

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

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 **35A-16-203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 530
73 **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30)**, as last amended by Laws
74 of Utah 2020, Chapter 234
75 **59-2-1101 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
76 Session, Chapter 15
77 **59-5-116 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401
78 **59-5-119 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 401
79 **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
80 Session, Chapter 15
81 **59-21-1 (Effective 07/01/26)**, as last amended by Laws of Utah 2021, Chapter 339
82 **59-21-2 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 113
83 **63A-3-205 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105
84 **63B-1b-102 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 105
85 **63B-1b-202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapters 362,
86 451
87 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
88 2025, Chapter 105
89 **63H-8-201 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 391
90 **63H-8-203 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2015,
91 Chapter 226
92 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27)**, as last amended by Laws of Utah
93 2025, Chapter 140
94 **72-1-215 (Effective 07/01/26)**, as enacted by Laws of Utah 2020, Chapter 268
95 **72-1-304 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
96 Session, Chapter 15

97 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
98 Session, Chapter 15

99 **73-10c-3 (Effective 07/01/26)**, as last amended by Laws of Utah 2024, Chapter 335
100 ENACTS:

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

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

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

104 RENUMBERS AND AMENDS:

105 **63N-22-104 (Effective 07/01/26)**, (Renumbered from 63J-4-402, as last amended by
106 Laws of Utah 2025, First Special Session, Chapter 15)

107 **63N-22-201 (Effective 07/01/26)**, (Renumbered from 35A-8-803, as last amended by
108 Laws of Utah 2025, First Special Session, Chapter 15)

109 **63N-22-202 (Effective 07/01/26)**, (Renumbered from 35A-8-804, as last amended by
110 Laws of Utah 2025, First Special Session, Chapters 15, 16)

111 **63N-22-203 (Effective 07/01/26)**, (Renumbered from 35A-8-805, as last amended by
112 Laws of Utah 2024, Chapter 438)

113 **63N-22-301 (Effective 07/01/26)**, (Renumbered from 35A-8-501, as last amended by
114 Laws of Utah 2017, Chapter 279)

115 **63N-22-302 (Effective 07/01/26)**, (Renumbered from 35A-8-502, as renumbered and
116 amended by Laws of Utah 2012, Chapter 212)

117 **63N-22-303 (Effective 07/01/26)**, (Renumbered from 35A-8-503, as last amended by
118 Laws of Utah 2024, Chapter 431)

119 **63N-22-304 (Effective 07/01/26)**, (Renumbered from 35A-8-504, as last amended by
120 Laws of Utah 2024, Chapter 413)

121 **63N-22-305 (Effective 07/01/26)**, (Renumbered from 35A-8-505, as last amended by
122 Laws of Utah 2025, Chapter 464)

123 **63N-22-306 (Effective 07/01/26)**, (Renumbered from 35A-8-506, as last amended by
124 Laws of Utah 2017, Chapter 279)

125 **63N-22-307 (Effective 07/01/26)**, (Renumbered from 35A-8-507, as last amended by
126 Laws of Utah 2016, Chapter 131)

127 **63N-22-308 (Effective 07/01/26)**, (Renumbered from 35A-8-507.5, as last amended
128 by Laws of Utah 2022, Chapter 406)

129 **63N-22-309 (Effective 07/01/26)**, (Renumbered from 35A-8-508, as last amended by
130 Laws of Utah 2022, Chapter 406)

131 **63N-22-310 (Effective 07/01/26)**, (Renumbered from 35A-8-509, as last amended by
132 Laws of Utah 2024, Chapter 381)

133 **63N-22-311 (Effective 07/01/26)**, (Renumbered from 35A-8-509.5, as enacted by
134 Laws of Utah 2022, Chapter 406)

135 **63N-22-312 (Effective 07/01/26)**, (Renumbered from 35A-8-510, as last amended by
136 Laws of Utah 2022, Chapter 406)

137 **63N-22-313 (Effective 07/01/26)**, (Renumbered from 35A-8-511, as last amended by
138 Laws of Utah 2022, Chapter 406)

139 **63N-22-314 (Effective 07/01/26)**, (Renumbered from 35A-8-512, as last amended by
140 Laws of Utah 2022, Chapter 406)

141 **63N-22-315 (Effective 07/01/26)**, (Renumbered from 35A-8-513, as last amended by
142 Laws of Utah 2022, Chapter 406)

143 **63N-22-316 (Effective 07/01/26)**, (Renumbered from 35A-8-2401, as last amended
144 by Laws of Utah 2024, Chapter 413)

145 **63N-22-401 (Effective 07/01/26)**, (Renumbered from 35A-8-2102, as renumbered
146 and amended by Laws of Utah 2018, Chapter 182)

147 **63N-22-402 (Effective 07/01/26)**, (Renumbered from 35A-8-2103, as last amended
148 by Laws of Utah 2024, Chapter 529)

149 **63N-22-403 (Effective 07/01/26)**, (Renumbered from 35A-8-2104, as renumbered
150 and amended by Laws of Utah 2018, Chapter 182)

151 **63N-22-404 (Effective 07/01/26)**, (Renumbered from 35A-8-2105, as last amended
152 by Laws of Utah 2022, Chapters 68, 406)

153 **63N-22-405 (Effective 07/01/26)**, (Renumbered from 35A-8-2106, as last amended
154 by Laws of Utah 2022, Chapter 406)

155 **63N-22-406 (Effective 07/01/26)**, (Renumbered from 35A-8-2107, as renumbered
156 and amended by Laws of Utah 2018, Chapter 182)

157 **63N-22-407 (Effective 07/01/26)**, (Renumbered from 35A-8-2108, as renumbered
158 and amended by Laws of Utah 2018, Chapter 182)

159 **63N-22-408 (Effective 07/01/26)**, (Renumbered from 35A-8-2109, as renumbered
160 and amended by Laws of Utah 2018, Chapter 182)

161 **63N-22-409 (Effective 07/01/26)**, (Renumbered from 35A-8-2110, as renumbered
162 and amended by Laws of Utah 2018, Chapter 182)

163 **63N-22-501 (Effective 07/01/26)**, (Renumbered from 35A-8-301, as last amended by
164 Laws of Utah 2025, Chapter 261)

165 **63N-22-502 (Effective 07/01/26)**, (Renumbered from 35A-8-302, as last amended by
166 Laws of Utah 2025, Chapter 277)

167 **63N-22-503 (Effective 07/01/26)**, (Renumbered from 35A-8-303, as renumbered and
168 amended by Laws of Utah 2012, Chapter 212)

169 **63N-22-504 (Effective 07/01/26)**, (Renumbered from 35A-8-304, as last amended by
170 Laws of Utah 2024, Chapter 529)

171 **63N-22-505 (Effective 07/01/26)**, (Renumbered from 35A-8-305, as last amended by
172 Laws of Utah 2021, Chapter 339)

173 **63N-22-506 (Effective 07/01/26)**, (Renumbered from 35A-8-307, as last amended by
174 Laws of Utah 2021, Chapter 339)

175 **63N-22-507 (Effective 07/01/26)**, (Renumbered from 35A-8-308, as last amended by
176 Laws of Utah 2025, Chapter 451)

177 **63N-22-508 (Effective 07/01/26)**, (Renumbered from 35A-8-309, as last amended by
178 Laws of Utah 2025, Chapter 451)

179 **63N-22-509 (Effective 07/01/26)**, (Renumbered from 35A-8-310, as last amended by
180 Laws of Utah 2025, Chapter 261)

181 **63N-22-601 (Effective 07/01/26)**, (Renumbered from 35A-8-1601, as last amended
182 by Laws of Utah 2019, Chapter 136)

183 **63N-22-602 (Effective 07/01/26)**, (Renumbered from 35A-8-1602, as last amended
184 by Laws of Utah 2025, Chapter 261)

185 **63N-22-603 (Effective 07/01/26)**, (Renumbered from 35A-8-1603, as renumbered
186 and amended by Laws of Utah 2012, Chapter 212)

187 **63N-22-604 (Effective 07/01/26)**, (Renumbered from 35A-8-1604, as last amended
188 by Laws of Utah 2019, Chapter 136)

189 **63N-22-605 (Effective 07/01/26)**, (Renumbered from 35A-8-1606, as renumbered
190 and amended by Laws of Utah 2012, Chapter 212)

191 **63N-22-606 (Effective 07/01/26)**, (Renumbered from 35A-8-1607, as last amended
192 by Laws of Utah 2014, Chapter 371)

193 **63N-22-701 (Effective 07/01/26)**, (Renumbered from 35A-8-1702, as last amended
194 by Laws of Utah 2019, Chapter 136)

195 **63N-22-702 (Effective 07/01/26)**, (Renumbered from 35A-8-1703, as last amended
196 by Laws of Utah 2025, Chapter 261)

197 **63N-22-703 (Effective 07/01/26)**, (Renumbered from 35A-8-1704, as last amended
198 by Laws of Utah 2025, Chapter 261)

199 **63N-22-704 (Effective 07/01/26)**, (Renumbered from 35A-8-1705, as last amended
200 by Laws of Utah 2016, Chapter 348)

201 **63N-22-705 (Effective 07/01/26)**, (Renumbered from 35A-8-1706, as renumbered
202 and amended by Laws of Utah 2012, Chapter 212)

203 **63N-22-706 (Effective 07/01/26)**, (Renumbered from 35A-8-1707, as last amended
204 by Laws of Utah 2019, Chapter 136)

205 **63N-22-801 (Effective 07/01/26)**, (Renumbered from 35A-16-601, as enacted by
206 Laws of Utah 2022, Chapter 467)

207 **63N-22-802 (Effective 07/01/26)**, (Renumbered from 35A-16-602, as last amended
208 by Laws of Utah 2025, Chapter 530)

209 REPEALS:

210 **35A-8-306 (Effective 07/01/26)**, as last amended by Laws of Utah 2019, Chapter 89

211 **35A-8-504.5 (Effective 07/01/26)**, as enacted by Laws of Utah 2021, Chapter 102

212 **35A-8-504.6 (Effective 07/01/26)**, as enacted by Laws of Utah 2025, Chapter 464

213 **35A-8-801 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
214 Chapter 212

215 **35A-8-802 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
216 Chapter 212

217 **35A-8-901 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 335

218 **35A-8-1605 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2012,
219 Chapter 212

220 **35A-8-1608 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 241

221 **35A-8-1708 (Effective 07/01/26)**, as last amended by Laws of Utah 2014, Chapter 371

222 **35A-8-2101 (Effective 07/01/26)**, as renumbered and amended by Laws of Utah 2018,
223 Chapter 182

224 **35A-8-2201 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

225 **35A-8-2202 (Effective 07/01/26)**, as last amended by Laws of Utah 2022, Chapter 118

226 **35A-8-2203 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, Chapter 512

227 **35A-8-2204 (Effective 07/01/26)**, as last amended by Laws of Utah 2020, Chapter 268

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

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

230 **9-9-104.5 (Effective 07/01/26). Meetings with Tribal Leaders and Native
231 American Indian organizations.**

233 (1) The division shall meet regularly with:

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

235 (b) individuals designated by elected officials of the Indian Tribal Nations described in

236 Subsection (1)(a).

237 (2)(a) Subject to Section 9-9-104.6, at least six times each year, the division shall

238 coordinate and attend a joint meeting of the representatives of tribal governments

239 listed in Subsection (2)(b) for the purpose of coordinating the efforts of state and

240 tribal governments in meeting the needs of the Native American Indians residing in

241 Utah.

242 (b)(i) The representatives to be included in the meeting described in Subsection (2)(a)

243 shall be elected officials, serve as representatives for [their] the entire elected term,

244 and be selected as follows:

245 (A) an elected Navajo Nation council delegate who resides in Utah or Arizona and

246 represents at least one Utah Navajo Chapter, as defined in Section [35A-8-1702]

247 63N-22-701, selected by the [President] president of the Navajo Nation;

248 (B) an elected official of the Ute Indian Tribe of the Uintah and Ouray

249 Reservation selected by the Uintah and Ouray Tribal Business Committee;

250 (C) an elected official of the Paiute Indian Tribe of Utah selected by the Paiute

251 Indian Tribe of Utah Tribal Council;

252 (D) an elected official of the Northwestern Band of the Shoshone Nation that

253 resides in Utah or Idaho selected by the Northwestern Band of the Shoshone

254 Nation Tribal Council;

255 (E) an elected official of the Confederated Tribes of the Goshute selected by the

256 Confederated Tribes of the Goshute Reservation Tribal Council;

257 (F) an elected official of the Skull Valley Band of Goshute Indians selected by the

258 Skull Valley Band of Goshute Indian Tribal Executive Committee;

259 (G) an elected official of the Ute Mountain Ute Tribe that resides in Utah or

260 Colorado selected by the Ute Mountain Ute Tribal Council; and

261 (H) an elected official of the San Juan Southern Paiute Tribe, residing in Utah or

262 Arizona, selected by the San Juan Southern Paiute Tribal Council.

263 (ii) Notwithstanding Subsection (2)(b)(i), if an elected official of an Indian Tribal

264 Nation provides notice to the division, the Indian Tribal Nation may designate an

265 individual other than the elected official selected under Subsection (2)(b)(i) to

266 represent the Indian Tribal Nation at an individual meeting held under Subsection

267 (2)(a).

268 (iii) A majority of members listed in Subsection (2)(b)(i) constitutes a quorum for
269 purposes of a meeting held under Subsection (2)(a). An action of a majority of
270 members present when a quorum is present constitutes action of the
271 representatives for purposes of a meeting described in Subsection (2)(a).

272 (c)(i) A meeting held in accordance with Subsection (2)(a) is subject to Title 52,
273 Chapter 4, Open and Public Meetings Act.

274 (ii) A meeting of representatives listed in Subsection (2)(b) is not subject to the
275 requirements of Title 52, Chapter 4, Open and Public Meetings Act[;
276 notwithstanding whether it] , whether the meeting is held on the same day as a
277 meeting held in accordance with Subsection (2)(a) if:

278 (A) the division does not coordinate the meeting described in this Subsection

279 (2)(c)(ii);

280 (B) no state agency participates in the meeting described in this Subsection
281 (2)(c)(ii);

282 (C) a representative receives no per diem or expenses under this section for
283 attending the meeting described in this Subsection (2)(c)(ii) that is in addition
284 to any per diem or expenses the representative receives under Subsection (2)(d)
285 for attending a meeting described in Subsection (2)(a); and

286 (D) the meeting described in this Subsection (2)(c)(ii) is not held:

287 (I) after a meeting described in Subsection (2)(a) begins; and

288 (II) before the meeting described in Subsection (2)(c)(ii)(D)(I) adjourns.

289 (d) A representative of a tribal government that attends a meeting held in accordance
290 with Subsection (2)(a) may not receive compensation or benefits for the
291 representative's service, but may receive per diem and travel expenses in accordance
292 with:

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

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

295 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
296 63A-3-107.

297 (e) For a meeting described in Subsection (2)(a), only the individuals described in
298 Subsection (2)(b) may receive per diem and expenses, as provided in Subsection
299 (2)(d).

300 (3) The division may meet as necessary with Native American Indian groups other than

301 tribal governments representing the interests of Native American Indians who are
302 citizens of the state residing on or off reservation land.

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

304 **10-21-101 (Effective 07/01/26). Definitions.**

305 As used in this part:

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

308 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

309 (3) "Applicable metropolitan planning organization" means the metropolitan planning
310 organization that has jurisdiction over the area in which a fixed guideway public transit
311 station is located.

312 (4) "Applicable public transit district" means the public transit district, as defined in Section
313 17B-2a-802, of which a fixed guideway public transit station is included.

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

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

319 (7) "Division" means the ~~Housing and Community Development Division within the~~
320 ~~Department of Workforce Services~~ Division of Housing and Community Development
321 within the Governor's Office of Economic Opportunity.

322 (8) "Existing fixed guideway public transit station" means a fixed guideway public transit
323 station for which construction begins before June 1, 2022.

324 (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

325 (10) "Home ownership promotion zone" means a home ownership promotion zone created
326 in accordance with this part.

327 (11) "Implementation plan" means the implementation plan adopted as part of the moderate
328 income housing element of a specified municipality's general plan as provided in
329 Subsection 10-21-201(4).

330 (12) "Initial report" or "initial moderate income housing report" means the one-time report
331 described in Subsection 10-21-202(1).

332 (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
333 (a) within a primary dwelling;
334 (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the

335 time the internal accessory dwelling unit is created; and

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

337 (14) "Moderate income housing strategy" means a strategy described in Subsection
338 10-21-201(3)(a)(iii).

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

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

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

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

344 (i) is detached; and

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

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

347 (i) is a habitable space; and

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

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

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

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

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

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

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

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

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

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

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

367 (22) "Specified municipality" means:

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

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

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

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

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

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

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

384 (25) "Subsequent progress report" means the annual report described in Subsection
385 10-21-202(2).

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

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

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

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

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

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

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

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

402 **10-21-201 (Effective 07/01/26). Moderate income housing plan required.**

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

405 (2) A moderate income housing plan:
406 (a) shall provide a realistic opportunity to meet the need for additional moderate income
407 housing within the municipality during the next five years;
408 (b) for a municipality that is not a specified municipality, may include a
409 recommendation to implement three or more of the moderate income housing
410 strategies described in Subsection (3)(a)(iii);
411 (c) for a specified municipality that does not have a fixed guideway public transit
412 station, shall include a recommendation to implement three or more of the moderate
413 income housing strategies described in Subsection (3)(a)(iii) or at least one of the
414 moderate income housing strategies described in Subsections (3)(a)(iii)(X) through
415 (CC);
416 (d) for a specified municipality that has a fixed guideway public transit station, shall
417 include:
418 (i) a recommendation to implement five or more of the moderate income housing
419 strategies described in Subsection (3)(a)(iii), of which one shall be the moderate
420 income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a
421 moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or
422 (ii) a recommendation to implement the moderate income housing strategy described
423 in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies
424 described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income
425 housing strategy described in Subsection (3)(a)(iii); and
426 (e) for a specified municipality shall include an implementation plan as provided in
427 Subsection (4).

428 (3)(a) In drafting the moderate income housing element, the planning commission:
429 (i) shall consider the Legislature's determination that municipalities shall facilitate a
430 reasonable opportunity for a variety of housing, including moderate income
431 housing:
432 (A) to meet the needs of people of various income levels living, working, or
433 desiring to live or work in the community; and
434 (B) to allow people with various incomes to benefit from and fully participate in
435 all aspects of neighborhood and community life;
436 (ii) for a municipality that is not a specified municipality, may include, and for a

437 specified municipality shall include, an analysis of how the municipality will
438 provide a realistic opportunity for the development of moderate income housing
439 within the next five years; and

440 (iii) for a municipality that is not a specified municipality, may include, and for a
441 specified municipality shall include, a recommendation to implement the required
442 number of any of the following moderate income housing strategies as specified in
443 Subsection (2):

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

446 (B) demonstrate investment in the rehabilitation or expansion of infrastructure that
447 facilitates the construction of moderate income housing;

448 (C) demonstrate investment in the rehabilitation of existing uninhabitable housing
449 stock into moderate income housing;

450 (D) identify and utilize general fund subsidies or other sources of revenue to
451 waive construction related fees that are otherwise generally imposed by the
452 municipality for the construction or rehabilitation of moderate income housing;

453 (E) create or allow for, and reduce regulations related to, internal or detached
454 accessory dwelling units in residential zones;

455 (F) zone or rezone for higher density or moderate income residential development
456 in commercial or mixed-use zones near major transit investment corridors,
457 commercial centers, or employment centers;

458 (G) amend land use regulations to allow for higher density or new moderate
459 income residential development in commercial or mixed-use zones near major
460 transit investment corridors;

461 (H) amend land use regulations to eliminate or reduce parking requirements for
462 residential development where a resident is less likely to rely on the resident's
463 own vehicle, such as residential development near major transit investment
464 corridors or senior living facilities;

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

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

467 (K) preserve existing and new moderate income housing and subsidized units by
468 utilizing a landlord incentive program, providing for deed restricted units
469 through a grant program[~~, or, notwithstanding Section 10-21-301,~~] or
470 establishing a housing loss mitigation fund;

- 471 (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- 472 (M) demonstrate creation of, or participation in, a community land trust program
- 473 for moderate income housing;
- 474 (N) implement a mortgage assistance program for employees of the municipality,
- 475 an employer that provides contracted services to the municipality, or any other
- 476 public employer that operates within the municipality;
- 477 (O) apply for or partner with an entity that applies for state or federal funds or tax
- 478 incentives to promote the construction of moderate income housing, an entity
- 479 that applies for programs offered by the Utah Housing Corporation within the
- 480 Utah Housing Corporation's funding capacity, an entity that applies for
- 481 affordable housing programs administered by[the Department of Workforce
- 482 Services] the Division of Housing and Community Development within the
- 483 Governor's Office of Economic Opportunity, an entity that applies for
- 484 affordable housing programs administered by an association of governments
- 485 established by an interlocal agreement under Title 11, Chapter 13, Interlocal
- 486 Cooperation Act, an entity that applies for services provided by a public
- 487 housing authority to preserve and create moderate income housing, or any
- 488 other entity that applies for programs or services that promote the construction
- 489 or preservation of moderate income housing;
- 490 (P) demonstrate utilization of a moderate income housing set aside from a
- 491 community reinvestment agency, redevelopment agency, or community
- 492 development and renewal agency to create or subsidize moderate income
- 493 housing;
- 494 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
- 495 accessory dwelling unit as defined in Section 10-21-101;
- 496 (R) create a program to transfer development rights for moderate income housing;
- 497 (S) ratify a joint acquisition agreement with another local political subdivision for
- 498 the purpose of combining resources to acquire property for moderate income
- 499 housing;
- 500 (T) develop a moderate income housing project for residents who are disabled or
- 501 55 years old or older;
- 502 (U) develop and adopt a station area plan in accordance with Section 10-21-203;
- 503 (V) create or allow for, and reduce regulations related to, multifamily residential
- 504 dwellings compatible in scale and form with detached single-family residential

dwellings and located in walkable communities within residential or mixed-use zones;

(W) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality 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;

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

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

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

(AA) 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;

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

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

(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)(iii).

