipient contributions to total project costs, including allied contributions from  
3701 other sources such as professional, craft, and trade services and lender interest rate  
3702 subsidies;

3703 (c) high local government project contributions in the form of infrastructure  
3704 improvements, or other assistance;

3705 (d) projects that encourage ownership, management, and other project-related  
3706 responsibility opportunities;

3707 (e) projects that demonstrate a strong probability of serving the original target group or  
3708 income level for a period of at least 15 years;

3709 (f) projects where the applicant has demonstrated the ability, stability, and resources to  
3710 complete the project;

3711 (g) projects that appear to serve the greatest need;

3712 (h) projects that provide housing for persons and families with the lowest income;

3713 (i) projects that promote economic development benefits;

3714 (j) projects that align with a local government plan to address housing and homeless  
3715 services; and

3716 (k) projects that would mitigate or correct existing health, safety, or welfare problems.

3717 (4) The [executive-] deputy director may give consideration to projects that increase the  
3718 supply of accessible housing.

3719 Section 49. Section **63N-22-308**, which is renumbered from Section 35A-8-507.5 is renumbered  
3720 and amended to read:

3721 **[35A-8-507.5] 63N-22-308 (Effective 07/01/26). Predevelopment grants.**

3722 (1) The [executive-] deputy director may, under the direction of the board, award one or  
3723 more predevelopment grants to a nonprofit or for-profit entity:

3724 (a) in preparation for a project that:

3725 (i) involves the construction of moderate income housing units; and  
3726 (ii) is located within:

3727 (A) a city of the fifth or sixth class, or a town, in a rural area of the state; or  
3728 (B) any municipality or unincorporated area in a county of the fourth, fifth, or  
3729 sixth class; and

3730 (b) in an amount of no more than \$50,000 per project.

3731 (2) The [executive-] deputy director shall, under the direction of the board, award each  
3732 predevelopment grant in accordance with the provisions of this section and the  
3733 provisions related to grant applications, grant awards, and reporting requirements in this

3734 part.

3735 (3) The recipient of a predevelopment grant:

3736 (a) may use grant funds to offset the predevelopment funds needed to prepare for the  
3737 construction of low-income housing units, including market studies, surveys,  
3738 environmental and impact studies, technical assistance, and preliminary architecture,  
3739 engineering, or legal work; and

3740 (b) may not use grant funds to pay for staff salaries or construction costs.

3741 (4) The [executive-] deputy director shall, under the direction of the board, prioritize the  
3742 awarding of a predevelopment grant for a project that is located within:

3743 (a) a county of the fifth or sixth class; and

3744 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the  
3745 following:

3746 (i) limited or no availability of natural gas;

3747 (ii) limited or no availability of a sewer system;

3748 (iii) limited or no availability of broadband Internet;

3749 (iv) unpaved residential streets; or

3750 (v) limited local construction professionals, vendors, or services.

3751 Section 50. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered  
3752 and amended to read:

3753 **[35A-8-508] 63N-22-309 (Effective 07/01/26). Annual accounting.**

3754 (1) The [executive-] deputy director shall monitor the activities of recipients of grants and  
3755 loans issued under this part on a yearly basis to ensure compliance with the terms and  
3756 conditions imposed on the recipient by the [executive-] deputy director with the approval  
3757 of the board or by this part.

3758 (2) Beginning July 1, 2021, an entity that receives any money from the fund under this part  
3759 shall provide the [executive-] deputy director with an annual accounting of how the  
3760 money the entity received from the fund has been spent.

3761 (3) The [executive-] deputy director shall make an annual report to the board accounting for  
3762 the expenditures authorized by the board.

3763 (4) The board shall submit a report to the [department] office for inclusion in the annual  
3764 written report described in Section [35A-1-109] **63N-1a-306**:

3765 (a) accounting for expenditures authorized by the board; and

3766 (b) evaluating the effectiveness of the program.

3767 Section 51. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered

3768 and amended to read:

3769 **[35A-8-509] 63N-22-310 (Effective 07/01/26). Economic Revitalization and**  
3770 **Investment Fund.**

3771 (1) There is created an enterprise fund known as the "Economic Revitalization and  
3772 Investment Fund."

3773 (2) The Economic Revitalization and Investment Fund consists of money from the  
3774 following:

3775 (a) money appropriated to the account by the Legislature;

3776 (b) private contributions;

3777 (c) donations or grants from public or private entities; and

3778 (d) money returned to the [department] division under [Subsektion 35A-8-512(3)(a)]  
3779 Section 63N-22-314.

3780 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be  
3781 deposited into the Economic Revitalization and Investment Fund.

3782 (4) The [executive] director may distribute money from the Economic Revitalization and  
3783 Investment Fund to one or more projects that:

3784 (a) include affordable housing units for households whose income is no more than 30%  
3785 of the area median income for households of the same size in the county or  
3786 municipality where the project is located; and

3787 (b) have been approved by the board in accordance with Section [35A-8-510]  
3788 63N-22-312.

3789 (5)(a) A housing sponsor may apply to the [department] division to receive a distribution  
3790 in accordance with Subsection (4).

3791 (b) The application shall include:

3792 (i) the location of the project;

3793 (ii) the number, size, and tenant income requirements of affordable housing units  
3794 described in Subsection (4)(a) that will be included in the project; and

3795 (iii) a written commitment to enter into a deed restriction that reserves for a period of  
3796 30 years the affordable housing units described in Subsection (5)(b)(ii) or [their]  
3797 the affordable housing unit equivalent for occupancy by households that meet the  
3798 income requirements described in Subsection (5)(b)(ii).

3799 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:  
3800 (i) occupied or reserved for occupancy by a household whose income is no more than  
3801 30% of the area median income for households of the same size in the county or

municipality where the project is located; or

(ii) occupied by a household whose income is no more than 60% of the area median income for households of the same size in the county or municipality where the project is located if that household met the income requirement described in Subsection (4)(a) when the household originally entered into the lease agreement for the housing unit.

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [department] division may make additional rules providing procedures for a person to apply to the [department] division to receive a distribution described in Subsection (4).

(6) The [executive-] deputy director may expend up to 3% of the revenues of the Economic Revitalization and Investment Fund, including any appropriation to the Economic Revitalization and Investment Fund, to offset [department] division or board administrative expenses.

Section 52. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered and amended to read:

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

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

(2) The Rural Housing Fund consists of money from the following:

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

(b) private contributions;

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

(d) money returned to the [department] division under [Subsection 35A-8-512(3)(b)]

Section 63N-22-314.

(3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural Housing Fund.

(4) Subject to appropriation, the [executive] deputy director may expend funds in the Rural Housing Fund to provide loans for projects that:

(a) are located within:

(i) a county of the third, fourth, fifth, or sixth class; or

(ii) a municipality in a county of the second class with a population of 10,000 or less;

(b) include moderate income housing units; and

(c) have been approved by the board in accordance with Section [35A-8-510] 63N-22-312.

(5)(a) A housing sponsor may apply to the [department] division to receive a loan under this section.

3836 (b) An application under Subsection (5)(a) shall specify:

3837 (i) the location of the project;

3838 (ii) the number, size, and income requirements of moderate income housing units that

3839 will be included in the project; and

3840 (iii) a written commitment to enter into a deed restriction that reserves for a period of

3841 50 years the moderate income housing units described in Subsection (5)(b)(ii).

3842 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing

3843 unit is occupied by a household that met the income requirement for moderate

3844 income housing when the household originally entered into the lease agreement for

3845 the housing unit.

3846 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [

3847 department] division may make rules establishing procedures and requirements for

3848 housing sponsors to apply for and receive loans under this section.

3849 (6) The [executive-] deputy director may expend up to 3% of the revenues of the Rural

3850 Housing Fund, including any appropriation to the Rural Housing Fund, to offset [

3851 department] division or board administrative expenses.

3852 Section 53. Section **63N-22-312**, which is renumbered from Section 35A-8-510 is renumbered  
3853 and amended to read:

3854 **[35A-8-510] 63N-22-312 (Effective 07/01/26). Housing loan fund board approval.**

3855 (1) The board shall review the project applications described in [Subsections 35A-8-509(5)  
3856 and 35A-8-509.5(5)] Sections 63N-22-310 and 63N-22-311.

3857 (2)(a) The board may approve a project that meets the requirements of [Subseetions  
3858 35A-8-509(4) and (5)] Section 63N-22-310 to receive funds from the Economic  
3859 Revitalization and Investment Fund.

3860 (b) The board may approve a project that meets the requirements of [Subseetions  
3861 35A-8-509.5(4) and (5)] Section 63N-22-311 to receive funds from the Rural Housing  
3862 Fund.

3863 (3) The board shall give preference to projects:

3864 (a) that include significant additional or matching funds from an individual, private  
3865 organization, or local government entity;

3866 (b) that include significant contributions by the applicant to total project costs, including  
3867 contributions secured by the applicant from other sources such as professional, craft,  
3868 and trade services and lender interest rate subsidies;

3869 (c) with significant local government contributions in the form of infrastructure,

3870                   improvements, or other assistance;

3871                   (d) where the applicant has demonstrated the ability, stability, and resources to complete

3872                   the project;

3873                   (e) that will serve the greatest need;

3874                   (f) that promote economic development benefits;

3875                   (g) that allow integration into a local government housing plan;

3876                   (h) that would mitigate or correct existing health, safety, or welfare concerns; or

3877                   (i) that remedy a gap in the supply of and demand for affordable housing.

3878                   Section 54. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered  
3879                   and amended to read:

3880                   **[35A-8-511] 63N-22-313 (Effective 07/01/26). Activities authorized to receive  
3881                   account money.**

3882                   The [executive] deputy director may distribute funds from the Economic Revitalization  
3883                   and Investment Fund and the Rural Housing Fund for any of the following activities  
3884                   undertaken as part of an approved project:

3885                   (1) the acquisition, rehabilitation, or new construction of a building that includes moderate  
3886                   income housing units;

3887                   (2) the purchase of land for the construction of a building that will include moderate income  
3888                   housing units; or

3889                   (3) pre-development work, including planning, studies, design, and site work for a building  
3890                   that will include moderate income housing units.

3891                   Section 55. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered  
3892                   and amended to read:

3893                   **[35A-8-512] 63N-22-314 (Effective 07/01/26). Repayment of funds.**

3894                   (1) Upon the earlier of 30 years from the date an approved project is placed in service or the  
3895                   sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as  
3896                   part of an approved project funded under Subsection [35A-8-511(1)] 63N-22-313(1), the  
3897                   housing sponsor shall remit to the [department] division:

3898                   (a) the total amount of money distributed by the [department] division to the housing  
3899                   sponsor for the project; and

3900                   (b) an additional amount of money determined by contract with the [department] division  
3901                   prior to the initial disbursement of money.

3902                   (2) Any claim arising under Subsection (1) is a lien against the real property funded under  
3903                   this chapter.

3904 (3)(a) Any money returned to the [department] division under Subsection (1) from a  
3905 housing sponsor that received funds from the Economic Revitalization and  
3906 Investment Fund shall be deposited in the Economic Revitalization and Investment  
3907 Fund.  
3908 (b) Any money returned to the [department] division under Subsection (1) from a  
3909 housing sponsor that received funds from the Rural Housing Fund shall be deposited  
3910 in the Rural Housing Fund.

3911 Section 56. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered  
3912 and amended to read:

3913 **[35A-8-513] 63N-22-315 (Effective 07/01/26). Annual accounting.**

3914 (1) The [executive] deputy director shall monitor the activities of recipients of funds from  
3915 the Economic Revitalization and Investment Fund and the Rural Housing Fund on a  
3916 yearly basis to ensure compliance with the terms and conditions imposed on the  
3917 recipient by the [executive] deputy director with the approval of the board.  
3918 (2)(a) A housing sponsor that receives funds from the Economic Revitalization and  
3919 Investment Fund shall provide the [executive] deputy director with an annual  
3920 accounting of how the money the entity received from the Economic Revitalization  
3921 and Investment Fund has been spent and evidence that the commitment described in [  
3922 Subseetion 35A-8-509(5)] Section 63N-22-310 has been met.  
3923 (b) A housing sponsor that receives funds from the Rural Housing Fund shall provide  
3924 the [executive] deputy director with an annual accounting of how the money the  
3925 entity received from the Rural Housing Fund has been spent and evidence that the  
3926 commitment described in [Subseetion 35A-8-509.5(5)] Section 63N-22-311 has been  
3927 met.  
3928 (3) The [executive] deputy director shall make an annual report to the board accounting for  
3929 the expenditures authorized by the board under the Economic Revitalization and  
3930 Investment Fund and the Rural Housing Fund.  
3931 (4) The board shall submit a report to the [department] office for inclusion in the annual  
3932 written report described in Section [35A-1-109-] 63N-1a-306 that includes:  
3933 (a) an accounting for expenditures authorized by the board; and  
3934 (b) an evaluation of the effectiveness of each program.