(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 municipality 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 municipality, whether one-time or ongoing; and

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

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

540 **10-21-202 (Effective 07/01/26). Moderate income housing report -- Contents --**

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

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

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

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

552 (c) The initial report shall:

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

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

561 (b) The subsequent progress report shall include:

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

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

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

573 strategies;

574 (iv) information regarding the number of internal and external or detached accessory
575 dwelling units located within the specified municipality for which the specified
576 municipality:
577 (A) issued a building permit to construct; or
578 (B) issued a business license or comparable license or permit to rent;
579 (v) the number of residential dwelling units that have been entitled that have not
580 received a building permit as of the submission date of the progress report;
581 (vi) shapefiles, or website links if shapefiles are not available, to current maps and
582 tables related to zoning;
583 (vii) a description of how the market has responded to the selected moderate income
584 housing strategies, including the number of entitled moderate income housing
585 units or other relevant data; and
586 (viii) any recommendations on how the state can support the specified municipality
587 in implementing the moderate income housing strategies.

588 (c) For purposes of describing actions taken by a specified municipality under
589 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken
590 by the specified municipality before the 12-month reporting period applicable to the
591 subsequent progress report if the specified municipality:
592 (i) has already adopted an ordinance, approved a land use application, made an
593 investment, or approved an agreement or financing that substantially promotes the
594 implementation of a moderate income housing strategy identified in the initial
595 report; and
596 (ii) demonstrates in the subsequent progress report that the action taken under
597 Subsection (2)(c)(i) is relevant to making meaningful progress towards the
598 specified municipality's implementation plan.

599 (d) A specified municipality's report shall be in a form:
600 (i) approved by the division; and
601 (ii) made available by the division on or before May 1 of the year in which the report
602 is required.

603 (3) Within 90 days after the day on which the division receives a specified municipality's
604 report, the division shall:
605 (a) post the report on the division's website;
606 (b) send a copy of the report to the Department of Transportation, the Governor's Office

607 of Planning and Budget, the association of governments in which the specified
608 municipality is located, and, if the specified municipality is located within the
609 boundaries of a metropolitan planning organization, the appropriate metropolitan
610 planning organization; and

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

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

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

614 (ii) demonstrates to the division that the specified municipality made plans to
615 implement:

616 (A) three or more moderate income housing strategies if the specified
617 municipality does not have a fixed guideway public transit station; or
618 (B) if the specified municipality has a fixed guideway public transit station:
619 (I) five or more of the moderate income housing strategies described in
620 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
621 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
622 shall be a moderate income housing strategy described in Subsection
623 10-21-201(3)(a)(iii)(G) or (H); or

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

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

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

630 (i) demonstrates to the division that the specified municipality made plans to
631 implement:

632 (A) three or more moderate income housing strategies if the specified
633 municipality does not have a fixed guideway public transit station; or
634 (B) if the specified municipality has a fixed guideway public transit station:

635 (I) five or more of the moderate income housing strategies described in
636 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
637 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
638 shall be a moderate income housing strategy described in Subsection
639 10-21-201(3)(a)(iii)(G) or (H); or

640 (II) the moderate income housing strategy described in Subsection

641 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
642 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
643 moderate income housing strategy described in Subsection
644 10-21-201(3)(a)(iii);

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

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

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

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

- 663 (A) a housing and transit reinvestment zone, as described in Subsection
664 10-21-201(3)(a)(iii)(X);
- 665 (B) a home ownership promotion zone, as described in Subsection
666 10-21-201(3)(a)(iii)(Y);
- 667 (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
- 668 (D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);
- 669 (E) a qualifying affordable home ownership density bonus for single-family
670 residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
- 671 (F) a qualifying affordable home ownership density bonus for multi-family
672 residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).

673 (ii) If the division considers one moderate income housing strategy described in
674 Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies,

675 the division shall also consider the specified municipality compliant with the
676 reporting requirement described in this section for:

677 (A) the year in which the specified municipality submits the initial report or
678 subsequent report; and
679 (B) two subsequent reporting years.

680 (5)(a) A specified municipality qualifies for priority consideration under this Subsection

681 (5) if the specified municipality's report:

682 (i) complies with this section; and

683 (ii) demonstrates to the division that the specified municipality made plans to
684 implement:

685 (A) five or more moderate income housing strategies if the specified municipality
686 does not have a fixed guideway public transit station; or
687 (B) six or more moderate income housing strategies if the specified municipality
688 has a fixed guideway public transit station.

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

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

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

697 (i) name the specified municipality that qualifies for priority consideration;

698 (ii) describe the funds or projects for which the specified municipality qualifies to
699 receive priority consideration; and

700 (iii) state the basis for the division's determination that the specified municipality
701 qualifies for priority consideration.

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

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

708 (b) A specified municipality that receives a notice of noncompliance may:

709 (i) cure each deficiency in the report within 90 days after the day on which the notice
710 of noncompliance is sent; or
711 (ii) request an appeal of the division's determination of noncompliance within 10
712 days after the day on which the notice of noncompliance is sent.

713 (c) The notice described in Subsection (6)(a) shall:
714 (i) describe each deficiency in the report and the actions needed to cure each
715 deficiency;
716 (ii) state that the specified municipality has an opportunity to:
717 (A) submit to the division a corrected report that cures each deficiency in the
718 report within 90 days after the day on which the notice of compliance is sent; or
719 (B) submit to the division a request for an appeal of the division's determination of
720 noncompliance within 10 days after the day on which the notice of
721 noncompliance is sent; and
722 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
723 specified municipality's ineligibility for funds under Subsection (8).

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

728 (e)(i) If a specified municipality submits to the division a corrected report in
729 accordance with Subsection (6)(b)(i) and the division determines that the
730 corrected report does not comply with this section, the division shall send a
731 second notice of noncompliance to the legislative body of the specified
732 municipality within 30 days after the day on which the corrected report is
733 submitted.
734 (ii) A specified municipality that receives a second notice of noncompliance may
735 submit to the division a request for an appeal of the division's determination of
736 noncompliance within 10 days after the day on which the second notice of
737 noncompliance is sent.
738 (iii) The notice described in Subsection (6)(e)(i) shall:
739 (A) state that the specified municipality has an opportunity to submit to the
740 division a request for an appeal of the division's determination of
741 noncompliance within 10 days after the day on which the second notice of
742 noncompliance is sent; and

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

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

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

752 (i) one individual appointed by the Utah League of Cities and Towns;
753 (ii) one individual appointed by the Utah Homebuilders Association; and
754 (iii) one individual appointed by the presiding member of the association of
755 governments, established in accordance with an interlocal agreement under Title
756 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is
757 a member.

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

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

761 (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:

762 (i) the specified municipality fails to submit a report to the division;
763 (ii) after submitting a report to the division, the division determines that the report
764 does not comply with this section and the specified municipality fails to:
765 (A) cure each deficiency in the report within 90 days after the day on which the
766 notice of noncompliance is sent; or
767 (B) request an appeal of the division's determination of noncompliance within 10
768 days after the day on which the notice of noncompliance is sent;

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

774 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
775 issues a written decision upholding the division's determination of noncompliance.

776 (b) The following apply to a specified municipality described in Subsection (8)(a) until

777 the division provides notice under Subsection (8)(e):

778 (i) the executive director of the Department of Transportation may not program funds
779 from the Transportation Investment Fund of 2005, including the Transit
780 Transportation Investment Fund, to projects located within the boundaries of the
781 specified municipality in accordance with Subsection 72-2-124(5);
782 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
783 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
784 the specified municipality:
785 (A) fails to submit the report to the division in accordance with this section,
786 beginning the day after the day on which the report was due; or
787 (B) fails to cure the deficiencies in the report, beginning the day after the day by
788 which the cure was required to occur as described in the notice of
789 noncompliance under Subsection (6); and
790 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
791 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
792 the specified municipality, in a consecutive year:
793 (A) fails to submit the report to the division in accordance with this section,
794 beginning the day after the day on which the report was due; or
795 (B) fails to cure the deficiencies in the report, beginning the day after the day by
796 which the cure was required to occur as described in the notice of
797 noncompliance under Subsection (6).
798 (c) Upon determining that a specified municipality is ineligible for funds under this
799 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
800 division shall send a notice of ineligibility to the legislative body of the specified
801 municipality, the Department of Transportation, the State Tax Commission, and the
802 Governor's Office of Planning and Budget.
803 (d) The notice described in Subsection (8)(c) shall:
804 (i) name the specified municipality that is ineligible for funds;
805 (ii) describe the funds for which the specified municipality is ineligible to receive;
806 (iii) describe the fee the specified municipality is required to pay under Subsection
807 (8)(b), if applicable; and
808 (iv) state the basis for the division's determination that the specified municipality is
809 ineligible for funds.
810 (e) The division shall notify the legislative body of a specified municipality and the

811 Department of Transportation in writing if the division determines that the provisions
812 of this Subsection (8) no longer apply to the specified municipality.

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

818 (9) In a civil action seeking enforcement or claiming a violation of this section or of
819 Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded
820 only injunctive or other equitable relief.

821 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
825 guideway public transit station located within the municipality's boundaries shall, for
826 the station area:

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

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

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

837 (B) the municipality adopts a resolution finding that the objectives of Subsection
838 (6)(a) have been substantially promoted; or

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

845 similar conditions; and

846 (B) the municipality adopts a resolution describing the conditions that exist to
847 make satisfying the requirements of Subsection (1)(a) impracticable.

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

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

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

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

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

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

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

879 the date of receipt.

880 (ii)(A) A municipality is not required to satisfy the requirements of Subsection
881 (1)(a) for more than two station areas under Subsection (2)(d)(i) within any
882 12-month period.

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

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

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

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

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

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

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

913 organization.

914 (b) An applicable metropolitan planning organization that receives funds from the
915 Governor's Office of Economic Opportunity under Section 63N-3-113 shall, when
916 utilizing the funds, give priority consideration to requests for technical assistance for
917 station area plans required under Subsection (2)(d).

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

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

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

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

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

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

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

943 (A) maintaining and improving the connections between housing, transit,
944 employment, education, recreation, and commerce;
945 (B) encouraging mixed-use development;
946 (C) enabling employment and educational opportunities within the station area;

947 (D) encouraging and promoting enhanced broadband connectivity; or
948 (E) any other similar action that promotes the objective described in Subsection
949 (6)(a)(iii).

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

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

962 (a) a station area vision that:
963 (i) is consistent with Subsection (6); and
964 (ii) describes the following:
965 (A) opportunities for the development of land within the station area under
966 existing conditions;
967 (B) constraints on the development of land within the station area under existing
968 conditions;
969 (C) the municipality's objectives for the transportation system within the station
970 area and the future transportation system that meets those objectives;
971 (D) the municipality's objectives for land uses within the station area and the
972 future land uses that meet those objectives;
973 (E) the municipality's objectives for public and open spaces within the station area
974 and the future public and open spaces that meet those objectives; and
975 (F) the municipality's objectives for the development of land within the station
976 area and the future development standards that meet those objectives;
977 (b) a map that depicts:
978 (i) the station area;
979 (ii) the area within the station area to which the station area plan applies, provided
980 that the station area plan may apply to areas outside the station area, and the

station area plan is not required to apply to the entire station area; and

(iii) the area where each action is needed to implement the station area plan;

(c) an implementation plan that identifies and describes each action needed within the next five years to implement the station area plan, and the party responsible for taking each action, including any actions to:

(i) modify land use regulations;

(ii) make infrastructure improvements;

(iii) modify deeds or other relevant legal documents;

(iv) secure funding or develop funding strategies;

(v) establish design standards for development within the station area; or

(vi) provide environmental remediation;

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

(e) as an alternative or supplement to the requirements of Subsection (6) or this Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes any conditions that would make the following impracticable:

(i) promoting the objectives described in Subsection (6)(a); or

(ii) satisfying the requirements of this Subsection (7).

(8) A municipality shall develop a station area plan with the involvement of all relevant stakeholders that have an interest in the station area through public outreach and community engagement, including:

(a) other impacted communities;

(b) the applicable public transit district;

(c) the applicable metropolitan planning organization;

(d) the Department of Transportation;

(e) owners of property within the station area; and

(f) the municipality's residents and business owners.

(9)(a) A municipality that is required to develop and adopt a station area plan for a station area under this section shall submit to the applicable metropolitan planning organization and the applicable public transit district documentation evidencing that the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station area, including:

(i) a station area plan; or

(ii) a resolution adopted under Subsection (1)(b)(i) or (ii).

1015 (b) The applicable metropolitan planning organization, in consultation with the
1016 applicable public transit district, shall:
1017 (i) review the documentation submitted under Subsection (9)(a) to determine the
1018 municipality's compliance with this section; and
1019 (ii) provide written certification to the municipality if the applicable metropolitan
1020 planning organization determines that the municipality has satisfied the
1021 requirement of Subsection (1)(a)(i) for the station area.
1022 (c) The municipality shall include the certification described in Subsection (9)(b)(ii) in
1023 the municipality's report to the ~~Department of Workforce Services~~ Division of
1024 Housing and Community Development within the Governor's Office of Economic
1025 Opportunity under Section 10-21-202.

1026 (10)(a) Following certification by a metropolitan planning organization of a
1027 municipality's station area plan under Subsection (9)(b)(ii), the municipality shall
1028 provide a report to the applicable metropolitan planning organization on or before
1029 December 31 of the fifth year after the year in which the station area plan was
1030 certified, and every five years thereafter for a period not to exceed 15 years.
1031 (b) The report described in Subsection (10)(a) shall:
1032 (i) contain the status of advancing the station area plan objectives, including, if
1033 applicable, actions described in the implementation plan required in Subsection
1034 (7)(c); and
1035 (ii) identify potential actions over the next five years that would advance the station
1036 area plan objectives.
1037 (c) If a municipality has multiple certified station area plans, the municipality may
1038 consolidate the reports required in Subsection (10)(a) for the purpose of submitting
1039 reports to the metropolitan planning organization.

1040 Section 6. Section **11-13-103** is amended to read:

1041 **11-13-103 (Effective 07/01/26). Definitions.**

1042 As used in this chapter:

1043 (1)(a) "Additional project capacity" means electric generating capacity provided by a
1044 generating unit that first produces electricity on or after May 6, 2002, and that is
1045 constructed or installed at or adjacent to the site of a project that first produced
1046 electricity before May 6, 2002, regardless of whether:
1047 (i) the owners of the new generating unit are the same as or different from the owner
1048 of the project; and

1049 (ii) the purchasers of electricity from the new generating unit are the same as or
1050 different from the purchasers of electricity from the project.

1051 (b) "Additional project capacity" does not mean or include replacement project capacity.

1052 (2) "Board" means the Permanent Community Impact Fund Board created by Section [
1053 ~~35A-8-304~~ 63N-22-504, and [its] the board's successors.

1054 (3) "Candidate" means one or more of:

1055 (a) the state;

1056 (b) a county, municipality, school district, special district, special service district, or
1057 other political subdivision of the state; and

1058 (c) a prosecution district.

1059 (4) "Commercial project entity" means a project entity, defined in Subsection (18), that:

1060 (a) has no taxing authority; and

1061 (b) is not supported in whole or in part by and does not expend or disburse tax revenues.

1062 (5) "Direct impacts" means an increase in the need for public facilities or services that is
1063 attributable to the project or facilities providing additional project capacity, except
1064 impacts resulting from the construction or operation of a facility that is:

1065 (a) owned by an owner other than the owner of the project or of the facilities providing
1066 additional project capacity; and

1067 (b) used to furnish fuel, construction, or operation materials for use in the project.

1068 (6) "Electric interlocal entity" means an interlocal entity described in Subsection
1069 11-13-203(3).

1070 (7) "Energy services interlocal entity" means an interlocal entity that is described in
1071 Subsection 11-13-203(4).

1072 (8)(a) "Estimated electric requirements," when used with respect to a qualified energy
1073 services interlocal entity, includes any of the following that meets the requirements of
1074 Subsection (8)(b):

1075 (i) generation capacity;

1076 (ii) generation output; or

1077 (iii) an electric energy production facility.

1078 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements" if [
1079 ~~it~~] the item is needed by the qualified energy services interlocal entity to perform the
1080 qualified energy services interlocal entity's contractual or legal obligations to any of
1081 ~~its~~] the qualified energy services interlocal entity's members.

1082 (9)(a) "Facilities providing replacement project capacity" means facilities that have

1083 been, are being, or are proposed to be constructed, reconstructed, converted,
1084 repowered, acquired, leased, used, or installed to provide replacement project
1085 capacity.

1086 (b) "Facilities providing replacement project capacity" includes facilities that have been,
1087 are being, or are proposed to be constructed, reconstructed, converted, repowered,
1088 acquired, leased, used, or installed:

1089 (i) to support and facilitate the construction, reconstruction, conversion, repowering,
1090 installation, financing, operation, management, or use of replacement project
1091 capacity; or

1092 (ii) for the distribution of power generated from existing capacity or replacement
1093 project capacity to facilities located on real property in which the project entity
1094 that owns the project has an ownership, leasehold, right-of-way, or permitted
1095 interest.

1096 (10) "Governing authority" means a governing board or joint administrator.

1097 (11)(a) "Governing board" means the body established in reliance on the authority
1098 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

1099 (b) "Governing board" includes a board of directors described in an agreement, as
1100 amended, that creates a project entity.

1101 (c) "Governing board" does not include a board as defined in Subsection (2).

1102 (12) "Interlocal entity" means:

1103 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal
1104 entity; or

1105 (b) a separate legal or administrative entity created under Section 11-13-205.

1106 (13) "Joint administrator" means an administrator or joint board described in Section
1107 11-13-207 to administer a joint or cooperative undertaking.

1108 (14) "Joint or cooperative undertaking" means an undertaking described in Section
1109 11-13-207 that is not conducted by an interlocal entity.

1110 (15) "Member" means a public agency that, with another public agency, creates an
1111 interlocal entity under Section 11-13-203.

1112 (16) "Out-of-state public agency" means a public agency as defined in Subsection (19)(c),
1113 (d), or (e).

1114 (17)(a) "Project":

1115 (i) means an electric generation and transmission facility owned by a Utah interlocal
1116 entity or an electric interlocal entity; and

1117 (ii) includes fuel facilities, fuel production facilities, fuel transportation facilities,
1118 energy storage facilities, or water facilities that are:
1119 (A) owned by that Utah interlocal entity or electric interlocal entity; and
1120 (B) required for the generation and transmission facility.

1121 (b) "Project" includes a project entity's ownership interest in:

1122 (i) facilities that provide additional project capacity;
1123 (ii) facilities providing replacement project capacity;
1124 (iii) additional generating, transmission, fuel, fuel transportation, water, or other
1125 facilities added to a project; and
1126 (iv) a Utah interlocal energy hub, as defined in Section 11-13-602.

1127 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that owns
1128 a project as defined in this section.

1129 (19) "Public agency" means:

1130 (a) a city, town, county, school district, special district, special service district, an
1131 interlocal entity, or other political subdivision of the state;
1132 (b) the state or any department, division, or agency of the state;
1133 (c) any agency of the United States;
1134 (d) any political subdivision or agency of another state or the District of Columbia
1135 including any interlocal cooperation or joint powers agency formed under the
1136 authority of the law of the other state or the District of Columbia; or
1137 (e) any Indian tribe, band, nation, or other organized group or community which is
1138 recognized as eligible for the special programs and services provided by the United
1139 States to Indians because of their status as Indians.

1140 (20) "Public agency insurance mutual" means the same as that term is defined in Subsection
1141 31A-1-103(7).

1142 (21) "Qualified energy services interlocal entity" means an energy services interlocal entity
1143 that at the time that the energy services interlocal entity acquires[its] the energy services
1144 interlocal entity's interest in facilities providing additional project capacity has at least
1145 five members that are Utah public agencies.

1146 (22) "Replacement project capacity" means electric generating capacity or transmission
1147 capacity that:

1148 (a) replaces all or a portion of the existing electric generating or transmission capacity of
1149 a project; and
1150 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected

1151 with the site of a project, regardless of whether:

1152 (i) the capacity replacing existing capacity is less than or exceeds the generating or
1153 transmission capacity of the project existing before installation of the capacity
1154 replacing existing capacity;

1155 (ii) the capacity replacing existing capacity is owned by the project entity that is the
1156 owner of the project, a segment established by the project entity, or a person with
1157 whom the project entity or a segment established by the project entity has
1158 contracted; or

1159 (iii) the facility that provides the capacity replacing existing capacity is constructed,
1160 reconstructed, converted, repowered, acquired, leased, used, or installed before or
1161 after any actual or anticipated reduction or modification to existing capacity of the
1162 project.