3935 Section 57. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered  
3936 and amended to read:

3937 **[35A-8-2401] 63N-22-316 (Effective 07/01/26). Pass-through funding agreements**

3938     **-- Accounting for expenditures of a housing organization.**

3939     (1) As used in this section:

3940         (a) "Housing organization" means an entity that:

3941             (i) manages a portfolio of investments;

3942             (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of  
3943                 affordable housing through property investment; and

3944             (iii) is controlled by a registered nonprofit.

3945         (b) "Pass-through funding" means state money appropriated by the Legislature to the [  
3946                 department] division with the intent that the [department] division grant or otherwise  
3947                 disburse the state money to a third party.

3948         (c) "Rural" means the same as that term is defined in Section [35A-8-501] 63N-22-301.

3949     (2)(a) This section applies to funds appropriated by the Legislature to the [department]  
3950                 division for pass-through to a housing organization.

3951         (b) The [department] division shall ensure that pass-through funding granted or  
3952                 distributed before May 1, 2024 to a housing organization is subject to an agreement  
3953                 as described in this section, either through amending existing agreements or  
3954                 canceling existing agreements and issuing new agreements.

3955     (3)(a) The [department] division shall create agreements governing the use of  
3956                 pass-through funding as described in this section.

3957         (b) Before a housing organization may accept pass-through funding [pursuant to] in  
3958                 accordance with this section, the entity shall enter into an agreement with the [  
3959                 department] division governing the use of pass-through funding.

3960     (4) An agreement for pass-through funding shall require, at a minimum:

3961         (a) the housing organization match pass-through funding with private funding at no less  
3962                 than a 70% private, 30% state split;

3963         (b) all pass-through funding be used by the housing organization to invest in housing  
3964                 units that are rented at rates affordable to households with an annual income at or  
3965                 below 80% of the area median income for a family within the county in which the  
3966                 housing is located;

3967         (c) that 50% of pass-through funding be used by the housing organization to invest in  
3968                 housing units that are rented at rates affordable to households with an annual income  
3969                 at or below 50% of the area median income for a family within the county in which  
3970                 the housing is located;

3971         (d) that at least 30% of pass-through funding be used by the housing organization to

invest in housing units that are located in a rural county;

- (e) that any property purchased with pass-through funding be subject to a deed restriction for a minimum of 40 years to ensure the property remains a rental property affordable to households as described in Subsection (4)(b);
- (f) that returns on investment generated by pass-through funding shall be reinvested by the housing organization the same as if the returns on investment are pass-through funding; and
- (g) that the housing organization shall provide the division with the following information at the end of each fiscal year:
  - (i) the housing organization's annual audit, including:
    - (A) a third-party independent auditor's findings on the housing organization's compliance with this section and the terms of the housing organization's agreement for pass-through funding; and
    - (B) the audited financial statements for a legal entity used by the housing organization to carry out activities authorized by this section;
  - (ii) allocation of pass-through funds by county and housing type;
  - (iii) progress and status of funded projects; and
  - (iv) impact of pass-through funds on the availability of affordable housing across the state and by region.

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

Section 58. Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered and amended to read:

## **Part 4. Private Activity Bonds**

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

As used in this part:

- (1) "Allocated volume cap" means a volume cap for which:
  - (a) a certificate of allocation is in effect; or
  - (b) bonds have been issued.
- (2) "Allotment accounts" means the various accounts created in Section [35A-8-2106]  
63N-22-405.
- (3) "Board of review" means the Private Activity Bond Review Board created in Section [  
35A-8-2103] 63N-22-402.

4006 (4) "Bond" means any obligation for which an allocation of volume cap is required by the  
4007 code.

4008 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal  
4009 Revenue Service regulations.

4010 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.  
4011 1545-0720) or any other federal tax form or other method of reporting required by the  
4012 Department of the Treasury under Section 149(e) of the code.

4013 (7) "Issuing authority" means:  
4014 (a) any county, city, or town in the state;  
4015 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one  
4016 or more counties, cities, towns, or any combination of these;  
4017 (c) the state; or  
4018 (d) any other entity authorized to issue bonds under state law.

4019 (8) "State" means the state of Utah and any [or its] state agencies, institutions, and divisions  
4020 authorized to issue bonds or certificates under state law.

4021 (9) "Volume cap" means the private activity bond volume cap for the state as computed  
4022 under Section 146 of the code.

4023 (10) "Year" means each calendar year.

4024 Section 59. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered  
4025 and amended to read:

4026 **[35A-8-2103] 63N-22-402 (Effective 07/01/26). Private Activity Bond Review  
4027 Board.**

4028 (1) There is created within the [department] division the Private Activity Bond Review  
4029 Board, composed of the following 11 members:  
4030 (a)(i) the [executive] deputy director [of the department] or the [executive] deputy  
4031 director's designee;  
4032 (ii) the executive director [of the Governor's Office of Economic Opportunity] or the  
4033 executive director's designee;  
4034 (iii) the state treasurer or the state treasurer's designee;  
4035 (iv) the chair of the Utah Board of Higher Education or the chair's designee; and  
4036 (v) the chair of the Utah Housing Corporation or the chair's designee; and  
4037 (b) six local government members who are:  
4038 (i) three elected or appointed county officials, nominated by the Utah Association of  
4039 Counties and appointed or reappointed by the governor with the advice and

consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and

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

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

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

(c) Members may be reappointed only once.

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

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

(i) the Utah Association of Counties or the Utah League of Cities and Towns shall, within 30 days after the date of the vacancy, nominate an official described in Subsection (1)(b)(i) or (ii), as applicable, to fill the vacancy; and

(ii) the governor shall, with the advice and consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies, appoint the nominee for the unexpired term.

(4)(a) The chair of the board of review is the [executive director of the department or the executive] deputy director or the deputy director's designee.

(b) The chair is ~~nonvoting except in the case of a tie vote~~ a nonvoting member, except that the chair may vote to break a tie vote between the voting members.

(5) Six members of the board of review constitute a quorum.

(6) Formal action by the board of review requires a majority vote of a quorum.

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

(a) Section 63A-3-106:

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

(c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

4074 (8) The chair of the board of review serves as the state official designated under state law to  
4075 make certifications required to be made under Section 146 of the code including the  
4076 certification required by Section 149(e)(2)(F) of the code.  
4077 (9) A member appointed to fill a position described in Subsection (1)(b) shall comply with  
4078 the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of  
4079 Interest.

4080 Section 60. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered  
4081 and amended to read:

4082 **[35A-8-2104] 63N-22-403 (Effective 07/01/26). Powers, functions, and duties of  
4083 the board of review.**

4084 The board of review shall:

4085 (1) make, subject to the limitations of the code, allocations of volume cap to issuing  
4086 authorities;  
4087 (2) determine the amount of volume cap to be allocated with respect to approved  
4088 applications;  
4089 (3) maintain a record of all applications filed by issuing authorities under Section [  
4090 ~~35A-8-2105~~] **63N-22-404** and all certificates of allocation issued under Section [  
4091 ~~35A-8-2107~~] **63N-22-406**;  
4092 (4) maintain a record of all bonds issued by issuing authorities during each year;  
4093 (5) determine the amount of volume cap to be treated as a carryforward under Section  
4094 146(f) of the code and allocate this carryforward to one or more qualified carryforward  
4095 purposes;  
4096 (6) make available upon reasonable request a certified copy of all or any part of the records  
4097 maintained by the board of review under this part or a summary of them, including  
4098 information relating to the volume cap for each year and any amounts available for  
4099 allocation under this part;  
4100 (7) make rules for the allocation of volume cap under this part; and  
4101 (8) charge reasonable fees for the performance of duties prescribed by this part, including  
4102 application, filing, and processing fees.

4103 Section 61. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered  
4104 and amended to read:

4105 **[35A-8-2105] 63N-22-404 (Effective 07/01/26). Allocation of volume cap.**

4106 (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by  
4107 the board of review to the allotment accounts as described in Section [35A-8-2106]

4108 63N-22-405.

4109 (b) The board of review may distribute up to 50% of each increase in the volume cap for  
4110 use in development that occurs in quality growth areas, depending upon the board's  
4111 analysis of the relative need for additional volume cap between development in  
4112 quality growth areas and the allotment accounts under Section [35A-8-2106]  
4113 63N-22-405.

4114 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board  
4115 of review an application containing information required by the procedures and  
4116 processes of the board of review.

4117 (3)(a) The board of review shall establish criteria for making allocations of volume cap  
4118 that are consistent with the purposes of the code and this part.

4119 (b) In making an allocation of volume cap the board of review shall consider the  
4120 following:

- 4121 (i) the principal amount of the bonds proposed to be issued;
- 4122 (ii) the nature and the location of the project or the type of program;
- 4123 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- 4124 (iv) whether the project or program could obtain adequate financing without an  
4125 allocation of volume cap;
- 4126 (v) the degree to which an allocation of volume cap is required for the project or  
4127 program to proceed or continue;
- 4128 (vi) the social, health, economic, and educational effects of the project or program on  
4129 the local community and state as a whole;
- 4130 (vii) the anticipated economic development created or retained within the local  
4131 community and the state as a whole;
- 4132 (viii) the anticipated number of jobs, both temporary and permanent, created or  
4133 retained within the local community and the state as a whole; and
- 4134 (ix) if the project is a residential rental project, the degree to which the residential  
4135 rental project:
  - 4136 (A) targets lower income populations; and
  - 4137 (B) is accessible housing.

4138 (4) The board of review shall provide evidence of an allocation of volume cap by issuing a  
4139 certificate in accordance with Section [35A-8-2107] 63N-22-406.

4140 (5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of  
4141 review shall set aside at least 50% of the Small Issue Bond Account that may only be

4142 allocated to manufacturing projects.

4143 (b) Subject to Subsection (5)(c), from July 1 to August 15 of each year, the board of  
4144 review shall set aside at least 50% of the Pool Account that may only be allocated to  
4145 manufacturing projects.

4146 (c) The board of review is not required to set aside any unused volume cap under  
4147 Subsection [35A-8-2106(2)(e)] 63N-22-405(2)(c) to satisfy the requirements of  
4148 Subsection (5)(a) or (b).

4149 Section 62. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered  
4150 and amended to read:

4151 **[35A-8-2106] 63N-22-405 (Effective 07/01/26). Allotment accounts.**

4152 (1) There are created the following allotment accounts:

4153 (a) the Single Family Housing Account, for which eligible issuing authorities are those  
4154 authorized under the code and state statute to issue qualified mortgage bonds under  
4155 Section 143 of the code;

4156 (b) the Student Loan Account, for which eligible issuing authorities are those authorized  
4157 under the code and state statute to issue qualified student loan bonds under Section  
4158 144(b) of the code;

4159 (c) the Small Issue Bond Account, for which eligible issuing authorities are those  
4160 authorized under the code and state statute to issue:

4161 (i) qualified small issue bonds under Section 144(a) of the code;

4162 (ii) qualified exempt facility bonds for qualified residential rental projects under  
4163 Section 142(d) of the code; or

4164 (iii) qualified redevelopment bonds under Section 144(c) of the code;

4165 (d) the Exempt Facilities Account, for which eligible issuing authorities are those  
4166 authorized under the code and state statute to issue any bonds requiring an allocation  
4167 of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);

4168 (e) the Pool Account, for which eligible issuing authorities are those authorized under  
4169 the code and state statute to issue any bonds requiring an allocation of volume cap;  
4170 and

4171 (f) the Carryforward Account, for which eligible issuing authorities are those with  
4172 projects or programs qualifying under Section 146(f) of the code.