1163 (23) "Reserve fund" means the same as that term is defined in Subsection 31A-1-103(7).

1164 (24) "Transportation reinvestment zone" means an area created by two or more public
1165 agencies by interlocal agreement to capture increased property or sales tax revenue
1166 generated by a transportation infrastructure project as described in Section 11-13-227.

1167 (25) "Utah interlocal entity":

1168 (a) means an interlocal entity described in Subsection 11-13-203(2); and
1169 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,
1170 Chapter 47, Section 3, as amended.

1171 (26) "Utah public agency" means a public agency under Subsection (19)(a) or (b).

1172 Section 7. Section **17-80-101** is amended to read:

1173 **17-80-101 (Effective 07/01/26). Definitions.**

1174 As used in this part:

1175 (1) "Affordable housing" means housing offered for sale at 80% or less of the median
1176 county home price for housing of that type.

1177 (2) "Agency" means the same as that term is defined in Section 17C-1-102.

1178 (3) "Base taxable value" means a property's taxable value as shown upon the assessment
1179 roll last equalized during the base year.

1180 (4) "Base year" means, for a proposed home ownership promotion zone area, a year
1181 beginning the first day of the calendar quarter determined by the last equalized tax roll
1182 before the adoption of the home ownership promotion zone.

1183 (5) "Division" means the [Housing and Community Development Division within the
1184 Department of Workforce Services] Division of Housing and Community Development

1185 within the Governor's Office of Economic Opportunity.

1186 (6) "Home ownership promotion zone" means a home ownership promotion zone created in
1187 accordance with this part.

1188 (7) "Implementation plan" means the implementation plan adopted as part of the moderate
1189 income housing element of a specified county's general plan.

1190 (8) "Initial report" means the one-time moderate income housing report described in
1191 Subsection 17-80-202(1).

1192 (9) "Internal accessory dwelling unit" means an accessory dwelling unit created:

1193 (a) within a primary dwelling;

1194 (b) within the footprint of the detached primary dwelling at the time the internal
1195 accessory dwelling unit is created; and

1196 (c) for the purpose of offering a long-term rental of 30 consecutive days or longer.

1197 (10) "Moderate income housing strategy" means a strategy described in Section 17-80-201.

1198 (11) "Participant" means the same as that term is defined in Section 17C-1-102.

1199 (12) "Participation agreement" means the same as that term is defined in Section 17C-1-102.

1200 (13)(a) "Primary dwelling" means a single-family dwelling that:

1201 (i) is detached; and

1202 (ii) is occupied as the primary residence of the owner of record.

1203 (b) "Primary dwelling" includes a garage if the garage:

1204 (i) is a habitable space; and

1205 (ii) is connected to the primary dwelling by a common wall.

1206 (14) "Project improvements" means the same as that term is defined in Section 11-36a-102.

1207 (15) "Report" means an initial report or a subsequent report described in Section 17-80-202.

1208 (16) "Specified county" means a county of the first, second, or third class, which has a
1209 population of more than 5,000 in the county's unincorporated areas.

1210 (17) "Subsequent progress report" means the annual moderate income housing report
1211 described in Section 17-80-202.

1212 (18) "System improvements" means the same as that term is defined in Section 11-36a-102.

1213 (19) "Tax commission" means the State Tax Commission created in Section 59-1-201.

1214 (20)(a) "Tax increment" means the difference between:

1215 (i) the amount of property tax revenue generated each tax year by a taxing entity from
1216 the area within a home ownership promotion zone, using the current assessed
1217 value and each taxing entity's current certified tax rate as defined in Section
1218 59-2-924; and

1219 (ii) the amount of property tax revenue that would be generated from that same area
1220 using the base taxable value and each taxing entity's current certified tax rate as
1221 defined in Section 59-2-924.

1222 (b) "Tax increment" does not include property revenue from:
1223 (i) a multicounty assessing and collecting levy described in Subsection 59-2-1602(2);
1224 or
1225 (ii) a county additional property tax described in Subsection 59-2-1602(4).

1226 (21) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

1227 Section 8. Section **17-80-201** is amended to read:

1228 **17-80-201 (Effective 07/01/26). Moderate income housing plan required.**

1229 (1) A moderate income housing element of a general plan shall include a moderate income
1230 housing element that meets the requirements of this section.

1231 (2) For a specified county, as defined in Section 17-80-101, a moderate income housing
1232 element shall:
1233 (a) provide a realistic opportunity to meet the need for additional moderate income
1234 housing within the next five years;
1235 (b) select three or more moderate income housing strategies described in Subsections
1236 (3)(a)(ii)(A) through (V), or at least one moderate income housing strategy described
1237 in Subsections (3)(a)(ii)(W) through (BB), for implementation; and
1238 (c) include an implementation plan as provided in Subsection (4).

1239 (3)(a) In drafting the moderate income housing element, the county planning
1240 commission shall:
1241 (i) consider the Legislature's determination that counties should facilitate a
1242 reasonable opportunity for a variety of housing, including moderate income
1243 housing:
1244 (A) to meet the needs of people of various income levels living, working, or
1245 desiring to live or work in the community; and
1246 (B) to allow people with various incomes to benefit from and fully participate in
1247 all aspects of neighborhood and community life; and
1248 (ii) include an analysis of how the county will provide a realistic opportunity for the
1249 development of moderate income housing within the planning horizon, including
1250 a recommendation to implement three or more of the following moderate income
1251 housing strategies:
1252 (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 county general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the county 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, 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 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 for moderate income housing;
- (N) implement a mortgage assistance program for employees of the county, an employer that provides contracted services for the county, or any other public employer that operates within the county;
- (O) apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing

1287 programs administered by the [Department of Workforce Services] the Division
1288 of Housing and Community Development within the Governor's Office of
1289 Economic Opportunity, an entity that applies for services provided by a public
1290 housing authority to preserve and create moderate income housing, or any
1291 other entity that applies for programs or services that promote the construction
1292 or preservation of moderate income housing;

1293 (P) demonstrate utilization of a moderate income housing set aside from a
1294 community reinvestment agency, redevelopment agency, or community
1295 development and renewal agency to create or subsidize moderate income
1296 housing;

1297 (Q) eliminate impact fees for any accessory dwelling unit that is not an internal
1298 accessory dwelling unit as defined in Section 17-79-611;

1299 (R) create a program to transfer development rights for moderate income housing;

1300 (S) ratify a joint acquisition agreement with another local political subdivision for
1301 the purpose of combining resources to acquire property for moderate income
1302 housing;

1303 (T) develop a moderate income housing project for residents who are disabled or
1304 55 years old or older;

1305 (U) create or allow for, and reduce regulations related to, multifamily residential
1306 dwellings compatible in scale and form with detached single-family residential
1307 dwellings and located in walkable communities within residential or mixed-use
1308 zones;

1309 (V) demonstrate implementation of any other program or strategy to address the
1310 housing needs of residents of the county who earn less than 80% of the area
1311 median income, including the dedication of a local funding source to moderate
1312 income housing or the adoption of a land use ordinance that requires 10% or
1313 more of new residential development in a residential zone be dedicated to
1314 moderate income housing;

1315 (W) create a housing and transit reinvestment zone in accordance with Title 63N,
1316 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

1317 (X) create a home ownership investment zone in accordance with Part 5, Home
1318 Ownership Promotion Zone;

1319 (Y) create a first home investment zone in accordance with Title 63N, Chapter 3,
1320 Part 16, First Home Investment Zone Act;

1321 (Z) approve a project that receives funding from, or qualifies to receive funding
1322 from, the Utah Homes Investment Program created in Title 51, Chapter 12,
1323 Utah Homes Investment Program;

1324 (AA) adopt or approve a qualifying affordable home ownership density bonus for
1325 single-family residential units, as described in Section 17-80-401; and

1326 (BB) adopt or approve an affordable home ownership density bonus for
1327 multi-family residential units, as described in Section 17-80-402.

1328 (b) The planning commission shall identify each moderate income housing strategy
1329 recommended to the legislative body for implementation by restating the exact
1330 language used to describe the strategy in Subsection (3)(a)(ii).

1331 (4)(a) In drafting the implementation plan portion of the moderate income housing
1332 element as described in Subsection (2)(c), the planning commission shall recommend
1333 to the legislative body the establishment of a five-year timeline for implementing
1334 each of the moderate income housing strategies selected by the county for
1335 implementation.

1336 (b) The timeline described in Subsection (4)(a) shall:

1337 (i) identify specific measures and benchmarks for implementing each moderate
1338 income housing strategy selected by the county; and
1339 (ii) provide flexibility for the county to make adjustments as needed.

1340 Section 9. Section **17-80-202** is amended to read:

1341 **17-80-202 (Effective 07/01/26). Moderate income housing report -- Contents --**

1342 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil
1343 actions.**

1344 (1)(a) The legislative body of a specified county shall annually submit an initial report to
1345 the division.

1346 (b)(i) This Subsection (1)(b) applies to a county that is not a specified county as of
1347 January 1, 2023.

1348 (ii) As of January 1, if a county changes from one class to another or grows in
1349 population to qualify as a specified county, the county shall submit an initial plan
1350 to the division on or before August 1 of the first calendar year beginning on
1351 January 1 in which the county qualifies as a specified county.

1352 (c) The initial report shall:

1353 (i) identify each moderate income housing strategy selected by the specified county
1354 for continued, ongoing, or one-time implementation, using the exact language

1355 used to describe the moderate income housing strategy; and

1356 (ii) include an implementation plan.

1357 (2)(a) After the division approves a specified county's initial report under this section,

1358 the specified county shall, as an administrative act, annually submit to the division a
1359 subsequent progress report on or before August 1 of each year after the year in which
1360 the specified county is required to submit the initial report.

1361 (b) The subsequent progress report shall include:

1362 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
1363 ongoing, taken by the specified county during the previous 12-month period to
1364 implement the moderate income housing strategies identified in the initial report
1365 for implementation;

1366 (ii) a description of each land use regulation or land use decision made by the
1367 specified county during the previous 12-month period to implement the moderate
1368 income housing strategies, including an explanation of how the land use
1369 regulation or land use decision supports the specified county's efforts to
1370 implement the moderate income housing strategies;

1371 (iii) a description of any barriers encountered by the specified county in the previous
1372 12-month period in implementing the moderate income housing strategies;

1373 (iv) the number of residential dwelling units that have been entitled that have not
1374 received a building permit as of the submission date of the progress report;
1375 (v) shapefiles, or website links if shapefiles are not available, to current maps and
1376 tables related to zoning;

1377 (vi) information regarding the number of internal and external or detached accessory
1378 dwelling units located within the specified county for which the specified county:
1379 (A) issued a building permit to construct; or
1380 (B) issued a business license or comparable license or permit to rent;

1381 (vii) a description of how the market has responded to the selected moderate income
1382 housing strategies, including the number of entitled moderate income housing
1383 units or other relevant data; and

1384 (viii) any recommendations on how the state can support the specified county in
1385 implementing the moderate income housing strategies.

1386 (c) For purposes of describing actions taken by a specified county under Subsection
1387 (2)(b)(i), the specified county may include an ongoing action taken by the specified
1388 county before the 12-month reporting period applicable to the subsequent progress

1389 report if the specified county:

1390 (i) has already adopted an ordinance, approved a land use application, made an
1391 investment, or approved an agreement or financing that substantially promotes the
1392 implementation of a moderate income housing strategy identified in the initial
1393 report; and
1394 (ii) demonstrates in the subsequent progress report that the action taken under
1395 Subsection (2)(b)(i) is relevant to making meaningful progress towards the
1396 specified county's implementation plan.

1397 (d) A specified county's report shall be in a form:

1398 (i) approved by the division; and
1399 (ii) made available by the division on or before May 1 of the year in which the report
1400 is required.

1401 (3) Within 90 days after the day on which the division receives a specified county's report,
1402 the division shall:

1403 (a) post the report on the division's website;
1404 (b) send a copy of the report to the Department of Transportation, the Governor's Office
1405 of Planning and Budget, the association of governments in which the specified
1406 county is located, and, if the unincorporated area of the specified county is located
1407 within the boundaries of a metropolitan planning organization, the appropriate
1408 metropolitan planning organization; and
1409 (c) subject to Subsection (4), review the report to determine compliance with this section.

1410 (4)(a) An initial report complies with this section if the report:

1411 (i) includes the information required under Subsection (1)(c);
1412 (ii) demonstrates to the division that the specified county made plans to implement
1413 three or more moderate income housing strategies described in Subsections
1414 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing
1415 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and
1416 (iii) is in a form approved by the division.

1417 (b) A subsequent progress report complies with this section if the report:

1418 (i) demonstrates to the division that the specified county made plans to implement or
1419 is implementing three or more moderate income housing strategies described in
1420 Subsections 17-80-201(3)(a)(ii)(A) though (V) or at least one moderate income
1421 housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);
1422 (ii) is in a form approved by the division; and

1423 (iii) provides sufficient information for the division to:

1424 (A) assess the specified county's progress in implementing the moderate income
1425 housing strategies;

1426 (B) monitor compliance with the specified county's implementation plan;

1427 (C) identify a clear correlation between the specified county's land use decisions
1428 and efforts to implement the moderate income housing strategies;

1429 (D) identify how the market has responded to the specified county's selected
1430 moderate income housing strategies; and

1431 (E) identify any barriers encountered by the specified county in implementing the
1432 selected moderate income housing strategies.

1433 (c) If a specified county initial report or subsequent progress report demonstrates the
1434 county plans to implement or is implementing at least one moderate income housing
1435 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division
1436 shall also consider the specified county compliant with the reporting requirement
1437 described in this section for:

1438 (i) the year in which the specified county submits the report; and
1439 (ii) two subsequent reporting years.

1440 (5)(a) A specified county qualifies for priority consideration under this Subsection (5) if
1441 the specified county's report:

1442 (i) complies with this section; and
1443 (ii) demonstrates to the division that the specified county made plans to implement
1444 five or more moderate income housing strategies.

1445 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
1446 give priority consideration to transportation projects located within the
1447 unincorporated areas of a specified county described in Subsection (5)(a) until the
1448 Department of Transportation receives notice from the division under Subsection
1449 (5)(e).

1450 (c) Upon determining that a specified county qualifies for priority consideration under
1451 this Subsection (5), the division shall send a notice of prioritization to the legislative
1452 body of the specified county and the Department of Transportation.

1453 (d) The notice described in Subsection (5)(c) shall:

1454 (i) name the specified county that qualifies for priority consideration;
1455 (ii) describe the funds or projects for which the specified county qualifies to receive
1456 priority consideration; and

- (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.
- (e) The division shall notify the legislative body of a specified county and the Department of Transportation in writing if the division determines that the specified county no longer qualifies for priority consideration under this Subsection (5).
- (6)(a) If the division, after reviewing a specified county'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 county.
- (b) A specified county that receives a notice of noncompliance may:
 - (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
 - (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- (c) The notice described in Subsection (6)(a) shall:
 - (i) describe each deficiency in the report and the actions needed to cure each deficiency;
 - (ii) state that the specified county has an opportunity to:
 - (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
 - (B) submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent; and
 - (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the specified county's ineligibility for funds and fees owed under Subsection (8).
- (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the action needed to cure the deficiency as described by the division requires the specified county to make a legislative change, the specified county may cure the deficiency by making that legislative change within the 90-day cure period.
- (e)(i) If a specified county submits to the division a corrected report in accordance with Subsection (6)(b)(i), and the division determines that the corrected report does not comply with this section, the division shall send a second notice of noncompliance to the legislative body of the specified county.
- (ii) A specified county that receives a second notice of noncompliance may request

1491 an appeal of the division's determination of noncompliance within 10 days after
1492 the day on which the second notice of noncompliance is sent.

1493 (iii) The notice described in Subsection (6)(e)(i) shall:

1494 (A) state that the specified county has an opportunity to submit to the division a
1495 request for an appeal of the division's determination of noncompliance within
1496 10 days after the day on which the second notice of noncompliance is sent; and
1497 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
1498 specified county's ineligibility for funds under Subsection (8).

1499 (7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a)
1500 or (6)(e)(i) may request an appeal of the division's determination of noncompliance
1501 within 10 days after the day on which the notice of noncompliance is sent.

1502 (b) Within 90 days after the day on which the division receives a request for an appeal,
1503 an appeal board consisting of the following three members shall review and issue a
1504 written decision on the appeal:

1505 (i) one individual appointed by the Utah Association of Counties;
1506 (ii) one individual appointed by the Utah Homebuilders Association; and
1507 (iii) one individual appointed by the presiding member of the association of
1508 governments, established in accordance with an interlocal agreement under Title
1509 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a
1510 member.

1511 (c) The written decision of the appeal board shall either uphold or reverse the division's
1512 determination of noncompliance.

1513 (d) The appeal board's written decision on the appeal is final.

1514 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)

1515 if:

1516 (i) the specified county fails to submit a report to the division;
1517 (ii) after submitting a report to the division, the division determines that the report
1518 does not comply with this section and the specified county fails to:
1519 (A) cure each deficiency in the report within 90 days after the day on which the
1520 notice of noncompliance is sent; or
1521 (B) request an appeal of the division's determination of noncompliance within 10
1522 days after the day on which the notice of noncompliance is sent;
1523 (iii) after submitting to the division a corrected report to cure the deficiencies in a
1524 previously submitted report, the division determines that the corrected report does

1525 not comply with this section and the specified county fails to request an appeal of
1526 the division's determination of noncompliance within 10 days after the day on
1527 which the second notice of noncompliance is sent; or
1528 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
1529 issues a written decision upholding the division's determination of noncompliance.

1530 (b) The following apply to a specified county described in Subsection (8)(a) until the
1531 division provides notice under Subsection (8)(e):
1532 (i) the executive director of the Department of Transportation may not program funds
1533 from the Transportation Investment Fund of 2005, including the Transit
1534 Transportation Investment Fund, to projects located within the unincorporated
1535 areas of the specified county in accordance with Subsection 72-2-124(6);
1536 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
1537 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
1538 specified county:
1539 (A) fails to submit the report to the division in accordance with this section,
1540 beginning the day after the day on which the report was due; or
1541 (B) fails to cure the deficiencies in the report, beginning the day after the day by
1542 which the cure was required to occur as described in the notice of
1543 noncompliance under Subsection (6); and
1544 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
1545 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
1546 specified county, for a consecutive year:
1547 (A) fails to submit the report to the division in accordance with this section,
1548 beginning the day after the day on which the report was due; or
1549 (B) fails to cure the deficiencies in the report, beginning the day after the day by
1550 which the cure was required to occur as described in the notice of
1551 noncompliance under Subsection (6).
1552 (c) Upon determining that a specified county is ineligible for funds under this
1553 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
1554 division shall send a notice of ineligibility to the legislative body of the specified
1555 county, the Department of Transportation, the State Tax Commission, and the
1556 Governor's Office of Planning and Budget.
1557 (d) The notice described in Subsection (8)(c) shall:
1558 (i) name the specified county that is ineligible for funds;

1559 (ii) describe the funds for which the specified county is ineligible to receive;

1560 (iii) describe the fee the specified county is required to pay under Subsection (8)(b),

1561 if applicable; and

1562 (iv) state the basis for the division's determination that the specified county is

1563 ineligible for funds.

1564 (e) The division shall notify the legislative body of a specified county and the

1565 Department of Transportation in writing if the division determines that the provisions

1566 of this Subsection (8) no longer apply to the specified county.

1567 (f) The division may not determine that a specified county that is required to pay a fee

1568 under Subsection (8)(b) is in compliance with the reporting requirements of this

1569 section until the specified county pays all outstanding fees required under Subsection

1570 (8)(b) to the Olene Walker Housing Loan Fund, created [under Title 35A, Chapter 8,

1571 Part 5, Olene Walker Housing Loan Fund] in Section 63N-22-302.

1572 (9) In a civil action seeking enforcement or claiming a violation of this section or of

1573 Subsection 17-79-404(5)(c), a plaintiff may not recover damages but may be awarded

1574 only injunctive or other equitable relief.

1575 Section 10. Section **17B-1-612** is amended to read:

1576 **17B-1-612 (Effective 07/01/26). Accumulated fund balances -- Limitations --**

1577 **Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.**

1578 (1)(a) A special district may accumulate retained earnings or fund balances, as

1579 appropriate, in any fund.

1580 (b) For the general fund only, a special district may only use an accumulated fund

1581 balance to:

1582 (i) provide working capital to finance expenditures from the beginning of the budget

1583 year until general property taxes or other applicable revenues are collected,

1584 subject to Subsection (1)(c);

1585 (ii) provide a resource to meet emergency expenditures under Section 17B-1-623; and

1586 (iii) cover a pending year-end excess of expenditures over revenues from an

1587 unavoidable shortfall in revenues, subject to Subsection (1)(d).

1588 (c) Subsection (1)(b)(i) does not authorize a special district to appropriate a fund balance

1589 for budgeting purposes, except as provided in Subsection (4).

1590 (d) Subsection (1)(b)(iii) does not authorize a special district to appropriate a fund

1591 balance to avoid an operating deficit during a budget year except:

1592 (i) as provided under Subsection (4); or

- (ii) for emergency purposes under Section 17B-1-623.
- (2)(a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the general fund may not exceed the most recently adopted general fund budget, plus 100% of the current year's property tax.
- (b) Notwithstanding Subsection (2)(a), a special district may accumulate in the general fund mineral lease revenue that the special district receives from the United States under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a distribution under:
 - (i) [Title 35A, Chapter 8, Part 3, Community Impact Fund Act] Title 63N, Chapter 22, Part 5, Community Impact Fund; or
 - (ii) Title 59, Chapter 21, Mineral Lease Funds.
- (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under Subsection (2), the district shall appropriate the excess in accordance with Section 17B-1-613.
- (4) A special district may utilize any fund balance in excess of 5% of the total revenues of the general fund for budget purposes.
- (5)(a) Within a capital projects fund, the board of trustees may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital projects for the purpose of financing future specific capital projects, including new construction, capital repairs, replacement, and maintenance, under a formal long-range capital plan that the board of trustees adopts.
- (b) A special district may allow a reserve amount under Subsection (5)(a) to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
- (c) A special district may disburse from a reserve account under Subsection (5)(a) only by a budget appropriation that the special district adopts in accordance with this part.
- (d) A special district shall ensure that the expenditures from the appropriation budget accounts described in this Subsection (5) conform to all requirements of this part relating to execution and control of budgets.

1627 (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that
1628 an agency is authorized to receive:
1629 (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax
1630 increment under Subsection 17C-1-403(3);
1631 (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax
1632 increment under Section 17C-1-406;
1633 (c) under a project area budget approved by a taxing entity committee; or
1634 (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's
1635 tax increment.

1636 (3) "Affordable housing" means housing owned or occupied by a low or moderate income
1637 family, as determined by resolution of the agency.

1638 (4) "Agency" or "community reinvestment agency" means a separate body corporate and
1639 politic, created under Section 17C-1-201.5 or as a redevelopment agency or community
1640 development and renewal agency under previous law:
1641 (a) that is a political subdivision of the state;
1642 (b) that is created to undertake or promote project area development as provided in this
1643 title; and
1644 (c) whose geographic boundaries are coterminous with:
1645 (i) for an agency created by a county, the unincorporated area of the county; and
1646 (ii) for an agency created by a municipality, the boundaries of the municipality.

1647 (5) "Agency funds" means money that an agency collects or receives for agency operations,
1648 implementing a project area plan or an implementation plan as defined in Section
1649 17C-1-1001, or other agency purposes, including:
1650 (a) project area funds;
1651 (b) income, proceeds, revenue, or property derived from or held in connection with the
1652 agency's undertaking and implementation of project area development or
1653 agency-wide project development as defined in Section 17C-1-1001;
1654 (c) a contribution, loan, grant, or other financial assistance from any public or private
1655 source;
1656 (d) project area incremental revenue as defined in Section 17C-1-1001; or
1657 (e) property tax revenue as defined in Section 17C-1-1001.

1658 (6) "Annual income" means the same as that term is defined in regulations of the United
1659 States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as
1660 amended or as superseded by replacement regulations.

1661 (7) "Assessment roll" means the same as that term is defined in Section 59-2-102.

1662 (8) "Base taxable value" means, unless otherwise adjusted in accordance with provisions of

1663 this title, a property's taxable value as shown upon the assessment roll last equalized

1664 during the base year.

1665 (9) "Base year" means, except as provided in Subsection 17C-1-402(4)(c), the year during

1666 which the assessment roll is last equalized:

1667 (a) for a pre-July 1, 1993, urban renewal or economic development project area plan,

1668 before the project area plan's effective date;

1669 (b) for a post-June 30, 1993, urban renewal or economic development project area plan,

1670 or a community reinvestment project area plan that is subject to a taxing entity

1671 committee:

1672 (i) before the date on which the taxing entity committee approves the project area

1673 budget; or

1674 (ii) if taxing entity committee approval is not required for the project area budget,

1675 before the date on which the community legislative body adopts the project area

1676 plan;

1677 (c) for a project on an inactive airport site, after the later of:

1678 (i) the date on which the inactive airport site is sold for remediation and

1679 development; or

1680 (ii) the date on which the airport that operated on the inactive airport site ceased

1681 operations; or

1682 (d) for a community development project area plan or a community reinvestment project

1683 area plan that is subject to an interlocal agreement, as described in the interlocal

1684 agreement.

1685 (10) "Basic levy" means the portion of a school district's tax levy constituting the minimum

1686 basic levy under Section 59-2-902.

1687 (11) "Board" means the governing body of an agency, as described in Section 17C-1-203.

1688 (12) "Budget hearing" means the public hearing on a proposed project area budget required

1689 under Subsection 17C-2-201(2)(d) for an urban renewal project area budget, Subsection

1690 17C-3-201(2)(d) for an economic development project area budget, or Subsection

1691 17C-5-302(2)(e) for a community reinvestment project area budget.

1692 (13) "Closed military base" means land within a former military base that the Defense Base

1693 Closure and Realignment Commission has voted to close or realign when that action has

1694 been sustained by the president of the United States and Congress.

1695 (14) "Combined incremental value" means the combined total of all incremental values
1696 from all project areas, except project areas that contain some or all of a military
1697 installation or inactive industrial site, within the agency's boundaries under project area
1698 plans and project area budgets at the time that a project area budget for a new project
1699 area is being considered.

1700 (15) "Community" means a county or municipality.

1701 (16) "Community development project area plan" means a project area plan adopted under
1702 Chapter 4, Part 1, Community Development Project Area Plan.

1703 (17) "Community legislative body" means the legislative body of the community that
1704 created the agency.

1705 (18) "Community reinvestment project area plan" means a project area plan adopted under
1706 Chapter 5, Part 1, Community Reinvestment Project Area Plan.

1707 (19) "Contest" means to file a written complaint in a court with jurisdiction under Title
1708 78A, Judiciary and Judicial Administration, and in a county in which the agency is
1709 located if the action is filed in the district court.

1710 (20) "Development impediment" means a condition of an area that meets the requirements
1711 described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405
1712 for a community reinvestment project area.

1713 (21) "Development impediment hearing" means a public hearing regarding whether a
1714 development impediment exists within a proposed:
1715 (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section
1716 17C-2-302; or
1717 (b) community reinvestment project area under Section 17C-5-404.

1718 (22) "Development impediment study" means a study to determine whether a development
1719 impediment exists within a survey area as described in Section 17C-2-301 for an urban
1720 renewal project area or Section 17C-5-403 for a community reinvestment project area.

1721 (23) "Economic development project area plan" means a project area plan adopted under
1722 Chapter 3, Part 1, Economic Development Project Area Plan.

1723 (24) "Fair share ratio" means the ratio derived by:
1724 (a) for a municipality, comparing the percentage of all housing units within the
1725 municipality that are publicly subsidized income targeted housing units to the
1726 percentage of all housing units within the county in which the municipality is located
1727 that are publicly subsidized income targeted housing units; or
1728 (b) for the unincorporated part of a county, comparing the percentage of all housing

1729 units within the unincorporated county that are publicly subsidized income targeted
1730 housing units to the percentage of all housing units within the whole county that are
1731 publicly subsidized income targeted housing units.

1732 (25) "Family" means the same as that term is defined in regulations of the United States
1733 Department of Housing and Urban Development, 24 C.F.R. Section 5.403, as amended
1734 or as superseded by replacement regulations.

1735 (26) "Greenfield" means land not developed beyond agricultural, range, or forestry use.

1736 (27) "Hazardous waste" means any substance defined, regulated, or listed as a hazardous
1737 substance, hazardous material, hazardous waste, toxic waste, pollutant, contaminant, or
1738 toxic substance, or identified as hazardous to human health or the environment, under
1739 state or federal law or regulation.

1740 (28) "Housing allocation" means project area funds allocated for housing under Section
1741 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

1742 (29) "Housing fund" means a fund created by an agency for purposes described in Section
1743 17C-1-411 or 17C-1-412 that is comprised of:

1744 (a) project area funds, project area incremental revenue as defined in Section 17C-1-1001,
1745 or property tax revenue as defined in Section 17C-1-1001 allocated for the purposes
1746 described in Section 17C-1-411; or
1747 (b) an agency's housing allocation.

1748 (30)(a) "Inactive airport site" means land that:

1749 (i) consists of at least 100 acres;
1750 (ii) is occupied by an airport:
1751 (A)(I) that is no longer in operation as an airport; or
1752 (II)(Aa) that is scheduled to be decommissioned; and
1753 (Bb) for which a replacement commercial service airport is under
1754 construction; and

1755 (B) that is owned or was formerly owned and operated by a public entity; and
1756 (iii) requires remediation because:

1757 (A) of the presence of hazardous waste or solid waste; or
1758 (B) the site lacks sufficient public infrastructure and facilities, including public
1759 roads, electric service, water system, and sewer system, needed to support
1760 development of the site.

1761 (b) "Inactive airport site" includes a perimeter of up to 2,500 feet around the land
1762 described in Subsection (30)(a).

1763 (31)(a) "Inactive industrial site" means land that:

1764 (i) consists of at least 1,000 acres;

1765 (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial

1766 facility; and

1767 (iii) requires remediation because of the presence of hazardous waste or solid waste.

1768 (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land

1769 described in Subsection (31)(a).

1770 (32) "Income targeted housing" means housing that is:

1771 (a) owned and occupied by a family whose annual income is at or below 120% of the

1772 median annual income for a family within the county in which the housing is located;

1773 or

1774 (b) occupied by a family whose annual income is at or below 80% of the median annual

1775 income for a family within the county in which the housing is located.

1776 (33) "Incremental value" means a figure derived by multiplying the marginal value of the

1777 property located within a project area on which tax increment is collected by a number

1778 that represents the adjusted tax increment from that project area that is paid to the

1779 agency.

1780 (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [established

1781 under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund] created in Section

1782 63N-22-303.

1783 (35)(a) "Local government building" means a building owned and operated by a

1784 community for the primary purpose of providing one or more primary community

1785 functions, including:

1786 (i) a fire station;

1787 (ii) a police station;

1788 (iii) a city hall; or

1789 (iv) a court or other judicial building.

1790 (b) "Local government building" does not include a building the primary purpose of

1791 which is cultural or recreational in nature.

1792 (36) "Low-income individual" means the same as that term is defined in Section [

1793 35A-8-504.5] 63N-22-101.

1794 (37) "Major transit investment corridor" means the same as that term is defined in Section

1795 10-20-102.

1796 (38) "Marginal value" means the difference between actual taxable value and base taxable

1797 value.

1798 (39) "Military installation project area" means a project area or a portion of a project area
1799 located within a federal military installation ordered closed by the federal Defense Base
1800 Realignment and Closure Commission.

1801 (40) "Municipality" means a city or town.

1802 (41) "Non-profit housing fund" means:

1803 (a) an organization that meets the definition of "housing organization" in Section [
1804 ~~35A-8-2404~~ 63N-22-316;
1805 (b) a registered nonprofit that assists veterans or individuals who work in public service
1806 to achieve homeownership in the state;
1807 (c) a registered nonprofit that:
1808 (i) assists low-income individuals or families who would qualify for income targeted
1809 housing to achieve homeownership in the state; and
1810 (ii) provides direct support to help a low-income individual or a family eligible for
1811 income targeted housing to retain ownership of a home, including through
1812 rehabilitation services, lending for rehabilitation, or foreclosure mitigation
1813 counseling that results in retention of the home, refinancing, or a reverse mortgage;
1814 (d) a registered nonprofit that partners with a community to promote affordable housing
1815 for the workforce in that community; or
1816 (e) a registered nonprofit established to administer housing programs on behalf of an
1817 association representing 10 or more counties in the state.

1818 (42) "Participant" means one or more persons that enter into a participation agreement with
1819 an agency.

1820 (43) "Participation agreement" means a written agreement between a person and an agency
1821 under Subsection 17C-1-202(5).

1822 (44) "Plan hearing" means the public hearing on a proposed project area plan required
1823 under Subsection 17C-2-102(1)(a)(vi) for an urban renewal project area plan, Subsection
1824 17C-3-102(1)(d) for an economic development project area plan, Subsection
1825 17C-4-102(1)(d) for a community development project area plan, or Subsection
1826 17C-5-104(3)(e) for a community reinvestment project area plan.

1827 (45) "Post-June 30, 1993, project area plan" means a project area plan adopted on or after
1828 July 1, 1993, and before May 10, 2016, whether or not amended subsequent to the
1829 project area plan's adoption.

1830 (46) "Pre-July 1, 1993, project area plan" means a project area plan adopted before July 1,

1831 1993, whether or not amended subsequent to the project area plan's adoption.

1832 (47) "Private," with respect to real property, means property not owned by a public entity or
1833 any other governmental entity.

1834 (48) "Project area" means the geographic area described in a project area plan within which
1835 the project area development described in the project area plan takes place or is
1836 proposed to take place.

1837 (49) "Project area budget" means a multiyear projection of annual or cumulative revenues
1838 and expenses and other fiscal matters pertaining to a project area prepared in accordance
1839 with:

- 1840 (a) for an urban renewal project area, Section 17C-2-201;
- 1841 (b) for an economic development project area, Section 17C-3-201;
- 1842 (c) for a community development project area, Section 17C-4-204; or
- 1843 (d) for a community reinvestment project area, Section 17C-5-302.

1844 (50) "Project area development" means activity within a project area that, as determined by
1845 the board, encourages, promotes, or provides development or redevelopment for the
1846 purpose of implementing a project area plan, including:

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

1865 (l) any activity described in this Subsection (50) outside of a project area that the board
1866 determines to be a benefit to the project area.

1867 (51) "Project area funds" means tax increment or sales and use tax revenue that an agency
1868 receives under a project area budget adopted by a taxing entity committee or an
1869 interlocal agreement.

1870 (52) "Project area funds collection period" means the period of time that:
1871 (a) begins the day on which the first payment of project area funds is distributed to an
1872 agency under a project area budget approved by a taxing entity committee or an
1873 interlocal agreement; and
1874 (b) ends the day on which the last payment of project area funds is distributed to an
1875 agency under a project area budget approved by a taxing entity committee or an
1876 interlocal agreement.

1877 (53) "Project area plan" means an urban renewal project area plan, an economic
1878 development project area plan, a community development project area plan, or a
1879 community reinvestment project area plan that, after the project area plan's effective
1880 date, guides and controls the project area development.

1881 (54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible
1882 personal or real property.
1883 (b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege
1884 Tax.

1885 (55) "Public entity" means:
1886 (a) the United States, including an agency of the United States;
1887 (b) the state, including any of the state's departments or agencies; or
1888 (c) a political subdivision of the state, including a county, municipality, school district,
1889 special district, special service district, community reinvestment agency, or interlocal
1890 cooperation entity.

1891 (56) "Publicly owned infrastructure and improvements" means water, sewer, storm
1892 drainage, electrical, natural gas, telecommunication, or other similar systems and lines,
1893 streets, roads, curb, gutter, sidewalk, walkways, parking facilities, public transportation
1894 facilities, or other facilities, infrastructure, and improvements benefitting the public and
1895 to be publicly owned or publicly maintained or operated.

1896 (57) "Record property owner" or "record owner of property" means the owner of real
1897 property, as shown on the records of the county in which the property is located, to
1898 whom the property's tax notice is sent.

1899 (58) "Sales and use tax revenue" means revenue that is:

1900 (a) generated from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act; and

1901 (b) distributed to a taxing entity in accordance with Sections 59-12-204 and 59-12-205.

1902 (59) "Superfund site":

1903 (a) means an area included in the National Priorities List under the Comprehensive

1904 Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sec.

1905 9605; and

1906 (b) includes an area formerly included in the National Priorities List, as described in

1907 Subsection (59)(a), but removed from the list following remediation that leaves on

1908 site the waste that caused the area to be included in the National Priorities List.

1909 (60) "Survey area" means a geographic area designated for study by a survey area

1910 resolution to determine whether:

1911 (a) one or more project areas within the survey area are feasible; or

1912 (b) a development impediment exists within the survey area.

1913 (61) "Survey area resolution" means a resolution adopted by a board that designates a

1914 survey area.

1915 (62) "Taxable value" means:

1916 (a) the taxable value of all real property a county assessor assesses in accordance with

1917 Title 59, Chapter 2, Part 3, County Assessment, for the current year;

1918 (b) the taxable value of all real and personal property the commission assesses in

1919 accordance with Title 59, Chapter 2, Part 2, Assessment of Property, for the current

1920 year; and

1921 (c) the year end taxable value of all personal property a county assessor assesses in

1922 accordance with Title 59, Chapter 2, Part 3, County Assessment, contained on the

1923 prior year's tax rolls of the taxing entity.

1924 (63)(a) "Tax increment" means the difference between:

1925 (i) the amount of property tax revenue generated each tax year by a taxing entity from

1926 the area within a project area designated in the project area plan as the area from

1927 which tax increment is to be collected, using the current assessed value of the

1928 property and each taxing entity's current certified tax rate as defined in Section

1929 59-2-924; and

1930 (ii) the amount of property tax revenue that would be generated from that same area

1931 using the base taxable value of the property and each taxing entity's current

1932 certified tax rate as defined in Section 59-2-924.

1933 (b) "Tax increment" does not include taxes levied and collected under Section 59-2-1602
1934 on or after January 1, 1994, upon the taxable property in the project area unless:
1935 (i) the project area plan was adopted before May 4, 1993, whether or not the project
1936 area plan was subsequently amended; and
1937 (ii) the taxes were pledged to support bond indebtedness or other contractual
1938 obligations of the agency.

1939 (64) "Taxing entity" means a public entity that:

1940 (a) levies a tax on property located within a project area; or
1941 (b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

1942 (65) "Taxing entity committee" means a committee representing the interests of taxing
1943 entities, created in accordance with Section 17C-1-402.

1944 (66) "Unincorporated" means not within a municipality.

1945 (67) "Urban renewal project area plan" means a project area plan adopted under Chapter 2,
1946 Part 1, Urban Renewal Project Area Plan.

1947 (68) "Veteran" means the same as that term is defined in Section 68-3-12.5.

1948 Section 12. Section **17C-1-412** is amended to read:

1949 **17C-1-412 (Effective 07/01/26). Use of housing allocation -- Separate accounting**
1950 **required -- Issuance of bonds for housing -- Action to compel agency to provide housing**
1951 **allocation.**

1952 (1)(a) An agency shall use the agency's housing allocation to:

1953 (i) pay part or all of the cost of land or construction of income targeted housing
1954 within the boundary of the agency, if practicable in a mixed income development
1955 or area;

1956 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
1957 boundary of the agency;

1958 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
1959 private entity or business, or nonprofit corporation for income targeted housing
1960 within the boundary of the agency;

1961 (iv) plan or otherwise promote income targeted housing within the boundary of the
1962 agency;

1963 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
1964 any building, facility, structure, or other housing improvement, including
1965 infrastructure improvements, related to housing located in a project area where a
1966 board has determined that a development impediment exists;

- (vi) replace housing units lost as a result of the project area development;
- (vii) make payments on or establish a reserve fund for bonds:
 - (A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- (viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:
 - (A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- (ix) relocate mobile home park residents displaced by project area development;
- (x) subject to Subsection (7), transfer funds to a community that created the agency; or
- (xi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of housing that:
 - (A) is located in the same county as the agency;
 - (B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit college or university; and
 - (C) only students of the relevant college or university, including the students' immediate families, occupy.

) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of the agency's housing allocation to:

- (i) the community for use as described in Subsection (1)(a);
- (ii) a housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community;
- (iii) a housing authority established by the county in which the agency is located for providing:
 - (A) income targeted housing within the county;
 - (B) permanent housing, permanent supportive housing, or a transitional facility, as defined in Section 35A-5-302, within the county; or
 - (C) homeless assistance within the county;
- (iv) the Olene Walker Housing Loan Fund, [established under Title 35A, Chapter 8,

~~Part 5, Olene Walker Housing Loan Fund]~~ created in Section 63N-22-302, for use in providing income targeted housing within the community;

- (v) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the community if the housing is located along or near a major transit investment corridor that services the community and the related project has been approved by the community in which the housing is or will be located;
- (vi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the boundary of the agency if there is an interlocal agreement between the agency and the receiving community;
- (vii) pay for or make a contribution toward the expansion of child care facilities within the boundary of the agency, provided that any recipient of funds from the agency's housing allocation reports annually to the agency on how the funds were used; or
- (viii) a non-profit housing fund, for use in assisting individuals or families within the community to achieve homeownership or retain homeownership, in accordance with:
 - (A) the mission of the non-profit housing fund; and
 - (B) a written agreement between the non-profit housing fund and the agency, governing appropriate uses of housing allocation funds.

- (2)(a) An agency may combine all or any portion of the agency's housing allocation with all or any portion of one or more additional agency's housing allocations if the agencies execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.
- (b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.
- (3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.
- (4) An agency may:
 - (a) issue bonds to finance a housing-related project under this section, including the

2035 payment of principal and interest upon advances for surveys and plans or preliminary
2036 loans; and

2037 (b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a)
2038 previously issued by the agency.