4173 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of  
4174 each year on the following basis:

4175 (i) 42% to the Single Family Housing Account;

- (ii) 33% to the Student Loan Account;
- (iii) 1% to the Exempt Facilities Account; and
- (iv) 24% to the Small Issue Bond Account.

(b) From July 1 to September 30 of each year, the board of review may transfer any unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond Account to the Pool Account.

(c) Upon written notification by the issuing authorities eligible for volume cap allocation from the Single Family Housing Account or the Student Loan Account that all or a portion of volume cap distributed into that allotment account will not be used, the board of review may transfer the unused volume cap to any other allotment account.

(d) From October 1 to the third Friday of December of each year, the board of review shall transfer all unallocated volume cap into the Pool Account.

(e) On the third Saturday of December of each year, the board of review shall transfer uncollected volume cap, or allocated volume cap for which bonds have not been issued prior to the third Saturday of December, into the Carryforward Account.

(f) If the authority to issue bonds designated in any allotment account is rescinded by amendment to the code, the board of review may transfer any unallocated volume cap from that allotment account to any other allotment account.

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

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

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

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

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

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

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

review.

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

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

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

Section 64. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered and amended to read:

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

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

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

(2) Each issuing authority shall:

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

4244 received will not be issued, advise the board of review in writing, within 15 days of  
4245 the earlier of:

4246 (i) the final decision not to issue all or a stated portion of the bonds; or  
4247 (ii) the expiration of the certificate of allocation.

4248 (3) Failure by an issuing authority to notify the board of review under Subsection (2),  
4249 including failure to timely deliver a Form 8038, may, in the sole discretion of the board  
4250 of review, result in the board of review denying further consideration of applications  
4251 from the issuing authority.

4252 Section 65. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered  
4253 and amended to read:

4254 **[35A-8-2109] 63N-22-408 (Effective 07/01/26). Procedures -- Adjudicative  
4255 proceedings.**

4256 The board of review shall comply with the procedures and requirements of Title 63G,  
4257 Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.

4258 Section 66. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered  
4259 and amended to read:

4260 **[35A-8-2110] 63N-22-409 (Effective 07/01/26). Duties of the division.**

4261 (1) The [department] division is recognized as an issuing authority, as defined in Section [  
4262 35A-8-2102] 63N-22-401, entitled to issue bonds from the Small Issue Bond Account  
4263 created in Subsection [35A-8-2106(1)(e)] 63N-22-405(1)(c) as a part of the state's private  
4264 activity bond volume cap authorized by the Internal Revenue Code and computed under  
4265 Section 146, Internal Revenue Code.

4266 (2) To promote and encourage the issuance of bonds from the Small Issue Bond Account  
4267 for manufacturing projects, the [department] division may:

4268 (a) develop campaigns and materials that inform qualified small manufacturing  
4269 businesses about the existence of the program and the application process;  
4270 (b) assist small businesses in applying for and qualifying for these bonds; and  
4271 (c) develop strategies to lower the cost to small businesses of applying for and  
4272 qualifying for these bonds, including making arrangements with financial advisors,  
4273 underwriters, bond counsel, and other professionals involved in the issuance process  
4274 to provide services at a reduced rate when the [department] division can provide such  
4275 service providers with a high volume of applicants or issues.

4276 Section 67. Section **63N-22-501**, which is renumbered from Section 35A-8-301 is renumbered  
4277 and amended to read:

4278

## Part 5. Community Impact Fund

4279 [35A-8-301] 63N-22-501 (Effective 07/01/26). Legislative policy.

4280 (1) Funds received by the state from federal mineral lease revenues under Section 59-21-2,  
4281 bonus payments on federal oil shale lease tracts U-A and U-B, and all other bonus  
4282 payments on federal mineral leases are to be used for planning, construction and  
4283 maintenance of public facilities, and provision of public service, subject to the  
4284 limitations provided for in Section 35 of the Mineral Leasing Act of 1920 (41 Stat. 450,  
4285 30 U.S.C. Sec. 191).

4286 (2) To the extent allowed under the Mineral Leasing Act, any ambiguity as to whether a  
4287 particular use of the lease revenue and bonus payments described in Subsection (1) is a  
4288 permissible use under this part shall be resolved in favor of upholding the use.

4289 (3) Priority for the use of the funds described in Subsection (1) shall be given to those  
4290 communities designated as impacted by the development of natural resources covered  
4291 by the Mineral Leasing Act.

4292 (4) The policy of this state is to promote cooperation and coordination between the state  
4293 and the state's agencies and political subdivisions with individuals, firms, and business  
4294 organizations engaged in the development of the natural resources of this state.

4295 Section 68. Section **63N-22-502**, which is renumbered from Section 35A-8-302 is renumbered  
4296 and amended to read:

4297 [35A-8-302] 63N-22-502 (Effective 07/01/26). Definitions.

4298 As used in this part:

4299 (1) "Bonus payments" means that portion of the bonus payments received by the United  
4300 States government under the Leasing Act paid to the state under Section 35 of the  
4301 Leasing Act, 30 U.S.C. Sec. 191, together with any interest that had accrued on those  
4302 payments.

4303 (2) "Impact board" means the Permanent Community Impact Fund Board created under  
4304 Section [35A-8-304] 63N-22-504.

4305 (3) "Impact fund" means the Permanent Community Impact Fund established by this  
4306 chapter.

4307 (4) "Interlocal agency" means a legal or administrative entity created by a subdivision or  
4308 combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal  
4309 Cooperation Act.

4310 (5) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.  
4311 (6) "Qualifying sales and use tax distribution reduction" means that, for the calendar year

4312 beginning on January 1, 2008, the total sales and use tax distributions a city received  
4313 under Section 59-12-205 were reduced by at least 15% from the total sales and use tax  
4314 distributions the city received under Section 59-12-205 for the calendar year beginning  
4315 on January 1, 2007.

4316 (7)(a) "Planning" means any of the following performed by or on behalf of the state, a  
4317 subdivision, or an interlocal agency:  
4318 (i) a study, analysis, plan, or survey; or  
4319 (ii) activities necessary to obtain a permit or land use approval, including review to  
4320 determine the need, cost, or feasibility of obtaining a permit or land use approval.

4321 (b) "Planning" includes:  
4322 (i) the preparation of maps and guidelines;  
4323 (ii) land use planning;  
4324 (iii) a study or analysis of:  
4325 (A) the social or economic impacts associated with natural resource development;  
4326 (B) the demand for the transportation of individuals or goods;  
4327 (C) state, regional, and local development and growth;  
4328 (D) population and employment;  
4329 (E) development related to natural resources; and  
4330 (F) as related to any other activity described in this Subsection (7), engineering,  
4331 financial analysis, legal analysis, or any other analysis helpful to the state,  
4332 subdivision, or interlocal agency; and  
4333 (iv) any activity described in this Subsection (7) regardless of whether the activity is  
4334 for a public facility or a public service.

4335 (8) "Public facility" means a facility:  
4336 (a) in whole or in part, owned, controlled, or operated by the state, a subdivision, or an  
4337 interlocal agency; and  
4338 (b) that serves a public purpose.

4339 (9)(a) "Public service" means a service that:  
4340 (i) is provided, in whole or in part, by or on behalf of the state, a subdivision, or an  
4341 interlocal agency; and  
4342 (ii) serves a public purpose.  
4343 (b) "Public service" includes:  
4344 (i) a service described in Subsection (9)(a) regardless of whether the service is  
4345 provided in connection with a public facility;

4346 (ii) the cost of providing a service described in Subsection (9)(a), including  
4347 administrative costs, wages, and legal fees; and  
4348 (iii) a contract with a public postsecondary institution to fund research, education, or  
4349 a public service program.

4350 (10) "Subdivision" means a county, city, town, county service area, special service district,  
4351 special improvement district, water conservancy district, water improvement district,  
4352 sewer improvement district, housing authority, building authority, school district, or  
4353 public postsecondary institution organized under the laws of this state.

4354 (11)(a) "Throughput infrastructure project" means the following facilities, whether  
4355 located within, partially within, or outside of the state:

4356 (i) a bulk commodities ocean terminal;  
4357 (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;  
4358 (iii) electric transmission lines and ancillary facilities;  
4359 (iv) a shortline freight railroad and ancillary facilities;  
4360 (v) a plant or facility for storing, distributing, or producing hydrogen, including the  
4361 liquification of hydrogen, for use as a fuel in zero emission motor vehicles, for  
4362 electricity generation, or for industrial use;  
4363 (vi) a plant for the production of zero emission hydrogen fueled trucks; or  
4364 (vii) a mining facility described in Subsection [35A-8-309(9)] 63N-22-508(9).

4365 (b) "Throughput infrastructure project" includes:

4366 (i) an ownership interest or a joint or undivided ownership interest in a facility;  
4367 (ii) a membership interest in the owner of a facility; or  
4368 (iii) a contractual right, whether secured or unsecured, to use all or a portion of the  
4369 throughput, transportation, or transmission capacity of a facility.

4370 Section 69. Section **63N-22-503**, which is renumbered from Section 35A-8-303 is renumbered  
4371 and amended to read:

4372 **[35A-8-303] 63N-22-503 (Effective 07/01/26). Permanent Community Impact  
4373 Fund -- Deposits and contents -- Use of fund money.**

4374 (1) There is created an enterprise fund entitled the "Permanent Community Impact Fund."  
4375 (2) The fund consists of:  
4376 (a) all amounts appropriated to the impact fund under Section 59-21-2;  
4377 (b) bonus payments deposited to the impact fund under Subsection 59-21-1(2);  
4378 (c) all amounts appropriated to the impact fund under Section 53C-3-203;  
4379 (d) all amounts received for the repayment of loans made by the impact board under this

chapter; and

(e) all other money appropriated or otherwise made available to the impact fund by the Legislature.

(3) The state treasurer shall:

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

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

(4) The amounts in the impact fund available for loans, grants, administrative costs, or other purposes of this part shall be limited to that which the Legislature appropriates for these purposes.

(5) Federal mineral lease revenue received by the state under the Leasing Act that is deposited into the impact fund shall be used;

(a) in a manner consistent with the provisions of:

(i) the Leasing Act; and

(ii) this part; and

(b) for loans, grants, or both to state agencies or subdivisions that are socially or economically impacted by the leasing of minerals under the Leasing Act.

(6) The money described in Subsection (2)(c) shall be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school and institutional trust lands.

Section 70. Section **63N-22-504**, which is renumbered from Section 35A-8-304 is renumbered and amended to read:

**[35A-8-304] 63N-22-504 (Effective 07/01/26). Permanent Community Impact Fund Board.**

(1) There is created within the [department] division the Permanent Community Impact Fund Board composed of 11 members as follows:

(a) the state treasurer or the state treasurer's designee;

(b) the chair of the Transportation Commission or the chair's designee;

(c) the executive director of the Governor's Office of Planning and Budget or the executive director's designee;

(d) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;

(e) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or Wayne County;

4414 (f) a locally elected official who resides in Duchesne, Daggett, or Uintah County;

4415 (g) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane

4416 County;

4417 (h) a locally elected official from the county that:

4418 (i) produced the most mineral lease money related to oil extraction during the

4419 four-year period immediately preceding the term of appointment, as determined

4420 by the [department] division at the end of each term; and

4421 (ii) does not already have a representative on the impact board;

4422 (i) a locally elected official from the county that:

4423 (i) produced the most mineral lease money related to natural gas extraction during the

4424 four-year period immediately preceding the term of appointment, as determined

4425 by the [department] division at the end of each term; and

4426 (ii) does not already have a representative on the impact board;

4427 (j) a locally elected official from the county that:

4428 (i) produced the most mineral lease money related to coal extraction during the

4429 four-year period immediately preceding the term of appointment, as determined

4430 by the [department] division at the end of each term; and

4431 (ii) does not already have a representative on the impact board; and

4432 (k) an individual who resides in a county of the third, fourth, fifth, or sixth class,

4433 appointed by the governor with the advice and consent of the Senate in accordance

4434 with Title 63G, Chapter 24, Part 2, Vacancies.