2039 (5)(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the
2040 housing fund each year in which the agency receives sufficient tax increment to make
2041 a housing allocation required by the project area budget.

2042 (b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

2043 (6)(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing
2044 allocation in accordance with the project area budget and the housing plan adopted
2045 under Subsection 17C-2-204(2), the loan fund board may bring legal action to
2046 compel the agency to provide the housing allocation.

2047 (b) In an action under Subsection (6)(a), the court:

2048 (i) shall award the loan fund board reasonable attorney fees, unless the court finds
2049 that the action was frivolous; and

2050 (ii) may not award the agency the agency's attorney fees, unless the court finds that
2051 the action was frivolous.

2052 (7) For the purpose of offsetting the community's annual local contribution to the Homeless
2053 Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a
2054 calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and
2055 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined
2056 in Subsection 59-12-205(5).

2057 (8) An agency shall spend, encumber, or allot the money contributed to the housing fund
2058 under Subsection (5)(a) within six years from the day on which the agency first receives
2059 the money.

2060 Section 13. Section **26B-3-209** is amended to read:

2061 **26B-3-209 (Effective 07/01/26). Medicaid long-term support services housing
2062 coordinator.**

2063 (1) There is created within the Medicaid program a full-time-equivalent position of
2064 Medicaid long-term support services housing coordinator.

2065 (2) The coordinator shall help Medicaid recipients receive long-term support services in a
2066 home or other community-based setting rather than in a nursing home or other
2067 institutional setting by:

2068 (a) working with municipalities, counties, the [Housing and Community Development

2069 Division] Division of Community Services within the Department of Workforce
2070 Services, the Division of Housing and Community Development within the
2071 Governor's Office of Economic Opportunity, and others to identify community-based
2072 settings available to recipients;
2073 (b) working with the same entities to promote the development, construction, and
2074 availability of additional community-based settings;
2075 (c) training Medicaid case managers and support coordinators on how to help Medicaid
2076 recipients move from an institutional setting to a community-based setting; and
2077 (d) performing other related duties.

2078 Section 14. Section **35A-1-202** is amended to read:

2079 **35A-1-202 (Effective 07/01/26) (Partially Repealed 07/01/26). Divisions --**
2080 **Creation -- Duties -- Workforce Appeals Board, councils, Child Care Advisory**
2081 **Committee, and economic service areas.**

2082 (1) There is created within the department the following divisions:
2083 (a) the Workforce Development Division to administer the development and
2084 implementation of employment assistance programs;
2085 (b) the Workforce Research and Analysis Division;
2086 (c) the Unemployment Insurance Division to administer Chapter 4, Employment
2087 Security Act;
2088 (d) the Eligibility Services Division to administer public assistance eligibility;
2089 (e) the Division of Adjudication to adjudicate claims or actions in accordance with this
2090 title;
2091 (f) the [Housing and Community Development Division] Division of Community
2092 Services, which is described in Sections 35A-8-201 and 35A-8-202;
2093 (g) the Utah State Office of Rehabilitation, which is described in Section 35A-13-103;
2094 (h) the Office of Homeless Services, which is described in Section 35A-16-202;
2095 (i) the Office of Child Care, which is described in Sections 35A-3-202 and 35A-3-203;
2096 and
2097 (j) the Refugee Services Office, which is described in Chapter 3, Part 8, Refugee
2098 Services.
2099 (2) In addition to the divisions created under Subsection (1), within the department are the
2100 following:
2101 (a) the Workforce Appeals Board created in Section 35A-1-205;
2102 (b) the State Workforce Development Board created in Section 35A-1-206;

2103 (c) the Employment Advisory Council created in Section 35A-4-502;
2104 (d) the Child Care Advisory Committee created in Section 35A-3-205; and
2105 (e) the economic service areas created in accordance with Chapter 2, Economic Service
2106 Areas.

2107 Section 15. Section **35A-3-103** is amended to read:

2108 **35A-3-103 (Effective 07/01/26). Department responsibilities.**

2109 The department shall:

2110 (1) administer public assistance programs assigned by the Legislature and the governor;
2111 (2) determine eligibility for public assistance programs in accordance with the requirements
2112 of this chapter;
2113 (3) cooperate with the federal government in the administration of public assistance
2114 programs;
2115 (4) administer state employment services;
2116 (5) provide for the compilation of necessary or desirable information, statistics, and reports;
2117 (6) perform other duties and functions required by law;
2118 (7) monitor the application of eligibility policy;
2119 (8) develop personnel training programs for effective and efficient operation of the
2120 programs administered by the department;
2121 (9) provide refugee resettlement services in accordance with Section 35A-3-803;
2122 (10) provide child care assistance for children in accordance with Part 2, Office of Child
2123 Care;
2124 (11) provide services that enable an applicant or recipient to qualify for affordable housing
2125 in cooperation with:
2126 (a) the Utah Housing Corporation;
2127 (b) the [Housing and Community Development Division] Division of Community
2128 Services;
2129 (c) the Division of Housing and Community Development within the Governor's Office
2130 of Economic Opportunity; and
2131 [(e)] (d) local housing authorities;
2132 (12) administer the Medicaid Eligibility Quality Control function in accordance with 42
2133 C.F.R. Sec. 431.812; and
2134 (13) conduct non-clinical eligibility hearings and issue final decisions in adjudicative
2135 proceedings, including expedited appeals as defined in 42 C.F.R. Sec. 431.224, for
2136 medical assistance eligibility under:

2137 (a) Title 26B, Chapter 3, Health Care - Administration and Assistance; or
2138 (b) Title 26B, Chapter 3, Part 9, Utah Children's Health Insurance Program.

2139 Section 16. Section **35A-3-309** is amended to read:

2140 **35A-3-309 (Effective 07/01/26). Information regarding home ownership.**

2141 (1) The department shall provide information and service coordination to assist an applicant
2142 in obtaining affordable housing.
2143 (2) The information and services may include:
2144 (a) information from the Utah Housing Corporation[~~and~~] , the Housing and Community
2145 Development Division] Division of Community Services, and the Division of
2146 Housing and Community Development within the Governor's Office of Economic
2147 Opportunity regarding special housing programs, including programs for first-time
2148 home buyers and individuals with low and moderate incomes and the eligibility
2149 requirements for those programs;
2150 (b) referrals to programs operated by volunteers from the real estate industry that assist
2151 applicants in obtaining affordable housing, including information on home
2152 ownership, down payments, closing costs, and credit requirements; and
2153 (c) referrals to housing programs operated by municipalities, counties, local housing
2154 authorities, and nonprofit housing organizations that assist individuals in obtaining
2155 affordable housing, including first-time home ownership.

2156 Section 17. Section **35A-8-101** is amended to read:

2157 **35A-8-101 (Effective 07/01/26). Definitions.**

2158 As used in this chapter:

2159 (1) "Accessible housing" means housing which has been constructed or modified to be
2160 accessible, as described in the State Construction Code or an approved code under Title
2161 15A, State Construction and Fire Codes Act.
2162 (2) "Director" means the director of the division.
2163 (3) "Division" means the Housing and Community Development Division] Division of
2164 Community Services.
2165 [(4) "Moderate income housing" means housing occupied or reserved for occupancy by
2166 households with a gross household income equal to or less than 80% of the median gross
2167 income for households of the same size in the county in which the housing is located.]
2168 [(5) "Moderate income housing unit" means a housing unit that qualifies as moderate
2169 income housing.]

2170 Section 18. Section **35A-8-201** is amended to read:

2171 **35A-8-201 (Effective 07/01/26). Division of Community Services.**

2172 The [Housing and Community Development]Division of Community Services is under
2173 the administration and general supervision of the director.

2174 Section 19. Section **35A-8-202** is amended to read:

2175 **35A-8-202 (Effective 07/01/26). Powers and duties of division.**

2176 (1) The division shall:

- 2177 (a) assist local governments and citizens in the planning, development, and maintenance
2178 of necessary public infrastructure and services;
- 2179 (b) cooperate with, and provide technical assistance to, counties, cities, towns, regional
2180 planning commissions, area-wide clearinghouses, zoning commissions, parks or
2181 recreation boards, community development groups, community action agencies, and
2182 other agencies created for the purpose of aiding and encouraging an orderly,
2183 productive, and coordinated development of the state and [its] the state's political
2184 subdivisions;
- 2185 (c) assist the governor in coordinating the activities of state agencies which have an
2186 impact on the solution of community development problems and the implementation
2187 of community plans;
- 2188 (d) serve as a clearinghouse for information, data, and other materials which may be
2189 helpful to local governments in discharging [their] local government responsibilities
2190 and provide information on available federal and state financial and technical
2191 assistance;
- 2192 (e) carry out continuing studies and analyses of the problems faced by communities
2193 within the state and develop such recommendations for administrative or legislative
2194 action as appear necessary;
- 2195 (f) assist the Division of Housing and Community Development within the Governor's
2196 Office of Economic Opportunity in funding affordable housing;
- 2197 (g) support economic development activities through grants, loans, and direct programs
2198 financial assistance;
- 2199 (h) certify project funding at the local level in conformance with federal, state, and other
2200 requirements;
- 2201 (i) utilize the capabilities and facilities of public and private universities and colleges
2202 within the state in carrying out [its] the division's functions; and
- 2203 (j) assist and support local governments, community action agencies, and citizens in the
2204 planning, development, and maintenance of home weatherization, energy efficiency,

2205 and antipoverty activities.

2206 (2) The division may:

2207 (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds
2208 Procedures Act, seek federal grants, loans, or participation in federal programs; and

2209 (b) if any federal program requires the expenditure of state funds as a condition to
2210 participation by the state in any fund, property, or service, with the governor's
2211 approval, expend whatever funds are necessary out of the money provided by the
2212 Legislature for the use of the department[;].

2213 [~~(e) in accordance with Part 9, Domestic Violence Shelters, assist in developing,
2214 constructing, and improving shelters for victims of domestic violence, as described in
2215 Section 77-36-1, through loans and grants to nonprofit and governmental entities;~~]]

2216 [~~(d) assist, when requested by a county or municipality, in the development of accessible
2217 housing; and~~]]

2218 [~~(e) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
2219 Rulemaking Act, regarding the form and content of a moderate income housing
2220 report, as described in Sections 10-21-202 and 17-80-202, to:~~]]
2221 [~~(i) ensure consistency across reporting political subdivisions; and~~]]
2222 [~~(ii) promote better potential analysis of report data.~~]]

2223 Section 20. Section **35A-8-1003** is amended to read:

2224 **35A-8-1003 (Effective 07/01/26). State Community Services Office created --**

2225 **Purpose.**

2226 (1) There is created within the ~~[Housing and Community Development Division]~~ Division
2227 of Community Services the State Community Services Office.

2228 (2) The office shall strengthen communities by reducing poverty and improving the quality
2229 of life for low-income persons in this state.

2230 Section 21. Section **35A-8-1009** is amended to read:

2231 **35A-8-1009 (Effective 07/01/26). Qualified Emergency Food Agencies Fund --**

2232 **Expenditure of revenues.**

2233 (1) As used in this section:

2234 (a) "Association of governments" means the following created under the authority of
2235 Title 11, Chapter 13, Interlocal Cooperation Act:

2236 (i) an association of governments; or
2237 (ii) a regional council that acts as an association of governments.

2238 (b) "Food and food ingredients" means the same as that term is defined in Section

2239 59-12-102.

2240 (c) "Qualified emergency food agency" means an organization that:

2241 (i) is:

2242 (A) exempt from federal income taxation under Section 501(c)(3), Internal

2243 Revenue Code;

2244 (B) an association of governments; or

2245 (C) a food pantry operated by a municipality located within the state;

2246 (ii) as part of [its] the organization's activities, operates a program that has as the

2247 program's primary purpose to:

2248 (A) warehouse and distribute food to other agencies and organizations providing

2249 food and food ingredients to low-income persons; or

2250 (B) provide food and food ingredients directly to low-income persons; and

2251 (iii) the office determines to be a qualified emergency food agency.

2252 (2) There is created an expendable special revenue fund known as the Qualified Emergency

2253 Food Agencies Fund.

2254 (3)(a) The Qualified Emergency Food Agencies Fund shall be funded by the sales and

2255 use tax revenues described in:

2256 (i) Section 59-12-103;

2257 (ii) Section 59-12-204; and

2258 (iii) Section 59-12-1102.

2259 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be

2260 deposited into the General Fund.

2261 (4) The office shall for a fiscal year distribute money deposited into the Qualified

2262 Emergency Food Agencies Fund to qualified emergency food agencies within the state

2263 as provided in this section.

2264 (5) A qualified emergency food agency shall file an application with the office before the

2265 qualified emergency food agency may receive a distribution under this section.

2266 (6) A qualified emergency food agency may expend a distribution received in accordance

2267 with this section only for a purpose related to:

2268 (a) warehousing and distributing food and food ingredients to other agencies and

2269 organizations providing food and food ingredients to low-income persons; or

2270 (b) providing food and food ingredients directly to low-income persons.

2271 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [

2272 ~~Housing and Community Development Division~~] Division of Community Services may

2273 make rules providing procedures for implementing the distributions required by this
2274 section, including:

2275 (a) standards for determining and verifying the amount of a distribution that a qualified
2276 emergency food agency may receive;

2277 (b) procedures for a qualified emergency food agency to apply for a distribution,
2278 including the frequency with which a qualified emergency food agency may apply
2279 for a distribution; and

2280 (c) consistent with Subsection (1)(c), determining whether an entity is a qualified
2281 emergency food agency.

2282 Section 22. Section **35A-16-203** is amended to read:

2283 **35A-16-203 (Effective 07/01/26). Powers and duties of the coordinator.**

2284 (1) The coordinator shall:

2285 (a) coordinate the provision of homeless services in the state;

2286 (b) in cooperation with the board, develop and maintain a comprehensive annual budget
2287 and overview of all homeless services available in the state, which homeless services
2288 budget shall receive final approval by the board;

2289 (c) in cooperation with the board, create a statewide strategic plan to minimize
2290 homelessness in the state, which strategic plan shall receive final approval by the
2291 board;

2292 (d) in cooperation with the board, oversee funding provided for the provision of
2293 homeless services, which funding shall receive final approval by the board, including
2294 funding from the:

2295 (i) Pamela Atkinson Homeless Account created in Section 35A-16-301;

2296 (ii) Homeless to Housing Reform Restricted Account created in Section 35A-16-303;
2297 and

2298 (iii) Homeless Shelter Cities Mitigation Restricted Account created in Section
2299 35A-16-402;

2300 (e) provide administrative support to and serve as a member of the board;

2301 (f) at the governor's request, report directly to the governor on issues regarding
2302 homelessness in the state and the provision of homeless services in the state; and

2303 (g) report directly to the president of the Senate and the speaker of the House of
2304 Representatives at least twice each year on issues regarding homelessness in the state
2305 and the provision of homeless services in the state.

2306 (2) The coordinator, in cooperation with the board, shall ensure that the homeless services

2307 budget described in Subsection (1)(b) includes an overview and coordination plan for all
2308 funding sources for homeless services in the state, including from state agencies,
2309 continuum of care organizations, housing authorities, local governments, federal
2310 sources, and private organizations.

2311 (3) The coordinator, in cooperation with the board and taking into account the metrics
2312 established and data reported in accordance with Section 35A-16-211, shall ensure that
2313 the strategic plan described in Subsection (1)(c):

2314 (a) outlines specific goals and measurable benchmarks for minimizing homelessness in
2315 the state and for coordinating services for individuals experiencing homelessness
2316 among all service providers in the state;

2317 (b) identifies best practices or innovative strategies and recommends improvements to
2318 the provision of services to individuals experiencing homelessness in the state to
2319 ensure the services are provided in a safe, cost-effective, and efficient manner;

2320 (c) identifies best practices or innovative strategies and recommends improvements in
2321 coordinating the delivery of services to the variety of populations experiencing
2322 homelessness in the state, including through the use of electronic databases and
2323 improved data sharing among all service providers in the state;

2324 (d) identifies gaps and recommends solutions in the delivery of services to the variety of
2325 populations experiencing homelessness in the state; and

2326 (e) takes into consideration the success of the HOME Court Pilot Program established in
2327 Section 26B-5-382.

2328 (4) In overseeing funding for the provision of homeless services as described in Subsection
2329 (1)(d), the coordinator:

2330 (a) shall prioritize the funding of programs and providers that have a documented history
2331 of successfully reducing the number of individuals experiencing homelessness,
2332 reducing the time individuals spend experiencing homelessness, moving individuals
2333 experiencing homelessness to permanent housing, or reducing the number of
2334 individuals who return to experiencing homelessness;

2335 (b) except for a program or provider providing services to victims of domestic violence,
2336 may not approve funding to a program or provider that does not enter into a written
2337 agreement with the office to collect and share HMIS data regarding the provision of
2338 services to individuals experiencing homelessness so that the provision of services
2339 can be coordinated among state agencies, local governments, and private
2340 organizations; and

2341 (c) if the board has approved a funding formula developed by the steering committee, as
2342 described in Section 35A-16-205:

2343 (i) except as provided in Subsection (4)(c)(ii), shall utilize that funding formula in
2344 disbursing funds for the provision of homeless services; and
2345 (ii) shall ensure that any federal funds not subject to the funding formula are
2346 disbursed in accordance with any applicable federal requirements.

2347 (5) In cooperation with the board, the coordinator shall update the annual statewide budget
2348 and the strategic plan described in this section on an annual basis.

2349 (6)(a) On or before October 1, the coordinator shall provide a written report to the
2350 department for inclusion in the department's annual written report described in
2351 Section 35A-1-109.

2352 (b) The written report shall include:

2353 (i) the homeless services budget;
2354 (ii) the strategic plan;
2355 (iii) recommendations regarding improvements to coordinating and providing
2356 services to individuals experiencing homelessness in the state;
2357 (iv) in coordination with the board, a complete accounting of the office's
2358 disbursement of funds during the previous fiscal year from:
2359 (A) the Pamela Atkinson Homeless Account created in Section 35A-16-301;
2360 (B) the Homeless to Housing Reform Restricted Account created in Section
2361 35A-16-303;
2362 (C) the Homeless Shelter Cities Mitigation Restricted Account created in Section
2363 35A-16-402;
2364 (D) the COVID-19 Homeless Housing and Services Grant Program created in
2365 Section [35A-16-602] 63N-22-802; and
2366 (E) any other grant program created in statute that is administered by the office;
2367 and
2368 (v) the data described in Section 35A-16-211.

2369 Section 23. Section **53C-3-203** is amended to read:

2370 **53C-3-203 (Effective 07/01/26) (Partially Repealed 07/01/30). Land Exchange
2371 Distribution Account.**

2372 (1) As used in this section, "account" means the Land Exchange Distribution Account
2373 created in Subsection (2)(a).

2374 (2)(a) There is created within the General Fund a restricted account known as the Land

Exchange Distribution Account.

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

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

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

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

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

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

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

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

(iii) 1.68% of the deposits to the State Board of Education, to be used for education research and experimentation in the use of staff and facilities designed to improve the quality of education in Utah;

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

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

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

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

(viii) 3% of the deposits to the Permanent Community Impact Fund created in Section ~~35A-8-303~~ 63N-22-503, to be used for grants to political subdivisions of the state to mitigate the impacts resulting from the development or use of school

2409 and institutional trust lands.

2410 (5) The administration shall make recommendations to the Permanent Community Impact
2411 Fund Board for the Permanent Community Impact Fund Board's consideration when
2412 awarding the grants described in Subsection (4)(b)(viii).

2413 Section 24. Section **59-2-1101** is amended to read:

2414 **59-2-1101 (Effective 07/01/26). Definitions -- Exemption of certain property --**
2415 **Proportional payments for certain property -- Exception -- County legislative body**
2416 **authority to adopt rules or ordinances.**

2417 (1) As used in this section:

2418 (a) "Charitable purposes" means:

2419 (i) for property used as a nonprofit hospital or a nursing home, the standards outlined
2420 in *Howell v. County Board of Cache County ex rel. IHC Hospitals, Inc.*, 881 P.2d
2421 880 (Utah 1994); and
2422 (ii) for property other than property described in Subsection (1)(a)(i), providing a gift
2423 to the community.

2424 (b) "Compliance period" means a period equal to 15 taxable years beginning with the
2425 first taxable year for which the taxpayer claims a tax credit under Section 42, Internal
2426 Revenue Code, or Section 59-7-607 or 59-10-1010.

2427 (c)(i) "Educational purposes" means purposes carried on by an educational
2428 organization that normally:

2429 (A) maintains a regular faculty and curriculum; and
2430 (B) has a regularly enrolled body of pupils and students.

2431 (ii) "Educational purposes" includes:

2432 (A) the physical or mental teaching, training, or conditioning of competitive
2433 athletes by a national governing body of sport recognized by the United States
2434 Olympic and Paralympic Committee that qualifies as being tax exempt under
2435 Section 501(c)(3), Internal Revenue Code; and
2436 (B) an activity in support of or incidental to the teaching, training, or conditioning
2437 described in this Subsection (1)(c)(ii).