4435 (2)(a) The members specified under Subsections (1)(d) through (j) may not reside in the

4436 same county and shall be:

4437 (i) nominated by the Board of Directors of the Southeastern Association of Local

4438 Governments, the Six County Association of Governments, the Uintah Basin

4439 Association of Governments, and the Five County Association of Governments,

4440 respectively, except that the members specified under Subsections (1)(h) through

4441 (j) shall be nominated by the Board of Directors of the Association of

4442 Governments from the region of the state in which the county is located; and

4443 (ii) appointed by the governor with the advice and consent of the Senate in

4444 accordance with Title 63G, Chapter 24, Part 2, Vacancies.

4445 (b) Except as required by Subsection (2)(c), as terms of current board members expire,

4446 the governor shall appoint each new member or reappointed member to a four-year

4447 term.

4448 (c) Notwithstanding the requirements of Subsection (2)(b), the governor shall, at the  
4449 time of appointment or reappointment, adjust the length of terms to ensure that the  
4450 terms of board members are staggered so that approximately half of the board is  
4451 appointed every two years.

4452 (d) When a vacancy occurs in the membership for any reason, the replacement shall be  
4453 appointed for the unexpired term.

4454 (3) When the governor makes a new appointment or reappointment under Subsection  
4455 (2)(b), or a vacancy appointment under Subsection (2)(d), the governor's new  
4456 appointment, reappointment, or vacancy appointment shall be made with the advice and  
4457 consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.

4458 (4) The terms of office for the members specified under Subsections (1)(a) through (c) shall  
4459 run concurrently with the term of office for the commission, department, or office from  
4460 which each member comes.

4461 (5)(a) The member specified under Subsection (1)(k) is the chair of the impact board.

4462 (b) The chair of the impact board is responsible for the call and conduct of meetings.

4463 (6) A member may not receive compensation or benefits for the member's service, but may  
4464 receive per diem and travel expenses in accordance with:

4465 (a) Section 63A-3-106;

4466 (b) Section 63A-3-107; and

4467 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
4468 63A-3-107.

4469 (7) A member described in Subsections (1)(d) through (k) shall comply with the conflict of  
4470 interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

4471 (8)(a) A majority of the members of the impact board constitutes a quorum.

4472 (b) Action by a majority vote of a quorum of the impact board constitutes action by the  
4473 impact board.

4474 (9) The [department] division shall provide staff support to the impact board.

4475 Section 71. Section **63N-22-505**, which is renumbered from Section 35A-8-305 is renumbered  
4476 and amended to read:

4477 **[35A-8-305] 63N-22-505 (Effective 07/01/26). Powers, functions, and duties of the  
4478 impact board.**

4479 (1) The impact board shall:

4480 (a) [make] award grants and loans from the amounts appropriated by the Legislature out  
4481 of the impact fund to state agencies, subdivisions, and interlocal agencies that are or

4482 may be socially or economically impacted, directly or indirectly, by mineral resource  
4483 development for:

4484 (i) planning;

4485 (ii) construction and maintenance of public facilities; and

4486 (iii) provision of public services;

4487 (b) establish the criteria by which the loans and grants will be [made] awarded;

4488 (c) determine the order in which projects will be funded;

4489 (d) in [econjunetion] cooperation with other agencies of the state, subdivisions, or  
4490 interlocal agencies, conduct studies, investigations, and research into the effects of  
4491 proposed mineral resource development projects upon local communities;

4492 (e) sue and be sued in accordance with applicable law;

4493 (f) qualify for, accept, and administer grants, gifts, loans, or other funds from:

4494 (i) the federal government; and

4495 (ii) other sources, public or private; and

4496 (g) perform other duties [assigned to it] required under Sections 11-13-306 and 11-13-307.

4497 (2)(a) [Money,] Subject to Subsection (2)(b), money, including all loan repayments

4498 and interest, in the impact fund [derived] received from bonus payments may be used  
4499 for any [of the purposes set forth] purpose described in Subsection (1)(a).

4500 (b) [but] Money received under Subsection (2)(a) may only be given in the form of  
4501 interest bearing loans to be paid back into the impact fund by the agency,  
4502 subdivision, or interlocal agency.

4503 (3) The impact board may [make] award a grant or loan under Subsection (1) [regardless of]  
4504 whether the activity results in more than one impact or outcome, including an increase in  
4505 natural resource development or an increase in economic development.

4506 (4) If the public service described in Subsection (1)(a) is a contract with a public  
4507 postsecondary institution described in Subsection [35A-8-302(9)(b)(iii)]  
4508 63N-22-502(9)(b)(iii), the contract shall be:

4509 (a) based on an application to the impact board from the impacted county; and  
4510 (b) approved by the county legislative body.

4511 (5) The impact board may:

4512 (a) appoint, when appropriate, a hearing examiner or administrative law judge with  
4513 authority to conduct hearings, make determinations, and enter appropriate findings of  
4514 facts, conclusions of law, and orders under authority of the impact board in  
4515 accordance with Sections 11-13-306 and 11-13-307;

4516 (b) appoint additional professional and administrative staff necessary to perform the  
4517 impact board's duties under Sections 11-13-306 and 11-13-307;  
4518 (c) make independent studies regarding matters submitted to the impact board under  
4519 Sections 11-13-306 and 11-13-307 that the impact board, in the impact board's  
4520 discretion, considers necessary, which studies shall be made a part of the record and  
4521 may be considered in the impact board's determination; and  
4522 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative  
4523 Rulemaking Act, to implement this part.

4524 Section 72. Section **63N-22-506**, which is renumbered from Section 35A-8-307 is renumbered  
4525 and amended to read:

4526 **[35A-8-307] 63N-22-506 (Effective 07/01/26). Impact fund administered by**  
4527 **impact board -- Eligibility for assistance -- Review by board -- Administration costs --**  
4528 **Annual report.**

4529 (1)(a) The impact board shall:

4530 (i) administer the impact fund in a manner that will keep a portion of the impact fund  
4531 revolving;  
4532 (ii) determine provisions for repayment of loans;  
4533 (iii) establish criteria for determining eligibility for assistance under this part; and  
4534 (iv) consider recommendations from the School and Institutional Trust Lands  
4535 Administration when awarding a grant described in Subsection [35A-8-303(6)]  
4536 63N-22-503(6).

4537 (b)(i) The criteria for awarding loans or grants made from funds described in  
4538 Subsection [35A-8-303(5)] 63N-22-503(5) shall be consistent with the  
4539 requirements of Subsection [35A-8-303(5)] 63N-22-503(5).

4540 (ii) The criteria for awarding grants made from funds described in Subsection [  
4541 35A-8-303(2)(e)] 63N-22-503(2)(c) shall be consistent with the requirements of  
4542 Subsection [35A-8-303(6)] 63N-22-503(6).

4543 (c) In order to receive assistance under this part, subdivisions and interlocal agencies  
4544 shall submit formal applications containing the information [that the impact board  
4545 requires] required by the impact board.

4546 (2) In determining eligibility for loans and grants under this part, the impact board shall  
4547 consider the following:  
4548 (a) the subdivision's or interlocal agency's current mineral lease production;  
4549 (b) the feasibility of the actual development or the increased development of a resource

that may impact the subdivision or interlocal agency directly or indirectly;

- (c) current taxes being paid by the subdivision's or interlocal agency's residents;
- (d) the borrowing capacity of the subdivision or interlocal agency, including:
  - (i) the subdivision's or interlocal agency's ability and willingness to sell bonds or other securities in the open market; and
  - (ii) the subdivision's or interlocal agency's current and authorized indebtedness;
- (e) all possible additional sources of state and local revenue, including utility user charges;
- (f) the availability of federal assistance funds;
- (g) probable growth of population due to actual or prospective natural resource development in an area;
- (h) existing public facilities and services;
- (i) the extent of the expected direct or indirect impact upon public facilities and public services of the actual or prospective natural resource development in an area; and
- (j) the extent of industry participation in an impact alleviation plan, either as [specified described in Title 63M, Chapter 5, Resource Development Act, or otherwise.

(3) The impact board may not fund an education project that [could otherwise] may have reasonably been funded by a school district through a program of annual budgeting, capital budgeting, bonded indebtedness, or special assessments.

(4) The impact board may restructure all or part of the agency's or subdivision's liability to repay loans for extenuating circumstances.

(5) The impact board shall:

(a) review the proposed uses of the impact fund for loans or grants before approving [them] the loan or grant and may condition [its] approval on whatever assurances the impact board considers necessary to ensure that proceeds of the loan or grant will be used in accordance with the Leasing Act and this part; and

(b) ensure that each loan specifies the terms for repayment and is evidenced by general obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate subdivision or interlocal agency issued to the impact board [under whatever authority for the issuance of those bonds, notes, or obligations exists at the time of the loan] by the appropriate authorizing authority that existed at the time of the loan.

(6) The impact board shall allocate from the impact fund to the [department] division those funds that are appropriated by the Legislature for the administration of the impact fund, [

4584 but this amount may not] not to exceed 2% of the annual receipts to the impact fund.

4585 (7) [The department shall include in the annual written report described in Section  
4586 35A-1-109, the number and type of loans and grants made as well as a list of  
4587 subdivisions and interlocal agencies that received this assistance.] The division shall  
4588 submit a report to the office for inclusion in the annual written report described in  
4589 Section 63N-1a-306, the number and type of loan or grant awarded and the subdivision  
4590 or interlocal agency that received a loan or grant award under this section.

4591 Section 73. Section **63N-22-507**, which is renumbered from Section 35A-8-308 is renumbered  
4592 and amended to read:

4593 **[35A-8-308] 63N-22-507 (Effective 07/01/26). Throughput Infrastructure Fund.**

4594 (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."  
4595 (2) The fund consists of money generated from the following revenue sources:  
4596 (a) amounts transferred to the fund by statute;  
4597 (b) [any] voluntary contributions received;  
4598 (c) appropriations made to the fund by the Legislature;  
4599 (d) the amounts received from the repayment of loans made by the impact board under  
4600 Section [35A-8-309] 63N-22-508; and  
4601 (e) interest or other earnings deposited under Subsection (3).

4602 (3) The state treasurer shall:

4603 (a) invest the money in the fund [by following the procedures and requirements of] in  
4604 accordance with Title 51, Chapter 7, State Money Management Act; and  
4605 (b) deposit the interest or other earnings [derived from those investments into the fund]  
4606 into the fund that are received from the investments described in Subsection (3)(a).

4607 Section 74. Section **63N-22-508**, which is renumbered from Section 35A-8-309 is renumbered  
4608 and amended to read:

4609 **[35A-8-309] 63N-22-508 (Effective 07/01/26). Throughput Infrastructure Fund  
4610 administered by impact board -- Uses -- Review by board -- Annual report -- First  
4611 project.**

4612 (1) The impact board shall:

4613 (a) make grants and loans from the Throughput Infrastructure Fund created in Section [  
4614 35A-8-308] 63N-22-507 for a throughput infrastructure project;  
4615 (b) use money transferred to the Throughput Infrastructure Fund in accordance with  
4616 statute to provide a loan or grant to finance the cost of acquisition or construction of a  
4617 throughput infrastructure project to one or more local political subdivisions,

4618 including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal  
4619 Cooperation Act;

4620 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of  
4621 the fund revolving;  
4622 (d) determine provisions for repayment of loans;  
4623 (e) establish criteria for awarding loans and grants; and  
4624 (f) establish criteria for determining eligibility for assistance under this section.

4625 (2) The cost of acquisition or construction of a throughput infrastructure project includes  
4626 amounts for working capital, reserves, transaction costs, and other amounts determined  
4627 by the impact board to be allocable to a throughput infrastructure project.  
4628 (3) The impact board may restructure or forgive all or part of a local political subdivision's  
4629 or interlocal agency's obligation to repay loans for extenuating circumstances.  
4630 (4) To receive assistance under this section, a local political subdivision or an interlocal  
4631 agency shall submit a formal application containing the information [that the impact  
4632 board requires] required by the impact board.

4633 (5)(a) The impact board shall:  
4634 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant  
4635 before approving the loan or grant and may condition [its] approval on whatever  
4636 assurances the impact board considers necessary to ensure that proceeds of the  
4637 loan or grant will be used in accordance with this section;  
4638 (ii) ensure that each loan specifies terms for interest deferments, accruals, and  
4639 scheduled principal repayment; and  
4640 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations  
4641 of the appropriate local political subdivision or interlocal agency issued to the  
4642 impact board and payable from the net revenues of a throughput infrastructure  
4643 project.

4644 (b) An instrument described in Subsection (5)(a)(iii) may be:

4645 (i) non-recourse to the local political subdivision or interlocal agency; and  
4646 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

4647 (6)(a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from  
4648 the Throughput Infrastructure Fund to the board those amounts that are appropriated  
4649 by the Legislature for the administration of the Throughput Infrastructure Fund.  
4650 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts  
4651 to the Throughput Infrastructure Fund.

4652 (7) [The board shall include in the annual written report described in Section 35A-1-109:]  
4653 [(a) the number and type of loans and grants made under this section; and]  
4657 [(b) a list of local political subdivisions or interlocal agencies that received assistance  
4658 under this section.] The impact board  
4659 shall submit a  
4660 report to the office for inclusion in the annual written report described in Section  
4661 63N-1a-306, the number and type of loan or grant awarded and the subdivision or  
4662 interlocal agency that received a loan or grant award under this section.

4663 (8)(a) The first throughput infrastructure project funded by the impact board shall be a  
4664 bulk commodities ocean terminal project financed through a mixture of grant and  
4665 loans, of which no less than 20% of the project costs funded by the impact board is  
4666 grants.  
4667 (b) Upon receipt of an application from an interlocal agency for a bulk commodities  
4668 ocean terminal project, the impact board shall:  
4669 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the  
4670 interlocal agency to pay or reimburse costs incurred by the interlocal agency  
4671 preliminary to [its] the interlocal agency's acquisition of the throughput  
4672 infrastructure project; and  
4673 (ii) fund the interlocal agency's application if the application meets all criteria  
4674 established by the impact board.

4675 (9) Notwithstanding Subsection (8) and following the procedures of this section, the impact  
4676 board may issue a grant or loan for a throughput infrastructure project other than a bulk  
4677 commodities ocean terminal project if the throughput infrastructure project:  
4678 (a) is funded from the interest or other earnings deposited into the Throughput  
4679 Infrastructure Fund;  
4680 (b) is applied for by a political subdivision or interlocal agency to be distributed to a  
4681 private entity described in Subsection (9)(c); and  
4682 (c) is engaged in by a private entity if the private entity:  
4683 (i) has the required permits to engage in mining fluorspar or gallium;  
4684 (ii) will engage in the mining activity in a community within the state that is  
economically impacted by the Leasing Act;  
(iii) will draw money from the loan or grant by no later than two years from the day  
on which the impact board awards the loan or grant; and  
(iv) agrees to reimburse the Throughput Infrastructure Fund in staggered payments

during a period beginning three years from the day on which the impact board approves the loan or grant and ending seven years from the day on which the impact board approves the loan or grant.

Section 75. Section **63N-22-509**, which is renumbered from Section 35A-8-310 is renumbered and amended to read:

[35A-8-310] 63N-22-509 (Effective 07/01/26). Application -- Retroactivity.

- (1) The provisions of Laws of Utah 2021, Chapter 339, apply to any claim for which a court of competent jurisdiction has not issued a final unappealable judgment or order.
- (2) The Legislature finds that the provisions of Laws of Utah 2021, Chapter 339:
  - (a) do not enlarge, eliminate, or destroy vested rights; and
  - (b) clarify application of the law.

Section 76. Section **63N-22-601**, which is renumbered from Section 35A-8-1601 is renumbered and amended to read:

## **Part 6. Uintah Basin Revitalizatin Fund**

**[35A-8-1601] 63N-22-601 (Effective 07/01/26). Definitions.**

As used in this part:

- (1) "Board" means the Uintah Basin Revitalization Fund Board.
- (2) "Capital projects" means expenditures for land, improvements on the land, and equipment intended to have long-term beneficial use.
- (3) "County" means:
  - (a) Duchesne County; or
  - (b) Uintah County.
- (4) "Division" means the [Housing and Community Development Division] Division of Housing and Community Development within the Governor's Office of Economic Opportunity.
- (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.
- (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

Section 77. Section **63N-22-602**, which is renumbered from Section 35A-8-1602 is renumbered and amended to read:

[35A-8-1602] 63N-22-602 (Effective 07/01/26). Uintah Basin Revitalization Fund.

(1) In order to maximize the long-term benefit of severance taxes derived from lands held in trust by the United States for the Tribe and the Tribe's members by fostering funding mechanisms that will, consistent with sound financial practices, result in the greatest use of financial resources for the greatest number of citizens of the Uintah Basin, and in

4719 order to promote cooperation and coordination between the state, [its] the state's political  
4720 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in  
4721 the development of oil and gas interests held in trust for the Tribe and the Tribe's  
4722 members, there is created an expendable special revenue fund entitled the "Uintah Basin  
4723 Revitalization Fund."

4724 (2) The fund consists of all money deposited [to] into the Revitalization Fund under this part  
4725 and Section 59-5-116.

4726 (3)(a) The Revitalization Fund shall earn interest.

4727 (b) All interest earned on fund money shall be deposited into the fund.

4728 (4)(a) Money required to be deposited into the Uintah Basin Revitalization Fund under  
4729 Section 59-5-116 shall be deposited into the Uintah Basin Revitalization Fund if a  
4730 business or activity fee or tax based on gross receipts has not been imposed by a  
4731 county or the Tribe on oil and gas activities.

4732 (b) Nothing in this section prohibits a county from imposing a charge described in this  
4733 Subsection (4) with respect to any gathering, transmission, or local distribution  
4734 pipeline in which the county owns an interest.

4735 (c) Nothing in this section prohibits the Tribe from imposing a charge described in this  
4736 Subsection (4) with respect to any gathering, transmission, or local distribution  
4737 pipeline in which the Tribe owns an interest.

4738 Section 78. Section **63N-22-603**, which is renumbered from Section 35A-8-1603 is renumbered  
4739 and amended to read:

4740 **[35A-8-1603] 63N-22-603 (Effective 07/01/26). Uintah Basin Revitalization Fund**  
4741 **Board.**

4742 (1) There is created within the division the Revitalization Board composed of five members  
4743 as follows:

4744 (a) the governor or his designee;  
4745 (b) a Uintah County commissioner;  
4746 (c) a Duchesne County commissioner; and  
4747 (d) two representatives of the Business Committee of the Tribe.

4748 (2) The terms of office for the members of the board shall run concurrently with the terms  
4749 of office for the governor, commissioners, and Business Committee of the Tribe.

4750 (3) The governor, or [his] the governor's designee, shall be the chair of the board.

4751 (4) Four board members are a quorum.

4752 (5) All decisions of the board require four affirmative votes.

4753 (6) A member may not receive compensation or benefits for the member's service, but may  
4754 receive per diem and travel expenses in accordance with:  
4755 (a) Section 63A-3-106;  
4756 (b) Section 63A-3-107; and  
4757 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
4758 63A-3-107.

4759 Section 79. Section **63N-22-604**, which is renumbered from Section 35A-8-1604 is renumbered  
4760 and amended to read:

4761 **[35A-8-1604] 63N-22-604 (Effective 07/01/26). Powers, functions, and duties of  
4762 the revitalization fund board.**

4763 (1) The board shall:  
4764 (a) subject to the other provisions of this part and an agreement entered into under Title  
4765 11, Chapter 13, Interlocal Cooperation Act, among the state, the counties, and the  
4766 Tribe, make recommendations to the division for grants and loans from the  
4767 revitalization fund to county agencies and the Tribe that are or may be socially or  
4768 economically impacted, directly or indirectly, by mineral resource development;  
4769 (b) establish procedures for application for and award of grants and loans including:  
4770 (i) eligibility criteria;  
4771 (ii) subject to Subsection [35A-8-1606(2)(b)] **63N-22-605(2)(b)**, a preference that  
4772 capital projects, including subsidized and low-income housing, and other one-time  
4773 need projects and programs have priority over other projects;  
4774 (iii) a preference for projects and programs that are associated with the geographic  
4775 area where the oil and gas were produced; and  
4776 (iv) coordination of projects and programs with other projects and programs funded  
4777 by federal, state, and local governmental entities;  
4778 (c) determine the order in which projects will be funded;  
4779 (d) allocate the amount to be distributed from the revitalization fund for grants or loans  
4780 to each county and the Tribe during a fiscal year as follows:  
4781 (i) up to and including the first \$3,000,000 that is approved for distribution by the  
4782 board during a fiscal year, the board may allocate the amount in accordance with  
4783 the interlocal agreement described by Subsection (1)(a), except that the board may  
4784 not allocate less than 75% of the amount under the interlocal agreement to the  
4785 Tribe unless the interlocal agreement is further modified by statute; and  
4786 (ii) beginning with fiscal year 2007-08, any amount approved for distribution by the

board during that fiscal year in excess of \$3,000,000 shall be allocated equally amongst each county and the Tribe so that each receives [1/3] one-third of the amount approved for distribution by the board in excess of \$3,000,000;

- (e) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; [and]
- (f) perform other duties assigned to [it] the board under the interlocal agreement described in Subsection (1)(a) that are not prohibited by law or otherwise modified by this part[.] ; and
- (g) comply with the procedures and requirements of Title 51, Chapter 7, State Money Management Act, and Title 52, Chapter 4, Open and Public Meetings Act.

(2) The board shall ensure that loan repayments and interest are deposited into the revitalization fund.

(3) The interlocal agreement described in Subsection (1)(a) shall be consistent with[the following statutes, including any subsequent amendments to those statutes]:

- (a) this part;
- (b) Title 11, Chapter 13, Interlocal Cooperation Act;
- (c) Section 59-5-116; and
- (d) any other applicable provision of [this Utah Code] state law.

(4) The board may:

(a) appoint a hearing examiner or administrative law judge with authority to conduct any hearings, make determinations, and enter appropriate findings of facts, conclusions of law, and orders in accordance with Title 11, Chapter 13, Interlocal Cooperation Act; and

(b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this part.

Section 80. Section **63N-22-605**, which is renumbered from Section 35A-8-1606 is renumbered and amended to read:

[35A-8-1606] 63N-22-605 (Effective 07/01/26). Eligibility for assistance --

[Applications](#) -- [Review by board](#) -- [Terms](#) -- [Security](#).

(1) [Counties or the Tribe that wish to receive loans or grants from the board shall submit formal applications to the board containing the information required by the board.] To receive a loan or grant under this part, a county or the Tribe shall submit an application to the board that contains the information required by the board.

(2) The board may not fund:

4821 (a) start-up or operational costs of private business ventures; and  
 4822 (b) general operating budgets of the counties or the Tribe, except that the Tribe may use  
 4823 a grant or loan to fund costs associated with the management and administration of  
 4824 energy or mineral development on:  
 4825 (i) lands held in trust by the United States for the Tribe and [its] the Tribe's members;  
 4826 or  
 4827 (ii) lands owned by the Tribe.

4828 (3)(a) The board shall review each application for a loan or grant before approving [it] a

4829 loan or grant application.

4830 (b) The board may approve a loan or grant [applications] application subject to the  
 4831 applicant's compliance with [certain] the conditions established by the board.

4832 (c) The board shall:

4833 (i) ensure that each loan specifies the terms for repayment; and  
 4834 (ii) secure the loans by proceeds from any general obligation, special assessment, or  
 4835 revenue bonds, notes, or other obligations of the appropriate subdivision.

4836 Section 81. Section **63N-22-606**, which is renumbered from Section 35A-8-1607 is renumbered  
 4837 and amended to read:

4838 **[35A-8-1607] 63N-22-606 (Effective 07/01/26). Division to distribute money --**

4839 **Annual report -- Administration costs.**

4840 (1) The division shall distribute loan and grant money if the loan or grant is approved by the

4841 board.

4842 (2) ~~[The division shall provide an annual report to the department concerning the number~~  
 4843 ~~and type of loans and grants made as well as a list of recipients of this assistance for~~  
 4844 ~~inclusion in the department's annual written report described in Section 35A-1-109]~~ The  
 4845 division shall submit a report to the office for inclusion in the annual written report  
 4846 described in Section 63N-1a-306, the number and type of loan or grant awarded and a  
 4847 list of recipients that received a loan or grant award under this part.

4848 (3) The division, with board approval, may use fund money for the administration of the  
 4849 fund, ~~[but this amount may]~~ not to exceed 2% of the annual receipts to the fund.