2438 (d) "Exclusive use exemption" means a property tax exemption under Subsection
2439 (3)(a)(iv), for property owned by a nonprofit entity used exclusively for one or more
2440 of the following purposes:

2441 (i) religious purposes;
2442 (ii) charitable purposes; or

2443 (iii) educational purposes.

2444 (e)(i) "Farm machinery and equipment" means tractors, milking equipment and
2445 storage and cooling facilities, feed handling equipment, irrigation equipment,
2446 harvesters, choppers, grain drills and planters, tillage tools, scales, combines,
2447 spreaders, sprayers, haying equipment, including balers and cubers, and any other
2448 machinery or equipment used primarily for agricultural purposes.

2449 (ii) "Farm machinery and equipment" does not include vehicles required to be
2450 registered with the Motor Vehicle Division or vehicles or other equipment used
2451 for business purposes other than farming.

2452 (f) "Gift to the community" means:

2453 (i) the lessening of a government burden; or

2454 (ii)(A) the provision of a significant service to others without immediate
2455 expectation of material reward;

2456 (B) the use of the property is supported to a material degree by donations and gifts
2457 including volunteer service;

2458 (C) the recipients of the charitable activities provided on the property are not
2459 required to pay for the assistance received, in whole or in part, except that if in
2460 part, to a material degree;

2461 (D) the beneficiaries of the charitable activities provided on the property are
2462 unrestricted or, if restricted, the restriction bears a reasonable relationship to
2463 the charitable objectives of the nonprofit entity that owns the property; and

2464 (E) any commercial activities provided on the property are subordinate or
2465 incidental to charitable activities provided on the property.

2466 (g) "Government exemption" means a property tax exemption provided under
2467 Subsection (3)(a)(i), (ii), or (iii).

2468 (h)(i) "Nonprofit entity" means an entity:

2469 (A) that is organized on a nonprofit basis, that dedicates the entity's property to the
2470 entity's nonprofit purpose, and that makes no dividend or other form of
2471 financial benefit available to a private interest;

2472 (B) for which, upon dissolution, the entity's assets are distributable only for
2473 exempt purposes under state law or to the government for a public purpose; and

2474 (C) for which none of the net earnings or donations made to the entity inure to the
2475 benefit of private shareholders or other individuals, as the private inurement
2476 standard has been interpreted under Section 501(c)(3), Internal Revenue Code.

2477 (ii) "Nonprofit entity" includes an entity:

2478 (A) if the entity is treated as a disregarded entity for federal income tax purposes
2479 and wholly owned by, and controlled under the direction of, a nonprofit entity;
2480 and

2481 (B) for which none of the net earnings and profits of the entity inure to the benefit
2482 of any person other than a nonprofit entity.

2483 (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection
2484 (1)(h)(i) if the entity jointly owns a property that:

2485 (A) is used for the purpose of providing permanent supportive housing;

2486 (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a
2487 housing authority that operates the permanent supportive housing;

2488 (C) has an owner that receives public funding from a federal, state, or local
2489 government entity to provide support services and rental subsidies to the
2490 permanent supportive housing;

2491 (D) is intended to be transferred at or before the end of the compliance period to
2492 an entity described in Subsection (1)(h)(i) or a housing authority that will
2493 continue to operate the property as permanent supportive housing; and

2494 (E) has been certified by the Utah Housing Corporation as meeting the
2495 requirements described in Subsections (1)(h)(iii)(A) through (D).

2496 (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection
2497 (1)(h)(i) if:

2498 (A) the entity is a housing organization as defined in [Subsection
2499 35A-8-2401(1)(a)] Section 63N-22-316; and

2500 (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing
2501 authority.

2502 (i) "Permanent supportive housing" means a housing facility that:

2503 (i) provides supportive services;

2504 (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing
2505 facility when the housing facility is placed in service;

2506 (iii) receives an allocation of federal low-income housing tax credits in accordance
2507 with 26 U.S.C. Sec. 42; and

2508 (iv) leases each unit to a tenant:

2509 (A) who, immediately before leasing the housing, was homeless as defined in 24
2510 C.F.R. 583.5; and

2511 (B) whose rent is capped at no more than 30% of the tenant's household income.

2512 (j)(i) "Property of" means property that an entity listed in Subsection (3)(a)(ii) or (iii)
2513 has a legal right to possess.

2514 (ii) "Property of" includes a lease of real property if:

2515 (A) the property is wholly leased to a state or political subdivision entity listed in
2516 Subsection (3)(a)(ii) or (iii) under a triple net lease; and

2517 (B) the lease is in effect for the entire calendar year.

2518 (k) "Supportive service" means a service that is an eligible cost under 24 C.F.R. 578.53.

2519 (l) "Triple net lease" means a lease agreement under which the lessee is responsible for
2520 the real estate taxes, building insurance, and maintenance of the property separate
2521 from and in addition to the rental price.

2522 (2)(a) Except as provided in Subsection (2)(b), an exemption under this part may be
2523 allowed only if the claimant is the owner of the property as of January 1 of the year
2524 the exemption is claimed.

2525 (b) A claimant shall collect and pay a proportional tax based upon the length of time that
2526 the property was not owned by the claimant if:

2527 (i) the claimant is a federal, state, or political subdivision entity described in
2528 Subsection (3)(a)(i), (ii), or (iii); or

2529 (ii) in accordance with Subsection (3)(a)(iv):

2530 (A) the claimant is a nonprofit entity; and

2531 (B) the property is used exclusively for religious, charitable, or educational
2532 purposes.

2533 (3)(a) The following property is exempt from taxation:

2534 (i) property exempt under the laws of the United States;

2535 (ii) property of:

2536 (A) the state;

2537 (B) school districts; and

2538 (C) public libraries;

2539 (iii) except as provided in Title 11, Chapter 13, Interlocal Cooperation Act, property
2540 of:

2541 (A) counties;

2542 (B) cities;

2543 (C) towns;

2544 (D) special districts;

2545 (E) special service districts; and
2546 (F) all other political subdivisions of the state;
2547 (iv) except as provided in Subsection (6) or (7), property owned by a nonprofit entity
2548 used exclusively for one or more of the following purposes:
2549 (A) religious purposes;
2550 (B) charitable purposes; or
2551 (C) educational purposes;
2552 (v) places of burial not held or used for private or corporate benefit;
2553 (vi) farm machinery and equipment;
2554 (vii) a high tunnel, as defined in Section 10-20-613;
2555 (viii) intangible property; and
2556 (ix) the ownership interest of an out-of-state public agency, as defined in Section
2557 11-13-103:
2558 (A) if that ownership interest is in property providing additional project capacity,
2559 as defined in Section 11-13-103; and
2560 (B) on which a fee in lieu of ad valorem property tax is payable under Section
2561 11-13-302.

2562 (b) For purposes of a property tax exemption for property of school districts under
2563 Subsection (3)(a)(ii)(B), a charter school under Title 53G, Chapter 5, Charter
2564 Schools, is considered to be a school district.

2565 (4) Subject to Subsection (5), if property that is allowed an exclusive use exemption or a
2566 government exemption ceases to qualify for the exemption because of a change in the
2567 ownership of the property:
2568 (a) the new owner of the property shall pay a proportional tax based upon the period of
2569 time:
2570 (i) beginning on the day that the new owner acquired the property; and
2571 (ii) ending on the last day of the calendar year during which the new owner acquired
2572 the property; and
2573 (b) the new owner of the property and the person from whom the new owner acquires
2574 the property shall notify the county assessor, in writing, of the change in ownership
2575 of the property within 30 days from the day that the new owner acquires the property.

2576 (5) Notwithstanding Subsection (4)(a), the proportional tax described in Subsection (4)(a):
2577 (a) is subject to any exclusive use exemption or government exemption that the property
2578 is entitled to under the new ownership of the property; and

2579 (b) applies only to property that is acquired after December 31, 2005.

2580 (6)(a) A property may not receive an exemption under Subsection (3)(a)(iv) if:

2581 (i) the nonprofit entity that owns the property participates in or intervenes in any
2582 political campaign on behalf of or in opposition to any candidate for public office,
2583 including the publishing or distribution of statements; or

2584 (ii) a substantial part of the activities of the nonprofit entity that owns the property
2585 consists of carrying on propaganda or otherwise attempting to influence
2586 legislation, except as provided under Subsection 501(h), Internal Revenue Code.

2587 (b) Whether a nonprofit entity is engaged in an activity described in Subsection (6)(a)
2588 shall be determined using the standards described in Section 501, Internal Revenue
2589 Code.

2590 (7) A property may not receive an exemption under Subsection (3)(a)(iv) if:

2591 (a) the property is used for a purpose that is not religious, charitable, or educational; and

2592 (b) the use for a purpose that is not religious, charitable, or educational is more than de
2593 minimis.

2594 (8) A county legislative body may adopt rules or ordinances to:

2595 (a) effectuate an exemption under this part; and

2596 (b) designate one or more persons to perform the functions given to the county under
2597 this part.

2598 (9) If a person is dissatisfied with an exemption decision made under designated
2599 decision-making authority as described in Subsection (8)(b), that person may appeal the
2600 decision to the commission under Section 59-2-1006.

2601 Section 25. Section **59-5-116** is amended to read:

2602 **59-5-116 (Effective 07/01/26). Disposition of certain taxes collected on Ute Indian**
2603 **land.**

2604 (1) Except as provided in Subsection (2), there shall be deposited into the Uintah Basin
2605 Revitalization Fund [established in] created in Section [35A-8-1602] 63N-22-602:

2606 (a) for taxes imposed under this part, 33% of the taxes collected on oil, gas, or other
2607 hydrocarbon substances produced from a well:

2608 (i) for which production began on or before June 30, 1995; and

2609 (ii) attributable to interests:

2610 (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or

2611 (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948);

2612 (b) for taxes imposed under this part, 80% of taxes collected on oil, gas, or other

hydrocarbon substances produced from a well:

- (i) for which production began on or after July 1, 1995; and
- (ii) attributable to interests:
 - (A) held in trust by the United States for the Tribe and [its] the Tribe's members; or
 - (B) on lands identified in Pub. L. No. 440, 62 Stat. 72 (1948); and

for taxes imposed under this part, 80% of taxes collected on oil, gas, or other hydrocarbon substances produced from a well:

- (i) for which production began on or after January 1, 2001; and
- (ii) attributable to interests on lands conveyed to the tribe under the Ute-Moab Land Restoration Act, Pub. L. No. 106-398, Sec. 3303.

(2)(a) The maximum amount deposited in the Uintah Basin Revitalization Fund may not exceed:

- (i) \$3,000,000 in fiscal year 2005-06;
- (ii) \$5,000,000 in fiscal year 2006-07;
- (iii) \$6,000,000 in fiscal years 2007-08 and 2008-09; and
- (iv) for fiscal years beginning with fiscal year 2009-10, the amount determined by the commission as described in Subsection (2)(b).

(b)(i) The commission shall increase or decrease the dollar amount described in Subsection (2)(a)(iii) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2008; and

(ii) after making an increase or decrease under Subsection (2)(b)(i), round the dollar amount to the nearest whole dollar.

(c) For purposes of this Subsection (2), "consumer price index" is as described in Section 1(f)(4), Internal Revenue Code, and defined in Section (1)(f)(5), Internal Revenue Code.

(d) Any amounts in excess of the maximum described in Subsection (2)(a) shall be credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

Section 26. Section **59-5-119** is amended to read:

59-5-119 (Effective 07/01/26). Disposition of certain taxes collected on Navajo Nation land located in Utah.

(1) Except as provided in Subsection (2), there shall be deposited into the Navajo Revitalization Fund [established] created in Section [35A-8-1704] 63N-22-703 for taxes imposed under this part beginning on July 1, 1997:

2647 (a) 33% of the taxes collected on oil, gas, or other hydrocarbon substances produced
2648 from a well:
2649 (i) for which production began on or before June 30, 1996; and
2650 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
2651 Nation and [its] the Navajo Nation's members; and
2652 (b) 80% of the taxes collected on oil, gas, or other hydrocarbon substances produced
2653 from a well:
2654 (i) for which production began on or after July 1, 1996; and
2655 (ii) attributable to interests in Utah held in trust by the United States for the Navajo
2656 Nation and [its] the Navajo Nation's members.

2657 (2)(a) The maximum amount deposited in the Navajo Revitalization Fund may not
2658 exceed:

2659 (i) \$2,000,000 in fiscal year 2006-07; and
2660 (ii) \$3,000,000 for fiscal years beginning with fiscal year 2007-08.
2661 (b) Any amounts in excess of the maximum described in Subsection (2)(a) shall be
2662 credited as provided in Sections 51-9-305, 51-9-306, 51-9-307, and 59-5-115.

2663 Section 27. Section **59-12-2220** is amended to read:

2664 **59-12-2220 (Effective 07/01/26). County option sales and use tax to fund
2665 highways or a system for public transit -- Base -- Rate.**

2666 (1) Subject to the other provisions of this part and subject to the requirements of this
2667 section, the following counties may impose a sales and use tax under this section:
2668 (a) a county legislative body may impose the sales and use tax on the transactions
2669 described in Subsection 59-12-103(1) located within the county, including the cities
2670 and towns within the county if:
2671 (i) the entire boundary of a county is annexed into a large public transit district; and
2672 (ii) the maximum amount of sales and use tax authorizations allowed in accordance
2673 with Section 59-12-2203 and authorized under the following sections has been
2674 imposed:
2675 (A) Section 59-12-2213;
2676 (B) Section 59-12-2214;
2677 (C) Section 59-12-2215;
2678 (D) Section 59-12-2216;
2679 (E) Section 59-12-2217;
2680 (F) Section 59-12-2218; and

2681 (G) Section 59-12-2219;

2682 (b) if the county is not annexed into a large public transit district, the county legislative
2683 body may impose the sales and use tax on the transactions described in Subsection
2684 59-12-103(1) located within the county, including the cities and towns within the
2685 county if:
2686 (i) the county is an eligible political subdivision; or
2687 (ii) a city or town within the boundary of the county is an eligible political
2688 subdivision; or
2689 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
2690 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
2691 located within the county, including the cities and towns within the county.

2692 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
2693 county legislative body that imposes a sales and use tax under this section may impose
2694 the tax at a rate of .2%.

2695 (3)(a) The commission shall distribute sales and use tax revenue collected under this
2696 section as determined by a county legislative body as described in Subsection (3)(b).
2697 (b) If a county legislative body imposes a sales and use tax as described in this section,
2698 the county legislative body may elect to impose a sales and use tax revenue
2699 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
2700 county, and presence and type of a public transit provider in the county.

2701 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
2702 county legislative body imposes a sales and use tax as described in this section, and the
2703 entire boundary of the county is annexed into a large public transit district, and the
2704 county is a county of the first class, the commission shall distribute the sales and use tax
2705 revenue as follows:

2706 (a) .10% to a public transit district as described in Subsection (11);
2707 (b) .05% to the cities and towns as provided in Subsection (8); and
2708 (c) .05% to the county legislative body.

2709 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
2710 described in this section and the entire boundary of the county is annexed into a large
2711 public transit district, and the county is a county not described in Subsection (4), the
2712 commission shall distribute the sales and use tax revenue as follows:

2713 (a) .10% to a public transit district as described in Subsection (11);
2714 (b) .05% to the cities and towns as provided in Subsection (8); and

2715 (c) .05% to the county legislative body.

2716 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
2717 imposes a sales and use tax as described in this section is not annexed into a single
2718 public transit district, but a city or town within the county is annexed into a single
2719 public transit district, or if the city or town is an eligible political subdivision, the
2720 commission shall distribute the sales and use tax revenue collected within the county
2721 as provided in Subsection (6)(b) or (c).

2722 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
2723 annexed into the single public transit district, or an eligible political subdivision, the
2724 commission shall distribute the sales and use tax revenue collected within the portion
2725 of the county that is within a public transit district or eligible political subdivision as
2726 follows:

2727 (i) .05% to a public transit provider as described in Subsection (11);
2728 (ii) .075% to the cities and towns as provided in Subsection (8); and
2729 (iii) .075% to the county legislative body.

2730 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
2731 described in Subsection (6)(a) that is not annexed into a single public transit district
2732 or eligible political subdivision in the county, the commission shall distribute the
2733 sales and use tax revenue collected within that portion of the county as follows:
2734 (i) .08% to the cities and towns as provided in Subsection (8); and
2735 (ii) .12% to the county legislative body.

2736 (7) For a county without a public transit service that imposes a sales and use tax as
2737 described in this section, the commission shall distribute the sales and use tax revenue
2738 collected within the county as follows:
2739 (a) .08% to the cities and towns as provided in Subsection (8); and
2740 (b) .12% to the county legislative body.

2741 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
2742 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
2743 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
2744 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
2745 through (7) shall be distributed to the unincorporated areas, cities, and towns
2746 within those counties on the basis of the percentage that the population of each
2747 unincorporated area, city, or town bears to the total population of all of the
2748 counties that impose a tax under this section; and

2749 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
2750 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
2751 through (7) shall be distributed to the unincorporated areas, cities, and towns
2752 within those counties on the basis of the location of the transaction as determined
2753 under Sections 59-12-211 through 59-12-215.

2754 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
2755 not otherwise required by federal law:

2756 (A) the most recent estimate from the Utah Population Committee created in
2757 Section 63C-20-103; or
2758 (B) if the Utah Population Committee estimate is not available for each
2759 municipality and unincorporated area, the adjusted sub-county population
2760 estimate provided by the Utah Population Committee in accordance with
2761 Section 63C-20-104.

2762 (ii) If a needed population estimate is not available from the United States Census
2763 Bureau, population figures shall be derived from an estimate from the Utah
2764 Population Estimates Committee created by executive order of the governor.

2765 (c)(i) Beginning on January 1, 2024, if the ~~Housing and Community Development~~
2766 ~~Division within the Department of Workforce Services~~ Division of Housing and
2767 Community Development within the Governor's Office of Economic Opportunity
2768 determines that a city or town is ineligible for funds in accordance with
2769 Subsection 10-21-202(6), beginning the first day of the calendar quarter after
2770 receiving 90 days' notice, the commission shall distribute the distribution that city
2771 or town would have received under Subsection (8)(a) to cities or towns to which
2772 Subsection 10-21-202(6) does not apply.

2773 (ii) Beginning on January 1, 2024, if the ~~Housing and Community Development~~
2774 ~~Division within the Department of Workforce Services~~ Division of Housing and
2775 Community Development within the Governor's Office of Economic Opportunity
2776 determines that a county is ineligible for funds in accordance with Subsection
2777 17-80-202(6), beginning the first day of the calendar quarter after receiving 90
2778 days' notice, the commission shall distribute the distribution that county would
2779 have received under Subsection (8)(a) to counties to which Subsection
2780 17-80-202(6) does not apply.

2781 (9) If a public transit service is organized after the date a county legislative body first
2782 imposes a tax under this section, a change in a distribution required by this section may

2783 not take effect until the first distribution the commission makes under this section after a
2784 90-day period that begins on the date the commission receives written notice from the
2785 public transit provider that the public transit service has been organized.

2786 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
2787 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
2788 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
2789 Section 59-12-2212.2.

2790 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
2791 the sales and use tax authorized in this section, the county may also use funds
2792 distributed in accordance with Subsection (4)(c) for public safety purposes.

2793 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city
2794 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
2795 use of revenue from a sales and use tax under this section includes the revitalization
2796 of a convention center owned by the county within a city of the first class and
2797 surrounding revitalization projects related to the convention center.

2798 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
2799 as described in this section may be used for capital expenses and service delivery
2800 expenses of:

2801 (i) a public transit district;
2802 (ii) an eligible political subdivision; or
2803 (iii) another entity providing a service for public transit or a transit facility within the
2804 relevant county, as those terms are defined in Section 17B-2a-802.

2805 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
2806 section, beginning on the date on which the county imposes the sales and use
2807 tax under this section, and for a three-year period after at least three counties
2808 described in Subsections (4) and (5) have imposed a tax under this section, or
2809 until June 30, 2030, whichever comes first, revenue designated for public
2810 transit within a county of the first class as described in Subsection (4)(a) shall
2811 be transferred to the County of the First Class Highway Projects Fund created
2812 in Section 72-2-121.

2813 (B) Revenue deposited into the County of the First Class Highway Projects Fund
2814 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
2815 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
2816 4, Public Transit Innovation Grants.

2817 (ii) If a county of the first class imposes a sales and use tax described in this section,
2818 beginning on the day three years after the date on which at least three counties
2819 described in Subsections (4) and (5) have imposed a tax under this section, or
2820 beginning on July 1, 2030, whichever comes first, for revenue designated for
2821 public transit as described in Subsection (4)(a):

2822 (A) 50% of the revenue from a sales and use tax imposed under this section in a
2823 county of the first class shall be transferred to the County of the First Class
2824 Highway Projects Fund created in Section 72-2-121; and

2825 (B) 50% of the revenue from a sales and use tax imposed under this section in a
2826 county of the first class shall be transferred to the Transit Transportation
2827 Investment Fund created in Subsection 72-2-124(9).

2828 (c)(i) If a county that is not a county of the first class for which the entire boundary of
2829 the county is annexed into a large public transit district imposes a sales and use
2830 tax described in this section, beginning on the date on which the county imposes
2831 the sales and use tax under this section, and for a three-year period following the
2832 date on which at least three counties described in Subsections (4) and (5) have
2833 imposed a tax under this section, or until June 30, 2030, whichever comes first,
2834 revenue designated for public transit as described in Subsection (5)(a) shall be
2835 transferred to the relevant county legislative body to be used for a purpose
2836 described in Subsection (11)(a).