4850 Section 82. Section **63N-22-701**, which is renumbered from Section 35A-8-1702 is renumbered  
 4851 and amended to read:

4852 **Part 7. Navaho Revitalization Fund**

4853 **[35A-8-1702] 63N-22-701 (Effective 07/01/26). Definitions.**

4854 As used in this part:

4855 (1) "Board" means the Navajo Revitalization Fund Board.

4856 (2) "Capital project" means an expenditure for land, improvements on the land, or

4857 equipment intended to have long-term beneficial use.

4858 (3) "Division" means the [Housing and Community Development Division] Division of

4859 Housing and Community Development within the Governor's Office of Economic

4860 Opportunity.

4861 (4) "Eligible entity" means:

4862 (a) the Navajo Nation;

4863 (b) a department or division of the Navajo Nation;

4864 (c) a Utah Navajo Chapter;

4865 (d) the Navajo Utah Commission;

4866 (e) an agency of the state or a political subdivision of the state; or

4867 (f) a nonprofit corporation.

4868 (5) "Navajo Utah Commission" means the commission created by Resolution

4869 IGRJN-134-92 of the Intergovernmental Relations Committee of the Navajo Nation

4870 Council.

4871 (6) "Revitalization fund" means the Navajo Revitalization Fund.

4872 (7) "Utah Navajo Chapter" means any of the following chapters of the Navajo Nation:

4873 (a) Aneth Chapter;

4874 (b) Dennehotso Chapter;

4875 (c) Mexican Water Chapter;

4876 (d) Navajo Mountain Chapter;

4877 (e) Oljato Chapter;

4878 (f) Red Mesa Chapter; and

4879 (g) Teec Nos Pos Chapter.

4880 Section 83. Section **63N-22-702**, which is renumbered from Section 35A-8-1703 is renumbered  
4881 and amended to read:

4882 **[35A-8-1703] 63N-22-702 (Effective 07/01/26). Purpose.**

4883 The purpose of this part is to:

4884 (1) maximize the long-term benefit of state severance taxes derived from lands in Utah held  
4885 in trust by the United States for the Navajo Nation and [its] the Navajo Nation members  
4886 by fostering funding mechanisms that will, consistent with sound financial practices,  
4887 result in the greatest use of financial resources for the greatest number of citizens of San  
4888 Juan County; and

4889 (2) promote cooperation and coordination between the state, [its] the state's political  
4890 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in  
4891 the development of oil and gas interests in Utah held in trust by the United States for the  
4892 Navajo Nation and [its] the Navajo Nation members.

4893 Section 84. Section **63N-22-703**, which is renumbered from Section 35A-8-1704 is renumbered  
4894 and amended to read:

4895 **[35A-8-1704] 63N-22-703 (Effective 07/01/26). Navajo Revitalization Fund.**

4896 (1)(a) There is created an expendable special revenue fund called the "Navajo  
4897 Revitalization Fund."

4898 (b) The revitalization fund shall consist of:

4899 (i) money deposited to the revitalization fund under this part;  
4900 (ii) money deposited to the revitalization fund under Section 59-5-119; and  
4901 (iii) any loan repayment or interest on a loan issued under this part.

4902 (2)(a) The revitalization fund shall earn interest.

4903 (b) The interest earned on revitalization fund money shall be deposited into the fund.

4904 (3) Beginning for fiscal year 2010-11, the division may use revitalization fund money for  
4905 the administration of the revitalization fund, ~~[but this amount may not]~~ not to exceed 4%  
4906 of the annual receipts to the revitalization fund.

4907 (4) The fund:

4908 (a) consists of state severance tax money to be spent at the discretion of the state; and  
4909 (b) does not constitute a trust fund.

4910 Section 85. Section **63N-22-704**, which is renumbered from Section 35A-8-1705 is renumbered  
4911 and amended to read:

4912 **[35A-8-1705] 63N-22-704 (Effective 07/01/26). Navajo Revitalization Fund**

4913 **Board.**

4914 (1) There is created within the division the Navajo Revitalization Fund Board composed of  
4915 five members as follows:

4916 (a) the governor or the governor's designee;  
4917 (b) the two members of the San Juan County commission whose districts include  
4918 portions of the Navajo Reservation;  
4919 (c) the chair of the Navajo Utah Commission or a member of the commission designated  
4920 by the chair of the Navajo Utah Commission; and  
4921 (d) beginning July 1, 2008, a president of a Utah Navajo Chapter or an individual  
4922 designated by the president under an annual rotation system of Utah Navajo Chapters

4923 as follows:

4924 (i) the president of a Utah Navajo Chapter shall serve for one year;

4925 (ii) the Utah Navajo Chapter is rotated in alphabetical order as provided in

4926 Subsection [35A-8-1702(7)] 63N-22-701(7), except that the rotation will begin on

4927 July 1, 2008, with the Dennehotso Chapter; and

4928 (iii) if the president of a Utah Navajo Chapter under Subsection (1)(d)(ii) is the same

4929 individual as the individual listed in Subsection (1)(c):

4930 (A) that Utah Navajo Chapter is skipped as part of [that] the annual rotation; and

4931 (B) the president of the next Utah Navajo Chapter in the alphabetical rotation shall

4932 serve on the board.

4933 (2) The term of office for a member of the board described in Subsections (1)(a) through (c)

4934 runs concurrently with the term of office for the governor, county commissioner, or

4935 member of the Navajo Utah Commission.

4936 (3)(a) The governor, or the governor's designee, [is] shall be the chair of the board.

4937 (b) The chair shall call necessary meetings.

4938 (4) A member may not receive compensation or benefits for the member's service, but may

4939 receive per diem and travel expenses in accordance with:

4940 (a) Section 63A-3-106;

4941 (b) Section 63A-3-107; and

4942 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

4943 63A-3-107.

4944 (5) The per diem and travel expenses permitted under Subsection (4) may be included as

4945 costs of administration of the revitalization fund.

4946 (6) Four board members are a quorum.

4947 (7) An affirmative vote of each member of the board present at a meeting when a quorum is

4948 present is required for a board decision related to money in or disbursed from the

4949 revitalization fund.

4950 Section 86. Section **63N-22-705**, which is renumbered from Section 35A-8-1706 is renumbered

4951 and amended to read:

4952 **[35A-8-1706] 63N-22-705 (Effective 07/01/26). Powers, functions, and duties of**

4953 **the revitalization fund board.**

4954 (1) The board shall:

4955 (a) direct the division regarding grants and loans from the revitalization fund to eligible

4956 entities to serve persons that are or may be socially or economically impacted,

directly or indirectly, by mineral resource development;

- (b) establish procedures for application for an award of grants and loans including eligibility criteria;
- (c) coordinate projects and programs with other projects and programs funded by federal, state, and local government entities;
- (d) determine the order in which projects will be funded; and
- (e) be subject to the procedures and requirements under Title 52, Chapter 4, Open and Public Meetings Act.

(2) The board may:

- (a) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; and
- (b) make rules, [under] in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, [if necessary to perform its responsibilities] to implement this part.

Section 87. Section **63N-22-706**, which is renumbered from Section 35A-8-1707 is renumbered and amended to read:

**[35A-8-1707] 63N-22-706 (Effective 07/01/26). Revitalization fund administered by board -- Eligibility for assistance -- Review by board -- Restrictions on loans and grants -- Division to distribute money -- Annual report.**

(1)[(a) If an eligible entity wishes to receive a loan or grant from the board, the eligible entity shall [file an application with the board] submit an application to the board that contains the information required by the board.

[~~(b)~~] (a) The board shall review an application for a loan or grant [~~filed~~] submitted under Subsection (1)(a) before approving the loan or grant.

[e] (b) The board may approve a loan or grant application subject to the applicant's compliance with the one or more conditions established by the board.

(2) In determining whether an eligible entity may receive a loan or grant, the board shall give priority to:

(a) a capital project or infrastructure, including:

(i) electrical power;

(ii) water; and

(iii) a one time need project;

(b) a housing project that consists of:

(i) the purchase of new housing;

- (ii) the construction of new housing; or
- (iii) a significant remodeling of existing housing; or

(c) a matching educational endowment that:

- (i) promotes economic development within the Utah portion of the Navajo Reservation;
- (ii) promotes the preservation of Navajo culture, history, and language; or
- (iii) supports a postsecondary educational opportunity for a Navajo student enrolled in a course or program taught within the Utah portion of the Navajo Reservation.

(3) A loan or grant issued under this part may not fund:

- (a) a start-up or operational cost of a private business venture;
- (b) a general operating budget of an eligible entity; or
- (c) a project that will operate or be located outside of the Navajo Reservation in San Juan County, Utah, except for an educational endowment approved by the board under Subsection (2)(c).

(4)(a) The board may not approve a loan unless the loan:

- (i) specifies the terms for repayment; and
- (ii) is secured by proceeds from a general obligation, special assessment, or revenue bond, note, or other obligation.

(b) The division shall deposit a loan repayment or interest on a loan issued under this part into the revitalization fund.

(5) The board shall give a priority to a loan or grant if the loan or grant includes matching money or in-kind services from:

- (a) the Navajo Nation;
- (b) San Juan County;
- (c) the state;
- (d) the federal government;
- (e) a Utah Navajo Chapter; or
- (f) other private or public organization.

(6) The division shall distribute loan and grant money:

- (a) if the loan or grant is approved by the board;
- (b) in accordance with the instructions of the board, except that the board may not instruct that money be distributed in a manner:

- (i) inconsistent with this part; or
- (ii) in violation of a rule or procedure of the department; and

5025 (c) [in the case of a loan] if the distribution is a loan, in accordance with Section  
5026 63A-3-205.

5027 (7) The division shall submit a report to the office for inclusion in the annual written report  
5028 described in Section 63N-1a-306, the number and type of loan or grant awarded and a  
5029 list of recipients that received a loan or grant award under this part.

5030 Section 88. Section **63N-22-801**, which is renumbered from Section 35A-16-601 is renumbered  
5031 and amended to read:

#### 5032 **Part 8. Homeless Housing and Services Grant Program**

##### 5033 **[35A-16-601] 63N-22-801 (Effective 07/01/26). Definitions.**

5034 As used in this part:

5035 (1) "COVID-19" means:  
5036 (a) severe acute respiratory syndrome coronavirus 2; or  
5037 (b) the disease caused by severe acute respiratory syndrome coronavirus 2.  
5038 (2) "COVID-19 emergency" means the spread of COVID-19 that the World Health  
5039 Organization declared a pandemic on March 11, 2020.  
5040 (3) "Grant program" means the COVID-19 Homeless Housing and Services Grant Program  
5041 established in Section [35A-16-602] 63N-22-802.

5042 Section 89. Section **63N-22-802**, which is renumbered from Section 35A-16-602 is renumbered  
5043 and amended to read:

##### 5044 **[35A-16-602] 63N-22-802 (Effective 07/01/26). COVID-19 Homeless Housing and** 5045 **Services Grant Program.**

5046 (1) There is established the COVID-19 Homeless Housing and Services Grant Program, a  
5047 competitive grant program administered by the office and funded in accordance with 42  
5048 U.S.C. Sec. 802.  
5049 (2) The office shall distribute money to fund one or more projects that:  
5050 (a) include affordable housing units for households:  
5051 (i) whose income is no more than 30% of the area median income for households of  
5052 the same size in the county or municipality where the project is located;  
5053 (ii) at rental rates no greater than 30% of the income described in Subsection (2)(a)(i)  
5054 for a household of:  
5055 (A) one person if the unit is an efficiency unit;  
5056 (B) two people if the unit is a one-bedroom unit;  
5057 (C) four people if the unit is a two-bedroom unit;  
5058 (D) five people if the unit is a three-bedroom unit;

5059 (E) six people if the unit is a four-bedroom unit; or  
5060 (F) eight people if the unit is a five-bedroom or larger unit; and  
5061 (iii) that have been impacted by the COVID-19 emergency in accordance with 42  
5062 U.S.C. Sec. 802; and  
5063 (b) have been approved by the board.

5064 (3) The office shall:

5065 (a) administer the grant program, including:  
5066 (i) reviewing grant applications and making recommendations to the board; and  
5067 (ii) distributing grant money to approved grant recipients; and  
5068 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
5069 make rules to administer the program, including:  
5070 (i) grant application requirements;  
5071 (ii) procedures to approve a grant; and  
5072 (iii) procedures for distributing money to grant recipients.

5073 (4) Except as provided in Subsection (5), when reviewing an application for approval, the  
5074 board shall consider:

5075 (a) an applicant's rental income plan;  
5076 (b) proposed case management and service plans for households;  
5077 (c) any matching funds proposed by an applicant;  
5078 (d) proposed restrictions, including deed restrictions, and the duration of restrictions on  
5079 housing units to facilitate long-term assistance to households;  
5080 (e) whether use of funds for the proposed project complies with 42 U.S.C. Sec. 802; and  
5081 (f) any other considerations as adopted by the board.

5082 (5) A licensed residential, vocational and life skills program, as defined in Section  
5083 13-53-102, is exempt from the requirements described in Subsections (4)(a), (b), and (f).

5084 (6) A grant award under this section shall comply with the requirements of 42 U.S.C. Sec.  
5085 802.

5086 Section 90. Section **72-1-215** is amended to read:

5087 **72-1-215 (Effective 07/01/26). Affordable housing study.**

5088 (1) As used in this section, "moderate income housing unit" means a housing unit that has  
5089 an appraised value that would allow, as estimated by the department, a household whose  
5090 income is no more than 80% of the area median income to occupy the housing unit  
5091 paying no more than 30% of the household's income for gross housing costs, including  
5092 utilities.

5093 (2) On or before September 15, the department shall provide a written report to the  
5094 Economic Development and Workforce Services Interim Committee [and to the  
5095 ~~Commission on Housing Affordability created in Section 35A-8-2201~~] and the Political  
5096 Subdivisions Interim Committee that describes:  
5097 (a) the total number of housing units that were permanently vacated or destroyed as a  
5098 result of department action in the previous fiscal year, including separate subtotals  
5099 describing the total number of housing units with one bedroom, two bedrooms, three  
5100 bedrooms, and four or more bedrooms, which were permanently vacated or destroyed  
5101 as a result of department action in the previous fiscal year; and  
5102 (b) the total number of moderate income housing units that were permanently vacated or  
5103 destroyed as a result of department action in the previous fiscal year, including  
5104 separate subtotals describing the total number of moderate income housing units with  
5105 one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which  
5106 were permanently vacated or destroyed as a result of department action in the  
5107 previous fiscal year.

5108 Section 91. Section **72-1-304** is amended to read:

5109 **72-1-304 (Effective 07/01/26). Written project prioritization process for new  
5110 transportation capacity projects -- Rulemaking.**

5111 (1)(a) The Transportation Commission, in consultation with the department and the  
5112 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a  
5113 written prioritization process for the prioritization of:  
5114 (i) new transportation capacity projects that are or will be part of the state highway  
5115 system under Chapter 4, Part 1, State Highways;  
5116 (ii) paved pedestrian or paved nonmotorized transportation projects described in  
5117 Section 72-2-124;  
5118 (iii) public transit projects that directly add capacity to the public transit systems  
5119 within the state, not including facilities ancillary to the public transit system; and  
5120 (iv) pedestrian or nonmotorized transportation projects that provide connection to a  
5121 public transit system.  
5122 (b)(i) A local government or public transit district may nominate a project for  
5123 prioritization in accordance with the process established by the commission in rule.  
5124 (ii) If a local government or public transit district nominates a project for  
5125 prioritization by the commission, the local government or public transit district  
5126 shall provide data and evidence to show that:

5127 (A) the project will advance the purposes and goals described in Section 72-1-211;  
5128 (B) for a public transit project, the local government or public transit district has  
5129 an ongoing funding source for operations and maintenance of the proposed  
5130 development; and  
5131 (C) the local government or public transit district will provide the percentage of  
5132 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or  
5133 72-2-124(10)(e).

5134 (2) The following shall be included in the written prioritization process under Subsection (1):

5135 (a) a description of how the strategic initiatives of the department adopted under Section  
5136 72-1-211 are advanced by the written prioritization process;  
5137 (b) a definition of the type of projects to which the written prioritization process applies;  
5138 (c) specification of a weighted criteria system that is used to rank proposed projects and  
5139 how it will be used to determine which projects will be prioritized;  
5140 (d) specification of the data that is necessary to apply the weighted ranking criteria; and  
5141 (e) any other provisions the commission considers appropriate, which may include  
5142 consideration of:  
5143 (i) regional and statewide economic development impacts, including improved local  
5144 access to:  
5145 (A) employment;  
5146 (B) educational facilities;  
5147 (C) recreation;  
5148 (D) commerce; and  
5149 (E) residential areas, including moderate income housing as demonstrated in the  
5150 local government's or public transit district's general plan in accordance with  
5151 Section 10-20-404 or 17-79-403;  
5152 (ii) the extent to which local land use plans relevant to a project support and  
5153 accomplish the strategic initiatives adopted under Section 72-1-211; and  
5154 (iii) any matching funds provided by a political subdivision or public transit district  
5155 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)  
5156 and 72-2-124(10)(e).

5157 (3)(a) When prioritizing a public transit project that increases capacity, the commission:

5158 (i) may give priority consideration to projects that are part of a transit-oriented  
5159 development or transit-supportive development as defined in Section 17B-2a-802;  
5160 and

5161 (ii) shall give priority consideration to projects that are within the boundaries of a  
5162 housing and transit reinvestment zone created in accordance with Title 63N,  
5163 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

5164 (b) When prioritizing a transportation project that increases capacity, the commission  
5165 may give priority consideration to projects that are:  
5166 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:  
5167 (A) the state is a participant in the transportation reinvestment zone; or  
5168 (B) the commission finds that the transportation reinvestment zone provides a  
5169 benefit to the state transportation system; or  
5170 (ii) within the boundaries of a housing and transit reinvestment zone created pursuant  
5171 to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

5172 (c) If the department receives a notice of prioritization for a municipality as described in  
5173 Subsection 10-21-202(5), or a notice of prioritization for a county as described in  
5174 Subsection 17-80-202(5), the commission may give priority consideration to  
5175 transportation projects that are within the boundaries of the municipality or the  
5176 unincorporated areas of the county until the department receives notification from the [  
5177 ~~Housing and Community Development Division within the Department of Workforce~~  
5178 ~~Services~~] Division of Housing and Community Development within the Governor's  
5179 Office of Economic Opportunity that the municipality or county no longer qualifies  
5180 for prioritization under this Subsection (3)(c).

5181 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),  
5182 the commission may give priority consideration to projects that improve connectivity  
5183 in accordance with Section 10-8-87.

5184 (4) In developing the written prioritization process, the commission:  
5185 (a) shall seek and consider public comment by holding public meetings at locations  
5186 throughout the state; and  
5187 (b) may not consider local matching dollars as provided under Section 72-2-123 unless  
5188 the state provides an equal opportunity to raise local matching dollars for state  
5189 highway improvements within each county.

5190 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
5191 Transportation Commission, in consultation with the department, shall make rules  
5192 establishing the written prioritization process under Subsection (1).

5193 (6) The commission shall submit the proposed rules under this section to the Transportation  
5194 Interim Committee for review before taking final action on the proposed rules or any

5195 proposed amendment to the rules described in Subsection (5).

5196 Section 92. Section **72-2-124** is amended to read:

5197 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

5198 (1) There is created a capital projects fund entitled the Transportation Investment Fund of

5199 2005.

5200 (2) The fund consists of money generated from the following sources:

5201 (a) any voluntary contributions received for the maintenance, construction,  
5202 reconstruction, or renovation of state and federal highways;

5203 (b) appropriations made to the fund by the Legislature;

5204 (c) registration fees designated under Section 41-1a-1201;

5205 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
5206 59-12-103;

5207 (e) revenues transferred to the fund in accordance with Section 72-2-106;

5208 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

5209 (g) revenue from bond proceeds described in Section 63B-34-201.

5210 (3)(a) The fund shall earn interest.

5211 (b) All interest earned on fund money shall be deposited into the fund.

5212 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund  
5213 money to pay:

5214 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
5215 federal highways prioritized by the Transportation Commission through the  
5216 prioritization process for new transportation capacity projects adopted under  
5217 Section 72-1-304;

5218 (ii) the costs of maintenance, construction, reconstruction, or renovation to the  
5219 highway projects described in Subsections 63B-18-401(2), (3), and (4);

5220 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in  
5221 Section 72-5-401;

5222 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
5223 minus the costs paid from the County of the First Class Highway Projects Fund in  
5224 accordance with Subsection 72-2-121(4)(e);

5225 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
5226 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the  
5227 amount certified by Salt Lake County in accordance with Subsection  
5228 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the

5229 revenue bonds issued by Salt Lake County;

5230 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101

5231 for projects prioritized in accordance with Section 72-2-125;

5232 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First

5233 Class Highway Projects Fund created in Section 72-2-121 to be used for the

5234 purposes described in Section 72-2-121;

5235 (viii) if a political subdivision provides a contribution equal to or greater than 40% of

5236 the costs needed for construction, reconstruction, or renovation of paved

5237 pedestrian or paved nonmotorized transportation for projects that:

5238 (A) mitigate traffic congestion on the state highway system;

5239 (B) are part of an active transportation plan approved by the department; and

5240 (C) are prioritized by the commission through the prioritization process for new

5241 transportation capacity projects adopted under Section 72-1-304;

5242 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,

5243 reconstruction, or renovation of or improvement to the following projects:

5244 (A) the connector road between Main Street and 1600 North in the city of

5245 Vineyard;

5246 (B) Geneva Road from University Parkway to 1800 South;

5247 (C) the SR-97 interchange at 5600 South on I-15;

5248 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to

5249 South Jordan Parkway;

5250 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;

5251 (F) improvements to 1600 North in Orem from 1200 West to State Street;

5252 (G) widening I-15 between mileposts 6 and 8;

5253 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;

5254 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197

5255 in Spanish Fork Canyon;

5256 (J) I-15 northbound between mileposts 43 and 56;

5257 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts

5258 43 and 45.1;

5259 (L) east Zion SR-9 improvements;

5260 (M) Toquerville Parkway;

5261 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;

5262 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,

5263 for construction of an interchange on Bangerter Highway at 13400 South; and  
5264 (P) an environmental impact study for Kimball Junction in Summit County;  
5265 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project  
5266 costs based upon a statement of cash flow that the local jurisdiction where the  
5267 project is located provides to the department demonstrating the need for money  
5268 for the project, for the following projects in the following amounts:  
5269 (A) \$5,000,000 for Payson Main Street repair and replacement;  
5270 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;  
5271 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and  
5272 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.  
5273 40 between mile markers 7 and 10;  
5274 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way  
5275 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road  
5276 over the railroad and to U.S. Highway 6;  
5277 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from  
5278 revenue deposited into the fund in accordance with Section 59-12-103, for the  
5279 following projects:  
5280 (A) \$3,000,000 for the department to perform an environmental study for the I-15  
5281 Salem and Benjamin project; and  
5282 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand  
5283 Dunes Road project; and  
5284 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of  
5285 right-of-way acquisition and construction for improvements on SR-89 in a county  
5286 of the first class.  
5287 (b) The executive director may use fund money to exchange for an equal or greater  
5288 amount of federal transportation funds to be used as provided in Subsection (4)(a).  
5289 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may  
5290 not commence until a right-of-way not owned by a federal agency that is required  
5291 for the realignment and extension of U-111, as described in the department's 2023  
5292 environmental study related to the project, is dedicated to the department.  
5293 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the  
5294 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the  
5295 department may proceed with the project, except that the project will be limited to  
5296 two lanes on U-111 from Herriman Parkway to 11800 South.

5297 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of  
5298 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive  
5299 director may not program fund money to a project prioritized by the commission  
5300 under Section 72-1-304, including fund money from the Transit Transportation  
5301 Investment Fund, within the boundaries of the municipality until the department  
5302 receives notification from the ~~Housing and Community Development Division~~  
5303 ~~within the Department of Workforce Services~~ Division of Housing and Community  
5304 Development within the Governor's Office of Economic Opportunity that ineligibility  
5305 under this Subsection (5) no longer applies to the municipality.

5306 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive  
5307 director:  
5308 (i) may program fund money in accordance with Subsection (4)(a) for a  
5309 limited-access facility or interchange connecting limited-access facilities;  
5310 (ii) may not program fund money for the construction, reconstruction, or renovation  
5311 of an interchange on a limited-access facility;  
5312 (iii) may program Transit Transportation Investment Fund money for a  
5313 multi-community fixed guideway public transportation project; and  
5314 (iv) may not program Transit Transportation Investment Fund money for the  
5315 construction, reconstruction, or renovation of a station that is part of a fixed  
5316 guideway public transportation project.