2837 (ii) If a county that is not a county of the first class for which the entire boundary of
2838 the county is annexed into a large public transit district imposes a sales and use
2839 tax described in this section, beginning on the day three years after the date on
2840 which at least three counties described in Subsections (4) and (5) have imposed a
2841 tax under this section, or beginning on July 1, 2030, whichever comes first, for the
2842 revenue that is designated for public transit in Subsection (5)(a):

2843 (A) 50% shall be transferred to the Transit Transportation Investment Fund
2844 created in Subsection 72-2-124(9); and

2845 (B) 50% shall be transferred to the relevant county legislative body to be used for
2846 a purpose described in Subsection (11)(a).

2847 (d) Except as provided in Subsection [(13)(e)] (14)(c), for a county that imposes a sales
2848 and use tax under this section, for revenue designated for public transit as described
2849 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county
2850 legislative body to be used for a purpose described in Subsection (11)(a).

2851 (12) A large public transit district shall send notice to the commission at least 90 days
2852 before the earlier of:
2853 (a) the date that is three years after the date on which at least three counties described in
2854 Subsections (4) and (5) have imposed a tax under this section; or
2855 (b) June 30, 2030.

2856 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization
2857 project described in Subsection (10)(c), the city shall transfer at least 50%, and may
2858 transfer up to 100%, of any revenue the city receives from a distribution under
2859 Subsection (4)(b) to a convention center public infrastructure district created in
2860 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by
2861 the county within a city of the first class and surrounding revitalization projects related
2862 to the convention center as permitted in Subsection (10)(c).

2863 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
2864 required to, submit an opinion question to the county's registered voters in
2865 accordance with Section 59-12-2208 to impose a sales and use tax under this section.
2866 (b) If a county passes an ordinance to impose a sales and use tax as described in this
2867 section, the sales and use tax shall take effect on the first day of the calendar quarter
2868 after a 90-day period that begins on the date the commission receives written notice
2869 from the county of the passage of the ordinance.
2870 (c) A county that imposed the local option sales and use tax described in this section
2871 before January 1, 2023, may maintain that county's distribution allocation in place as
2872 of January 1, 2023.

2873 (15)(a) Revenue collected from a sales and use tax under this section may not be used to
2874 supplant existing General Fund appropriations that a county, city, or town budgeted
2875 for transportation or public transit as of the date the tax becomes effective for a
2876 county, city, or town.
2877 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation
2878 or public transit capital or reserve account a county, city, or town established before
2879 the date the tax becomes effective.

2880 Section 28. Section **59-21-1** is amended to read:

2881 **59-21-1 (Effective 07/01/26). Disposition of federal mineral lease money --**
2882 **Priority to political subdivisions impacted by mineral development -- Disposition of**
2883 **mineral bonus payments -- Appropriation of money attributable to royalties from**
2884 **extraction of minerals on federal land located within boundaries of Grand**

2885 **Staircase-Escalante National Monument.**

2886 (1) Except as provided in Subsections (2) through (4), all money received from the United
2887 States under the provisions of the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et
2888 seq., shall:

2889 (a) be deposited in the Mineral Lease Account of the General Fund; and
2890 (b) be appropriated by the Legislature giving priority to those subdivisions of the state
2891 socially or economically impacted by development of minerals leased under the
2892 Mineral Lands Leasing Act, for:
2893 (i) planning;
2894 (ii) construction and maintenance of public facilities; and
2895 (iii) provision of public services.

2896 (2) Seventy percent of money received from federal mineral lease bonus payments shall be
2897 deposited into the Permanent Community Impact Fund and shall be used [as provided in
2898 Title 35A, Chapter 8, Part 3, Community Impact Fund Act] in accordance with Title
2899 63N, Chapter 22, Part 5, Community Impact Fund.

2900 (3) Thirty percent of money received from federal mineral lease bonus payments shall be
2901 deposited in the Mineral Bonus Account created by Subsection 59-21-2(1) and
2902 appropriated as provided in that subsection.

2903 (4)(a) For purposes of this Subsection (4):

2904 (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the
2905 boundaries:

2906 (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223
2907 (1996); and

2908 (B) modified by:

2909 (I) Pub. L. No. 105-335, 112 Stat. 3139; and

2910 (II) Pub. L. No. 105-355, 112 Stat. 3247; and

2911 (ii) a special service district, school district, or federal land is considered to be
2912 located within the boundaries of the Grand Staircase-Escalante National
2913 Monument if a portion of the special service district, school district, or federal
2914 land is located within the boundaries described in Subsection (4)(a)(i).

2915 (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in
2916 Subsections (4)(c) through (g), money received from the United States that is
2917 attributable to royalties from the extraction of minerals on federal land that, on
2918 September 18, 1996, was located within the boundaries of the Grand

2919 Staircase-Escalante National Monument.

2920 (c) The Legislature shall annually appropriate 40% of the money described in
2921 Subsection (4)(b) to the Division of Finance to be distributed by the Division of
2922 Finance to special service districts that are:
2923 (i) established by counties under Title 17D, Chapter 1, Special Service District Act;
2924 (ii) socially or economically impacted by the development of minerals under the
2925 Mineral Lands Leasing Act; and
2926 (iii) located within the boundaries of the Grand Staircase-Escalante National
2927 Monument.

2928 (d) The Division of Finance shall distribute the money described in Subsection (4)(c) in
2929 amounts proportionate to the amount of federal mineral lease money generated by the
2930 county in which a special service district is located.

2931 (e) The Legislature shall annually appropriate 40% of the money described in
2932 Subsection (4)(b) to the State Board of Education to be distributed equally to school
2933 districts that are:
2934 (i) socially or economically impacted by the development of minerals under the
2935 Mineral Lands Leasing Act; and
2936 (ii) located within the boundaries of the Grand Staircase-Escalante National
2937 Monument.

2938 (f) The Legislature shall annually appropriate 2.25% of the money described in
2939 Subsection (4)(b) to the Utah Geological Survey to facilitate the development of
2940 energy and mineral resources in counties that are:
2941 (i) socially or economically impacted by the development of minerals under the
2942 Mineral Lands Leasing Act; and
2943 (ii) located within the boundaries of the Grand Staircase-Escalante National
2944 Monument.

2945 (g) Seventeen and three-fourths percent of the money described in Subsection (4)(b)
2946 shall be deposited annually into the State School Fund established by Utah
2947 Constitution Article X, Section 5.

2948 Section 29. Section **59-21-2** is amended to read:

2949 **59-21-2 (Effective 07/01/26). Mineral Bonus Account created -- Contents -- Use**
2950 **of Mineral Bonus Account money -- Mineral Lease Account created -- Contents --**
2951 **Appropriation of money from Mineral Lease Account.**

2952 (1)(a) There is created a restricted account within the General Fund known as the

2953 "Mineral Bonus Account."

2954 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments

2955 deposited pursuant to Subsection 59-21-1(3).

2956 (c) The Legislature shall make appropriations from the Mineral Bonus Account in

2957 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C.

2958 Sec. 191.

2959 (d) The state treasurer shall:

2960 (i) invest the money in the Mineral Bonus Account by following the procedures and

2961 requirements of Title 51, Chapter 7, State Money Management Act; and

2962 (ii) deposit all interest or other earnings derived from the account into the Mineral

2963 Bonus Account.

2964 (e) The Division of Finance shall, beginning on July 1, 2017, annually deposit 30% of

2965 mineral lease bonus payments deposited under Subsection (1)(b) from the previous

2966 fiscal year into the Utah Wildfire Fund created in Section 65A-8-217, up to

2967 \$2,000,000 but not to exceed 20% of the amount expended in the previous fiscal year

2968 from the Utah Wildfire Fund.

2969 (2)(a) There is created a restricted account within the General Fund known as the

2970 "Mineral Lease Account."

2971 (b) The Mineral Lease Account consists of federal mineral lease money deposited

2972 pursuant to Subsection 59-21-1(1).

2973 (c) The Legislature shall make appropriations from the Mineral Lease Account as

2974 provided in Subsection 59-21-1(1) and this Subsection (2).

2975 (d) The Legislature shall annually appropriate 32.5% of all deposits made to the Mineral

2976 Lease Account to the Permanent Community Impact Fund established by Section [

2977 ~~35A-8-303~~] 35A-22-503.

2978 (e) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral

2979 Lease Account to the State Board of Education, to be used for education research and

2980 experimentation in the use of staff and facilities designed to improve the quality of

2981 education in Utah.

2982 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral

2983 Lease Account to the Utah Geological Survey Restricted Account, created in Section

2984 79-3-403, to be used by the Utah Geological Survey for activities carried on by the

2985 Utah Geological Survey having as a purpose the development and exploitation of

2986 natural resources in the state.

2987 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the Mineral
2988 Lease Account to the Water Research Laboratory at Utah State University, to be used
2989 for activities carried on by the laboratory having as a purpose the development and
2990 exploitation of water resources in the state.

2991 (h)(i) The Legislature shall annually appropriate to the Division of Finance 40% of
2992 all deposits made to the Mineral Lease Account to be distributed as provided in
2993 Subsection (2)(h)(ii) to:

2994 (A) counties;

2995 (B) special service districts established:
2996 (I) by counties;
2997 (II) under Title 17D, Chapter 1, Special Service District Act; and
2998 (III) for the purpose of constructing, repairing, or maintaining roads; or

2999 (C) special service districts established:
3000 (I) by counties;
3001 (II) under Title 17D, Chapter 1, Special Service District Act; and
3002 (III) for other purposes authorized by statute.

3003 (ii) The Division of Finance shall allocate the funds specified in Subsection (2)(h)(i):
3004 (A) in amounts proportionate to the amount of mineral lease money generated by
3005 each county; and
3006 (B) to a county or special service district established by a county under Title 17D,
3007 Chapter 1, Special Service District Act, as determined by the county legislative
3008 body.

3009 (i)(i) The Legislature shall annually appropriate 5% of all deposits made to the
3010 Mineral Lease Account to the Department of Workforce Services to be distributed
3011 to:
3012 (A) special service districts established:
3013 (I) by counties;
3014 (II) under Title 17D, Chapter 1, Special Service District Act; and
3015 (III) for the purpose of constructing, repairing, or maintaining roads; or
3016 (B) special service districts established:
3017 (I) by counties;
3018 (II) under Title 17D, Chapter 1, Special Service District Act; and
3019 (III) for other purposes authorized by statute.

3020 (ii) The Department of Workforce Services may distribute the amounts described in

3021 Subsection (2)(i)(i) only to special service districts established under Title 17D,
3022 Chapter 1, Special Service District Act, by counties:
3023 (A) of the third, fourth, fifth, or sixth class;
3024 (B) in which 4.5% or less of the mineral lease money within the state is generated;
3025 and
3026 (C) that are significantly socially or economically impacted as provided in
3027 Subsection (2)(i)(iii) by the development of minerals under the Mineral Lands
3028 Leasing Act, 30 U.S.C. Sec. 181 et seq.

3029 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)
3030 shall be as a result of:

3031 (A) the transportation within the county of hydrocarbons, including solid
3032 hydrocarbons as defined in Section 59-5-101;
3033 (B) the employment of persons residing within the county in hydrocarbon
3034 extraction, including the extraction of solid hydrocarbons as defined in Section
3035 59-5-101; or
3036 (C) a combination of Subsections (2)(i)(iii)(A) and (B).

3037 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to
3038 special service districts established by counties under Title 17D, Chapter 1,
3039 Special Service District Act, the Department of Workforce Services shall:

3040 (A)(I) allocate 50% of the appropriations equally among the counties meeting
3041 the requirements of Subsections (2)(i)(ii) and (iii); and
3042 (II) allocate 50% of the appropriations based on the ratio that the population of
3043 each county meeting the requirements of Subsections (2)(i)(ii) and (iii)
3044 bears to the total population of all of the counties meeting the requirements
3045 of Subsections (2)(i)(ii) and (iii); and
3046 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute
3047 the allocated revenues to special service districts established by the counties
3048 under Title 17D, Chapter 1, Special Service District Act, as determined by the
3049 executive director of the Department of Workforce Services after consulting
3050 with the county legislative bodies of the counties meeting the requirements of
3051 Subsections (2)(i)(ii) and (iii).

3052 (v) The executive director of the Department of Workforce Services:

3053 (A) shall determine whether a county meets the requirements of Subsections
3054 (2)(i)(ii) and (iii);

3055 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service
3056 districts established by counties under Title 17D, Chapter 1, Special Service
3057 District Act, that meet the requirements of Subsections (2)(i)(ii) and (iii); and
3058

3059 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
3060 Act, may make rules:

3061 (I) providing a procedure for making the distributions under this Subsection
3062 (2)(i) to special service districts; and

3063 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).

3064 (j)(i) The Legislature shall annually make the following appropriations from the
3065 Mineral Lease Account:

3066 (A) an amount equal to 52 cents multiplied by the number of acres of school or
3067 institutional trust lands, lands owned by the Division of State Parks or the
3068 Division of Outdoor Recreation, and lands owned by the Division of Wildlife
3069 Resources that are not under an in lieu of taxes contract, to each county in
3070 which those lands are located;

3071 (B) to each county in which school or institutional trust lands are transferred to the
3072 federal government after December 31, 1992, an amount equal to the number
3073 of transferred acres in the county multiplied by a payment per acre equal to the
3074 difference between 52 cents per acre and the per acre payment made to that
3075 county in the most recent payment under the federal payment in lieu of taxes
3076 program, 31 U.S.C. Sec. 6901 et seq., unless the federal payment was equal to
3077 or exceeded the 52 cents per acre, in which case a payment under this
3078 Subsection (2)(j)(i)(B) may not be made for the transferred lands;

3079 (C) to each county in which federal lands, which are entitlement lands under the
3080 federal in lieu of taxes program, are transferred to the school or institutional
3081 trust, an amount equal to the number of transferred acres in the county
3082 multiplied by a payment per acre equal to the difference between the most
3083 recent per acre payment made under the federal payment in lieu of taxes
3084 program and 52 cents per acre, unless the federal payment was equal to or less
3085 than 52 cents per acre, in which case a payment under this Subsection
3086 (2)(j)(i)(C) may not be made for the transferred land; and

3087 (D) to a county of the fifth or sixth class, an amount equal to the product of:

3088 (I) \$1,000; and

(II) the number of residences described in Subsection (2)(j)(iv) that are located

3089 within the county.

3090 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the
3091 county legislative body, distribute the money or a portion of the money to:

3092 (A) special service districts established by the county under Title 17D, Chapter 1,
3093 Special Service District Act;
3094 (B) school districts; or
3095 (C) public institutions of higher education.

3096 (iii)(A) Beginning in fiscal year 1994-95 and in each year after fiscal year
3097 1994-95, the Division of Finance shall increase or decrease the amounts per
3098 acre provided for in Subsections (2)(j)(i)(A) through (C) by the average annual
3099 change in the Consumer Price Index for all urban consumers published by the
3100 Department of Labor.

3101 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of
3102 Finance shall increase or decrease the amount described in Subsection
3103 (2)(j)(i)(D)(I) by the average annual change in the Consumer Price Index for
3104 all urban consumers published by the Department of Labor.

3105 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:

3106 (A) owned by:

3107 (I) the Division of State Parks;
3108 (II) the Division of Outdoor Recreation; or
3109 (III) the Division of Wildlife Resources;

3110 (B) located on lands that are owned by:

3111 (I) the Division of State Parks;
3112 (II) the Division of Outdoor Recreation; or
3113 (III) the Division of Wildlife Resources; and

3114 (C) are not subject to taxation under:

3115 (I) Chapter 2, Property Tax Act; or
3116 (II) Chapter 4, Privilege Tax.

3117 (k) The Legislature shall annually appropriate to the Permanent Community Impact
3118 Fund all deposits remaining in the Mineral Lease Account after making the
3119 appropriations provided for in Subsections (2)(d) through (j).

3120 (3)(a) Each agency, board, institution of higher education, and political subdivision
3121 receiving money under this chapter shall provide the Legislature, through the Office
3122 of the Legislative Fiscal Analyst, with a complete accounting of the use of that

3123 money on an annual basis.

3124 (b) The accounting required under Subsection (3)(a) shall:

3125 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the
3126 current fiscal year, and planned expenditures for the following fiscal year; and
3127 (ii) be reviewed by the Economic and Community Development Appropriations
3128 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1,
3129 Budgetary Procedures Act.

3130 Section 30. Section **63A-3-205** is amended to read:

3131 **63A-3-205 (Effective 07/01/26). Revolving loan funds -- Standards and**
3132 **procedures.**

3133 (1) As used in this section, "revolving loan fund" means:

3134 (a) the Water Resources Conservation and Development Fund, created in Section
3135 73-10-24;
3136 (b) the Water Resources Construction Fund, created in Section 73-10-8;
3137 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
3138 and Emission Reduction Technology Program Act;
3139 (d) the Water Development Security Fund and [its] the Water Development Security
3140 Fund's subaccounts, created in Section 73-10c-5;
3141 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
3142 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
3143 (g) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-22-503;
3144 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;
3145 (i) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602] 63N-22-602;
3146 (j) the Navajo Revitalization Fund, created in Section [35A-8-1704] 63N-22-703; and
3147 (k) the Energy Efficiency Fund, created in Section 11-45-201.

3148 (2) The division shall for each revolving loan fund make rules establishing standards and
3149 procedures governing:

3150 (a) payment schedules and due dates;
3151 (b) interest rate effective dates;
3152 (c) loan documentation requirements; and
3153 (d) interest rate calculation requirements.

3154 Section 31. Section **63B-1b-102** is amended to read:

3155 **63B-1b-102 (Effective 07/01/26). Definitions.**

3156 As used in this chapter:

3157 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness
3158 representing loans or grants made by an authorizing agency.

3159 (2) "Authorized official" means the state treasurer or other person authorized by a bond
3160 document to perform the required action.

3161 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for
3162 administering and managing revolving loan funds.

3163 (4) "Bond document" means:
3164 (a) a resolution of the commission; or
3165 (b) an indenture or other similar document authorized by the commission that authorizes
3166 and secures outstanding revenue bonds from time to time.

3167 (5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.

3168 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

3169 (7) "Revolving Loan Funds" means:
3170 (a) the Water Resources Conservation and Development Fund, created in Section
3171 73-10-24;
3172 (b) the Water Resources Construction Fund, created in Section 73-10-8;
3173 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
3174 and Emission Reduction Technology Program Act;
3175 (d) the Water Development Security Fund and [its] the Water Development Security
3176 Fund's subaccounts, created in Section 73-10c-5;
3177 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
3178 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
3179 (g) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-22-503;
3180 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409; and
3181 (i) the State Infrastructure Bank Fund, created in Section 72-2-202.

3182 Section 32. Section **63B-1b-202** is amended to read:

3183 **63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.**

3184 (1)(a) There is created within the Division of Finance an officer responsible for the care,
3185 custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust
3186 documents, and other evidences of indebtedness:
3187 (i) owned or administered by the state or [any of its agencies] an agency of the state;
3188 and
3189 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

3190 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not

3191 responsible for the care, custody, safekeeping, collection, and accounting of a bond,
3192 note, contract, trust document, or other evidence of indebtedness relating to the:
3193 (i) Agriculture Resource Development Fund, created in Section 4-18-106;
3194 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
3195 (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
3196 (iv) Olene Walker Housing Loan Fund, created in Section [35A-8-502] 63N-22-302;
3197 (v) Brownfields Fund, created in Section 19-8-120; and
3198 (vi) Rural Opportunity Fund, created in Section 63N-4-805.

3199 (2)(a) Each authorizing agency shall deliver to [this] the officer for the officer's care,
3200 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust
3201 documents, and other evidences of indebtedness:
3202 (i) owned or administered by the state or [any of its agencies] an agency of the state;
3203 and
3204 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

3205 (b) [This] The officer shall:
3206 (i) establish systems, programs, and facilities for the care, custody, safekeeping,
3207 collection, and accounting for the bonds, notes, contracts, trust documents, and
3208 other evidences of indebtedness submitted to the officer under this Subsection (2);
3209 and
3210 (ii) [shall] make available updated reports to each authorizing agency as to the status
3211 of loans under [their] each authorizing agency's authority.

3212 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in
3213 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the
3214 officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and
3215 other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).

3216 Section 33. Section **63C-25-101** is amended to read:

3217 **63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

3218 As used in this chapter:

3219 (1) "Authority" means the same as that term is defined in Section 63B-1-303.
3220 (2) "Bond" means the same as that term is defined in Section 63B-1-101.
3221 (3)(a) "Bonding government entity" means the state or any entity that is authorized to
3222 issue bonds under any provision of state law.
3223 (b) "Bonding government entity" includes:
3224 (i) a bonding political subdivision; and

- (ii) a public infrastructure district that is authorized to issue bonds either directly, or through the authority of a bonding political subdivision or other governmental entity.