5317 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
5318 director before July 1, 2022, for projects prioritized by the commission under Section  
5319 72-1-304.

5320 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of  
5321 ineligibility for a county as described in Subsection 17-80-202(8), the executive  
5322 director may not program fund money to a project prioritized by the commission  
5323 under Section 72-1-304, including fund money from the Transit Transportation  
5324 Investment Fund, within the boundaries of the unincorporated area of the county until  
5325 the department receives notification from the ~~Housing and Community Development~~  
5326 ~~Division within the Department of Workforce Services~~ Division of Housing and  
5327 Community Development within the Governor's Office of Economic Opportunity  
5328 that ineligibility under this Subsection (6) no longer applies to the county.

5329 (b) Within the boundaries of the unincorporated area of a county described in Subsection  
5330 (6)(a), the executive director:

5331 (i) may program fund money in accordance with Subsection (4)(a) for a  
5332 limited-access facility to a project prioritized by the commission under Section  
5333 72-1-304;  
5334 (ii) may not program fund money for the construction, reconstruction, or renovation  
5335 of an interchange on a limited-access facility;  
5336 (iii) may program Transit Transportation Investment Fund money for a  
5337 multi-community fixed guideway public transportation project; and  
5338 (iv) may not program Transit Transportation Investment Fund money for the  
5339 construction, reconstruction, or renovation of a station that is part of a fixed  
5340 guideway public transportation project.

5341 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
5342 director before July 1, 2022, for projects prioritized by the commission under Section  
5343 72-1-304.

5344 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in  
5345 any fiscal year, the department and the commission shall appear before the Executive  
5346 Appropriations Committee of the Legislature and present the amount of bond  
5347 proceeds that the department needs to provide funding for the projects identified in  
5348 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current  
5349 or next fiscal year.

5350 (b) The Executive Appropriations Committee of the Legislature shall review and  
5351 comment on the amount of bond proceeds needed to fund the projects.

5352 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount  
5353 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
5354 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt  
5355 service or sinking fund.

5356 (9) The executive director may only use money in the fund for corridor preservation as  
5357 described in Subsection (4)(a)(iii):

5358 (a) if the project has been prioritized by the commission, including the use of fund  
5359 money for corridor preservation; or  
5360 (b) for a project that has not been prioritized by the commission, if the commission:  
5361 (i) approves the use of fund money for the corridor preservation; and  
5362 (ii) finds that the use of fund money for corridor preservation will not result in any  
5363 delay to a project that has been prioritized by the commission.

5364 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit

5365 Transportation Investment Fund.

5366 (b) The fund shall be funded by:

5367 (i) contributions deposited into the fund in accordance with Section 59-12-103;

5368 (ii) appropriations into the account by the Legislature;

5369 (iii) deposits of sales and use tax increment related to a housing and transit  
5370 reinvestment zone as described in Section 63N-3-610;

5371 (iv) transfers of local option sales and use tax revenue as described in Subsection  
5372 59-12-2220(11)(b) or (c);

5373 (v) private contributions; and

5374 (vi) donations or grants from public or private entities.

5375 (c)(i) The fund shall earn interest.

5376 (ii) All interest earned on fund money shall be deposited into the fund.

5377 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:

5378 (i) for public transit capital development of new capacity projects and fixed guideway  
5379 capital development projects to be used as prioritized by the commission through  
5380 the prioritization process adopted under Section 72-1-304;

5381 (ii) to the department for oversight of a fixed guideway capital development project  
5382 for which the department has responsibility; or

5383 (iii) up to \$500,000 per year, to be used for a public transit study.

5384 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize  
5385 money from the fund for a public transit capital development project or pedestrian  
5386 or nonmotorized transportation project that provides connection to the public  
5387 transit system if the public transit district or political subdivision provides funds of  
5388 equal to or greater than 30% of the costs needed for the project.

5389 (ii) A public transit district or political subdivision may use money derived from a  
5390 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide  
5391 all or part of the 30% requirement described in Subsection (10)(e)(i) if:

5392 (A) the loan is approved by the commission as required in Part 2, State  
5393 Infrastructure Bank Fund; and

5394 (B) the proposed capital project has been prioritized by the commission pursuant  
5395 to Section 72-1-303.

5396 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
5397 an agreement for a large public transit district to pay the department \$5,000,000 per  
5398 year for 15 years to be used to facilitate the purchase of zero emissions or low

emissions rail engines and trainsets for regional public transit rail systems.

(g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):

- (i) the commission may prioritize money from the fund for public transit projects, operations, or maintenance within the county of the first class; and
- (ii) Subsection (10)(e) does not apply.

(h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):

- (i) the commission may prioritize public transit projects, operations, or maintenance in the county from which the revenue was generated; and
- (ii) Subsection (10)(e) does not apply.

(i) The requirement to provide funds equal to or greater than 30% of the costs needed for the project described in Subsection (10)(e) does not apply to a public transit capital development project or pedestrian or nonmotorized transportation project that the department proposes.

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

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

(b) The fund shall be funded by:

- (i) money deposited into the fund in accordance with Section 59-12-103;
- (ii) appropriations into the account by the Legislature;
- (iii) private contributions; and
- (iv) donations or grants from public or private entities.

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

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

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

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

(f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any

5433 sales and use tax growth over sales and use tax collections during the 2025 fiscal year  
5434 to fund projects to provide ingress and egress for a public transit hub, including  
5435 construction of the public transit hub, in the Big Cottonwood Canyon area.

5436 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active  
5437 Transportation Investment Fund.

5438 (b) The fund shall be funded by:

- 5439 (i) money deposited into the fund in accordance with Section 59-12-103;
- 5440 (ii) appropriations into the account by the Legislature; and
- 5441 (iii) donations or grants from public or private entities.

5442 (c)(i) The fund shall earn interest.

- 5443 (ii) All interest earned on fund money shall be deposited into the fund.

5444 (d) The executive director may only use fund money to pay the costs needed for:

- 5445 (i) the planning, design, construction, maintenance, reconstruction, or renovation of  
5446 paved pedestrian or paved nonmotorized trail projects that:
  - 5447 (A) are prioritized by the commission through the prioritization process for new  
5448 transportation capacity projects adopted under Section 72-1-304;
  - 5449 (B) serve a regional purpose; and
  - 5450 (C) are part of an active transportation plan approved by the department or the  
5451 plan described in Subsection (12)(d)(ii);
- 5452 (ii) the development of a plan for a statewide network of paved pedestrian or paved  
5453 nonmotorized trails that serve a regional purpose; and
- 5454 (iii) the administration of the fund, including staff and overhead costs.

5455 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is  
5456 defined in Section 63N-3-602.

5457 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail  
5458 Subaccount.

5459 (c) The subaccount shall be funded by:

- 5460 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 5461 (ii) appropriations into the subaccount by the Legislature;
- 5462 (iii) private contributions; and
- 5463 (iv) donations or grants from public or private entities.

5464 (d)(i) The subaccount shall earn interest.

- 5465 (ii) All interest earned on money in the subaccount shall be deposited into the  
5466 subaccount.

5467 (e) As prioritized by the commission through the prioritization process adopted under  
5468 Section 72-1-304 or as directed by the Legislature, the department may only use  
5469 money from the subaccount for projects that improve the state's commuter rail  
5470 infrastructure, including the building or improvement of grade-separated crossings  
5471 between commuter rail lines and public highways.

5472 (f) Appropriations made in accordance with this section are nonlapsing in accordance  
5473 with Section 63J-1-602.1.

5474 Section 93. Section **73-10c-3** is amended to read:

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

**-- Purpose -- Members.**

5477 (1)(a) There is created within the Department of Natural Resources a Water  
5478 Development Coordinating Council. The council is comprised of:  
5479 (i) the director of the Division of Water Resources;  
5480 (ii) the executive secretary of the Water Quality Board;  
5481 (iii) the executive secretary of the Drinking Water Board;  
5482 (iv) the director of the ~~Housing and Community Development Division~~ Division of  
5483 Community Services or the director's designee;  
5484 (v) the state treasurer or the state treasurer's designee;  
5485 (vi) the commissioner of the Department of Agriculture and Food, or the  
5486 commissioner's designee; and  
5487 (vii) an individual appointed by the governor with the advice and consent of the  
5488 Senate who is:  
5489 (A) familiar with water infrastructure projects, including planning, financing,  
5490 construction, or operation; and  
5491 (B) employed by a water conservancy district that is subject to the asset  
5492 management criteria ~~of~~ described in Section 17B-2a-1010.  
5493 (b) The council shall choose a chair and vice chair from among the council's own  
5494 members, except the chair and vice chair may not be from the same department.  
5495 (c) A member may not receive compensation or benefits for the member's service, but  
5496 may receive per diem and travel expenses in accordance with:  
5497 (i) Section 63A-3-106;  
5498 (ii) Section 63A-3-107; and  
5499 (iii) rules made by the Division of Finance ~~pursuant to~~ in accordance with Sections  
5500 63A-3-106 and 63A-3-107.

5501 (2) The purposes of the council are to:

5502 (a) coordinate the use and application of the money available to the state to give  
5503 financial assistance to political subdivisions of this state so as to promote the  
5504 conservation, development, treatment, restoration, and protection of the waters of this  
5505 state;

5506 (b) promote the coordination of the financial assistance programs administered by the  
5507 state and the use of the financing alternative most economically advantageous to the  
5508 state and [its-] the political subdivisions of the state;

5509 (c) promote the consideration by the Board of Water Resources, Drinking Water Board,  
5510 and Water Quality Board of regional solutions to the water and wastewater needs of  
5511 individual political subdivisions of this state;

5512 (d) assess the adequacy and needs of the state and [its-] the political subdivisions [with  
5513 respect to] of the state concerning water-related infrastructures and advise the  
5514 governor and the Legislature on those funding needs;

5515 (e) conduct reviews and reports on water-related infrastructure issues as directed by  
5516 statute;

5517 (f) engage in planning and prioritization of water infrastructure projects in accordance  
5518 with Chapter 10g, Part 6, Planning and Prioritization; and

5519 (g) expend money from the Water Infrastructure Fund in accordance with Section  
5520 73-10g-107.

5521 **Section 94. Repealer.**

5522 This bill repeals:

5523 **Section 35A-8-306, Powers.**

5524 **Section 35A-8-504.5, Low-income ADU loan guarantee pilot program.**

5525 **Section 35A-8-504.6, Subordinate shared appreciation loan program.**

5526 **Section 35A-8-801, Title.**

5527 **Section 35A-8-802, Legislative policy and purpose.**

5528 **Section 35A-8-901, Assistance to domestic violence shelters -- Rulemaking authority.**

5529 **Section 35A-8-1605, Powers.**

5530 **Section 35A-8-1608, Deposits into fund.**

5531 **Section 35A-8-1708, Annual report.**

5532 **Section 35A-8-2101, Title -- Purpose.**

5533 **Section 35A-8-2201, Definitions.**

5534 **Section 35A-8-2202, Commission on Housing Affordability.**

5535                   Section **35A-8-2203, Duties of the commission.**

5536                   Section **35A-8-2204, Annual report.**

5537                   Section 95. **FY 2027 Appropriations.**

5538                   The following sums of money are appropriated for the fiscal year beginning July 1,

5539                   2026, and ending June 30, 2027. These are additions to amounts previously appropriated for

5540                   fiscal year 2027.

5541                   Subsection 95(a). **Operating and Capital Budgets**

5542                   Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the

5543                   Legislature appropriates the following sums of money from the funds or accounts indicated for

5544                   the use and support of the government of the state of Utah.

5545           ITEM 1    To Governor's Office of Economic Opportunity - Division of Housing and

5546                   Community Development

5547                   From General Fund	345,000
5548                   Schedule of Programs:	
5549                   Division of Housing and Community	
5550                   Development	345,000

5551           ITEM 2    To Governor's Office - Governor's Office Operations

5552                   From General Fund	(345,000)
5553                   Schedule of Programs:	
5554                   Administration	(345,000)

5555                   Section 96. **Effective Date.**

5556                   This bill takes effect on July 1, 2026.