(4) "Bonding political subdivision" means:

- (a) the Utah Inland Port Authority, created in Section 11-58-201;
- (b) the Military Installation Development Authority, created in Section 63H-1-201;
- (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
- (d) the Utah Lake Authority, created in Section 11-65-201;
- (e) the State Fair Park Authority, created in Section 11-68-201; or
- (f) the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201.

(5) "Commission" means the State Finance Review Commission created in Section 63C-25-201.

(6) "Concessionaire" means a person who:

- (a) operates, finances, maintains, or constructs a government facility under a contract with a bonding political subdivision; and
- (b) is not a bonding government entity.

(7) "Concessionaire contract" means a contract:

- (a) between a bonding government entity and a concessionaire for the operation, finance, maintenance, or construction of a government facility;
- (b) that authorizes the concessionaire to operate the government facility for a term of five years or longer, including any extension of the contract; and
- (c) in which all or some of the annual source of payment to the concessionaire comes from state funds provided to the bonding government entity.

(8) "Creating entity" means the same as that term is defined in Section 17D-4-102.

(9) "Government facility" means infrastructure, improvements, or a building that:

- (a) costs more than \$5,000,000 to construct; and
- (b) has a useful life greater than five years.

(10) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

(11) "Loan entity" means the board, person, unit, or agency with legal responsibility for making a loan from a revolving loan fund.

(12) "Obligation" means the same as that term is defined in Section 63B-1-303.

(13) "Parameters resolution" means a resolution of a bonding government entity that sets

3259 forth for proposed bonds:

3260 (a) the maximum:

3261 (i) amount of bonds;

3262 (ii) term; and

3263 (iii) interest rate; and

3264 (b) the expected security for the bonds.

3265 (14) "Public infrastructure district" means a public infrastructure district created under Title
3266 17D, Chapter 4, Public Infrastructure District Act.

3267 (15) "Revolving loan fund" means:

3268 (a) the Water Resources Conservation and Development Fund, created in Section
3269 73-10-24;

3270 (b) the Water Resources Construction Fund, created in Section 73-10-8;

3271 (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels
3272 and Emission Reduction Technology Program Act;

3273 (d) the Water Development Security Fund and [its] the Water Development Security
3274 Fund's subaccounts, created in Section 73-10c-5;

3275 (e) the Agriculture Resource Development Fund, created in Section 4-18-106;

3276 (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

3277 (g) the Permanent Community Impact Fund, created in Section [35A-8-303] 63N-22-503;

3278 (h) the Petroleum Storage Tank Fund, created in Section 19-6-409;

3279 (i) the School Building Revolving Account, created in Section 53F-9-206;

3280 (j) the State Infrastructure Bank Fund, created in Section 72-2-202;

3281 (k) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602] 63N-22-602;

3282 (l) the Navajo Revitalization Fund, created in Section [35A-8-1704] 63N-22-703;

3283 (m) the Energy Efficiency Fund, created in Section 11-45-201;

3284 (n) the Brownfields Fund, created in Section 19-8-120;

3285 (o) any of the enterprise revolving loan funds created in Section 63A-3-402: and

3286 (p) any other revolving loan fund created in statute where the borrower from the
3287 revolving loan fund is a public non-profit entity or political subdivision, including a
3288 fund listed in Section 63A-3-205, from which a loan entity is authorized to make a
3289 loan.

3290 (16)(a) "State funds" means an appropriation by the Legislature identified as coming
3291 from the General Fund or Education Fund.

3292 (b) "State funds" does not include:

3293 (i) a revolving loan fund; or
3294 (ii) revenues received by a bonding political subdivision from:
3295 (A) a tax levied by the bonding political subdivision;
3296 (B) a fee assessed by the bonding political subdivision; or
3297 (C) operation of the bonding political subdivision's government facility.

3298 Section 34. 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.

3302 (1)(a) There is created an independent body politic and corporate, constituting a public
3303 corporation, known as the "Utah Housing Corporation."
3304 (b) The corporation may also be known and do business as the:
3305 (i) Utah Housing Finance Association; and
3306 (ii) Utah Housing Finance Agency in connection with a contract entered into when
3307 that was the corporation's legal name.
3308 (c) No other entity may use the names described in Subsections (1)(a) and (b) without
3309 the express approval of the corporation.

3310 (2) The corporation is governed by a board of trustees composed of the following nine
3311 trustees:
3312 (a) the [executive] deputy director of the [Department of Workforce Services or the
3313 executive director's designee] Division of Housing and Community Development
3314 within the Governor's Office of Economic Opportunity;
3315 (b) the commissioner of the Department of Financial Institutions or the commissioner's
3316 designee;
3317 (c) the state treasurer or the treasurer's designee; and
3318 [(d) six public trustees, who are private citizens of the state, as follows:]
3319 [(i) two people who represent the mortgage lending industry;]
3320 [(ii) two people who represent the home building and real estate industry; and]
3321 [(iii) two people who represent the public at large.]
3322 (d) six public trustees, all of whom are private citizens of the state, appointed by the
3323 governor, and who shall have expertise in the following industries or related fields of:
3324 (i) housing;
3325 (ii) finance;
3326 (iii) banking; or

3327 (iv) real estate development.

3328 (3) The governor shall:

3329 (a) appoint the six public trustees of the corporation with the advice and consent of the
3330 Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies; and

3331 (b) ensure that among the six public trustees, no more than two [are from the same
3332 county and all are residents of the state] are from the same industry described in
3333 Subsections (2)(d)(i) through (iv).

3334 (4)(a) Except as required by Subsection (4)(b), the governor shall appoint the six public
3335 trustees to terms of office of four years each.

3336 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the
3337 time of appointment or reappointment, adjust the length of terms to ensure that the
3338 terms of corporation trustees are staggered so that approximately half of the board is
3339 appointed every two years.

3340 (5)(a) A public trustee of the corporation may be removed from office for cause either
3341 by the governor or by an affirmative vote of six trustees of the corporation.
3342 (b) When a vacancy occurs in the board of trustees for any reason, the replacement shall
3343 be appointed for the unexpired term.

3344 (c) A public trustee shall hold office for the term of appointment and until the trustee's
3345 successor has been appointed and qualified.

3346 (d) A public trustee is eligible for reappointment but may not serve more than two full
3347 consecutive terms.

3348 (6)(a) The governor shall select the chair of the corporation.

3349 (b) The trustees shall elect from among [their number] the trustees a vice chair and other
3350 officers [they] the trustees may determine.

3351 (7)(a) Five trustees of the corporation constitute a quorum for transaction of business.

3352 (b) An affirmative vote of at least five trustees is necessary for any action to be taken by
3353 the corporation.

3354 (c) A vacancy in the board of trustees does not [impair the right of a quorum to exercise
3355 all rights and perform all] prevent a quorum from exercising the rights and performing
3356 the duties of the corporation.

3357 (8) A trustee may not receive compensation or benefits for the trustee's service, but may
3358 receive per diem and travel expenses in accordance with:

3359 (a) Section 63A-3-106;

3360 (b) Section 63A-3-107; and

3361 (c) rules made by the Division of Finance [according to] in accordance with Sections
3362 63A-3-106 and 63A-3-107.

3363 (9) A trustee shall, no sooner than January 1 and no later than January 31 of each year
3364 during which the trustee holds office on the board of trustees:
3365 (a) prepare a written conflict of interest disclosure statement that contains a response to
3366 each item of information described in Subsection 20A-11-1604(6); and
3367 (b) submit the written disclosure statement to the administrator or clerk of the board of
3368 trustees.

3369 (10)(a) No later than 10 business days after the date on which the trustee submits the
3370 written disclosure statement described in Subsection (9) to the administrator or clerk
3371 of the board of trustees, the administrator or clerk shall:
3372 (i) post a copy of the written disclosure statement on the corporation's website; and
3373 (ii) provide the lieutenant governor with a link to the electronic posting described in
3374 Subsection (10)(a)(i).

3375 (b) The administrator or clerk shall ensure that the trustee's written disclosure statement
3376 remains posted on the corporation's website until the trustee leaves office.

3377 (11) The administrator or clerk of the board of trustees shall take the action described in
3378 Subsection (12) if:
3379 (a) a trustee fails to timely file the written disclosure statement described in Subsection
3380 (9); or
3381 (b) a submitted written disclosure statement does not comply with the requirements of
3382 Subsection 20A-11-1604(6).

3383 (12) If a circumstance described in Subsection (11) occurs, the administrator or clerk of the
3384 board of trustees shall, within five days after the day on which the administrator or clerk
3385 determines that a violation occurred, notify the trustee of the violation and direct the
3386 trustee to submit an amended written disclosure statement correcting the problem.

3387 (13)(a) It is unlawful for a trustee to fail to submit or amend a written disclosure
3388 statement within seven days after the day on which the trustee receives the notice
3389 described in Subsection (12).
3390 (b) A trustee who violates Subsection (13)(a) is guilty of a class B misdemeanor.
3391 (c) The administrator or clerk of the board of trustees shall report a violation of
3392 Subsection (13)(a) to the attorney general.
3393 (d) In addition to the criminal penalty described in Subsection (13)(b), the administrator
3394 or clerk of the board of trustees shall impose a civil fine of \$100 against a member

3395 who violates Subsection (13)(a).

3396 (14) The administrator or clerk of the board shall deposit a fine collected under this section
3397 into the corporation's account to pay for the costs of administering this section.

3398 (15) In addition to the written disclosure statement described in Subsection (9), a trustee
3399 described in Subsection (2)(d) shall also comply with the conflict of interest provisions
3400 described in Section 63G-24-301.

3401 Section 35. Section **63H-8-203** is amended to read:

3402 **63H-8-203 (Effective 07/01/26). President and chief executive officer --**

3403 **Secretary-treasurer -- Powers and duties -- Power to employ experts -- Power to employ
3404 independent legal counsel.**

3405 (1)(a)(i) The trustees shall appoint a president who is the chief executive officer of
3406 the corporation.

3407 (ii) The president:

3408 (A) may not be a trustee of the corporation;
3409 (B) serves at the pleasure of the trustees; and
3410 (C) shall receive compensation as set by the trustees.

3411 (b) The president, who shall also be the secretary-treasurer, shall:

3412 (i) establish bank accounts and other monetary investments in the name of the
3413 corporation; and

3414 (ii) administer, manage, and direct the affairs and activities of the corporation in
3415 accordance with the policies, control, and direction of the trustees.

3416 (c) The president shall approve all accounts for salaries, allowable expenses of the
3417 corporation, or of any corporation employee or consultant, and expenses incidental to
3418 the operation of the corporation.

3419 (d) The president shall perform any other duties as may be directed by the trustees in
3420 carrying out this chapter.

3421 (2)(a) The president shall:

3422 (i) attend the meetings of the corporation;
3423 (ii) keep a record of the proceedings of the corporation; and
3424 (iii) maintain and be custodian of:

3425 (A) books, documents, and papers filed with the corporation;
3426 (B) the minute book or journal of the corporation; and
3427 (C) the corporation's official seal.

3428 (b) The president may cause copies to be made of minutes and other records and

3429 documents of the corporation and may give certificates under seal of the corporation
3430 to the effect that those copies are true copies, and a person dealing with the
3431 corporation may rely upon those certificates.

3432 (3)(a) The corporation may employ or engage technical experts, independent
3433 professionals and consultants, and other officers, agents, or employees, permanent or
3434 temporary, as it considers necessary to carry out the efficient operation of the
3435 corporation, and shall determine their qualifications, duties, and compensation.
3436 (b) The trustees may delegate to one or more of the corporation's agents, representatives,
3437 or employees administrative duties that the trustees consider proper.

3438 (4) The corporation may employ and retain independent legal counsel.

3439 (5) The corporation shall coordinate with the Division of Housing and Community
3440 Development within the Governor's Office of Economic Opportunity to assist the
3441 corporation in meeting the corporation's purposes described in this chapter.

3442 Section 36. Section **63L-11-402** is amended to read:

3443 **63L-11-402 (Effective 07/01/26) (Repealed 07/01/27). Membership -- Terms --**

3444 **Chair -- Expenses.**

3445 (1) The Resource Development Coordinating Committee consists of the following 26
3446 members:
3447 (a) the state science advisor;
3448 (b) a representative from the Department of Agriculture and Food appointed by the
3449 commissioner of the Department of Agriculture and Food;
3450 (c) a representative from the Department of Cultural and Community Engagement
3451 appointed by the executive director of the Department of Cultural and Community
3452 Engagement;
3453 (d) a representative from the Department of Environmental Quality appointed by the
3454 executive director of the Department of Environmental Quality;
3455 (e) a representative from the Department of Natural Resources appointed by the
3456 executive director of the Department of Natural Resources;
3457 (f) a representative from the Department of Transportation appointed by the executive
3458 director of the Department of Transportation;
3459 (g) a representative from the Governor's Office of Economic Opportunity appointed by
3460 the director of the Governor's Office of Economic Opportunity;
3461 (h) a representative from the ~~[Housing and Community Development Division]~~ Division
3462 of Community Services appointed by the director of the ~~[Housing and Community~~

Development Division | Division of Community Services;

- (i) a representative from the Utah Historical Society appointed by the director of the Utah Historical Society;
- (j) a representative from the Division of Air Quality appointed by the director of the Division of Air Quality;
- (k) a representative from the Division of Drinking Water appointed by the director of the Division of Drinking Water;
- (l) a representative from the Division of Environmental Response and Remediation appointed by the director of the Division of Environmental Response and Remediation;
- (m) a representative from the Division of Waste Management and Radiation Control appointed by the director of the Division of Waste Management and Radiation Control;
- (n) a representative from the Division of Water Quality appointed by the director of the Division of Water Quality;
- (o) a representative from the Division of Oil, Gas, and Mining appointed by the director of the Division of Oil, Gas, and Mining;
- (p) a representative from the Division of Parks appointed by the director of the Division of Parks;
- (q) a representative from the Division of Outdoor Recreation appointed by the director of the Division of Outdoor Recreation;
- (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the director of the Division of Forestry, Fire, and State Lands;
- (s) a representative from the Utah Geological Survey appointed by the director of the Utah Geological Survey;
- (t) a representative from the Division of Water Resources appointed by the director of the Division of Water Resources;
- (u) a representative from the Division of Water Rights appointed by the director of the Division of Water Rights;
- (v) a representative from the Division of Wildlife Resources appointed by the director of the Division of Wildlife Resources;
- (w) a representative from the School and Institutional Trust Lands Administration appointed by the director of the School and Institutional Trust Lands Administration;
- (x) a representative from the Division of Facilities Construction and Management

3497 appointed by the director of the Division of Facilities Construction and Management;

3498 (y) a representative from the Division of Emergency Management appointed by the

3499 director of the Division of Emergency Management; and

3500 (z) a representative from the Division of Conservation, created under Section 4-46-401,

3501 appointed by the director of the Division of Conservation.

3502 (2)(a) As particular issues require, the coordinating committee may, by majority vote of

3503 the members present, appoint additional temporary members to serve as ex officio

3504 voting members.

3505 (b) ~~[Those]~~ The ex officio members described under Subsection (2)(a) may discuss and

3506 vote on the issue or issues for which ~~[they were]~~ the ex officio member is appointed.

3507 (3) A chair shall be selected by a vote of 14 committee members with the concurrence of

3508 the advisor.

3509 (4) A member may not receive compensation or benefits for the member's service, but may

3510 receive per diem and travel expenses in accordance with:

3511 (a) Sections 63A-3-106 and 63A-3-107; and

3512 (b) rules made by the Division of Finance ~~[pursuant to]~~ in accordance with Sections

3513 63A-3-106 and 63A-3-107.

3514 Section 37. Section **63N-22-101** is enacted to read:

3515 **CHAPTER 22. Division of Housing and Community Development**

3516 **Part 1. General Provisions**

3517 **63N-22-101 (Effective 07/01/26). Definitions.**

3518 As used in this chapter:

3519 (1) "Accessible housing" means housing which has been constructed or modified to be

3520 accessible, as described in the State Construction Code or an approved code under Title

3521 15A, State Construction and Fire Codes Act.

3522 (2) "Deputy director" means the deputy director of the Division of Housing and Community

3523 Development.

3524 (3) "Division" means the Division of Housing and Community Development.

3525 (4) "Low-income individual" means an individual whose household income is less than

3526 80% of the area median income.

3527 (5) "Moderate income housing" means housing occupied or reserved for occupancy by

3528 households with a gross household income equal to or less than 80% of the median gross

3529 income for households of the same size in the county in which the housing is located.

3530 (6) "Moderate income housing unit" means a housing unit that qualifies as moderate
3531 income housing.

3532 Section 38. Section **63N-22-102** is enacted to read:

3533 **63N-22-102 (Effective 07/01/26). Division of Housing and Community**
3534 **Development -- Creation -- Responsibilities.**

3535 (1) There is created the Division of Housing and Community Development within the
3536 Governor's Office of Economic Opportunity.

3537 (2) The division shall be under the authority of the deputy director.

3538 (3) The division shall:

3539 (a) create the state housing plan, as described in Section 63N-22-104;

3540 (b) assist housing authorities in carrying out the housing authority's responsibilities
3541 under Title 35A, Chapter 8, Part 4, Housing Authorities;

3542 (c) assist, when requested by a county or municipality, in the development of accessible
3543 housing;

3544 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
3545 Rulemaking Act, regarding the form and content of a moderate income housing
3546 report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply
3547 and Title 17, Chapter 80, Counties and Housing Supply, to:

3548 (i) ensure consistency across reporting political subdivisions; and

3549 (ii) promote better potential analysis of report data;

3550 (e) analyze the housing data received by political subdivisions; and

3551 (f) no later than November 1 of each year, provide a report with the analyses of the
3552 housing data the division collects to the Economic Development and Workforce
3553 Services Interim Committee and the Political Subdivisions Interim Committee.

3554 Section 39. Section **63N-22-103** is enacted to read:

3555 **63N-22-103 (Effective 07/01/26). Division of Housing and Community**
3556 **Development deputy director appointment, functions, and duties.**

3557 (1)(a) The governor, with the advice and consent of the Senate, shall appoint a deputy
3558 director of the Division of Housing and Community Development to perform the
3559 functions and duties described in this section.

3560 (b) The deputy director serves at the pleasure of and under the direction of the governor.

3561 (c) The salary of the deputy director shall be established by the governor within the
3562 salary range fixed by the Legislature in Title 67, Chapter 22, State Officer
3563 Compensation.

3564 (2) The deputy director shall:

3565 (a) act as the governor's adviser on state housing matters;

3566 (b) counsel with the authorized representatives of the Department of Transportation, the
3567 Division of Facilities Construction and Management, the Department of Health and
3568 Human Services, the Department of Workforce Services, the Labor Commission, the
3569 Department of Natural Resources, the School and Institutional Trust Lands
3570 Administration, the Utah Housing Corporation, and other proper persons concerning
3571 state housing matters;

3572 (c) when designated to do so by the governor, receive funds made available to the state
3573 by the federal government;

3574 (d) provide information and cooperate with the Legislature or legislative committees in
3575 conducting housing studies;

3576 (e) cooperate and exchange information with federal agencies and local, metropolitan, or
3577 regional agencies as necessary to assist with federal, state, regional, metropolitan, and
3578 local housing programs;

3579 (f) make recommendations to the governor that the deputy director considers advisable
3580 for the proper development and coordination of housing for the state; and

3581 (g) assist in the interpretation of housing projections and analyses with respect to future
3582 growth needs.

3583 (3) The deputy director may:

3584 (a) assist city, county, metropolitan, and regional planning agencies in performing local,
3585 metropolitan, and regional planning, subject to Subsection (4); and

3586 (b) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
3587 (i) encourage maximum public understanding of and agreement with the factual data
3588 and assumptions upon which housing projections and analyses are based; and
3589 (ii) receive suggestions as to the types of housing projections and analyses that are
3590 needed.

3591 (4) In performing the duties described in Subsection (3), to the extent possible, the deputy
3592 director or the deputy director's designee shall recognize and promote the plans, policies,
3593 programs, processes, and desired outcomes of the city, county, metropolitan, or regional
3594 planning agency that the deputy director or the deputy director's designee is assisting.

3595 (5) In assisting in the preparation of housing plans, policies, programs, or processes related
3596 to the management or use of federal lands or natural resources on federal lands in the
3597 state, the deputy director shall coordinate with the Public Lands Policy Coordinating

3598 Office created in Section 63L-11-201.

3599 Section 40. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered
3600 and amended to read:

3601 **[63J-4-402] 63N-22-104 (Effective 07/01/26). State housing plan.**

3602 (1) The [officer] division shall develop a state housing plan by December 31, 2025.

3603 (2)(a) The [officer] division shall partner with the Legislature, municipal and county
3604 governments, the home building industry and related stakeholders, and the general
3605 public in the development of the state housing plan described in Subsection (1).

3606 (b) In developing the state housing plan, the [officer] division may develop regional
3607 housing plans within the state housing plan.

3608 (3) The state housing plan shall:

3609 (a) prioritize collaboration over preemption and collaboration across private and public
3610 sectors;

3611 (b) promote a holistic and regional approach to housing;

3612 (c) enable connected communities and center-based development;

3613 (d) acknowledge cross-issue policy alignment;

3614 (e) maintain a long-range vision;

3615 (f) promote opportunity and inclusivity;

3616 (g) recognize complex market forces; and

3617 (h) consider rural and urban contexts.

3618 (4) The state housing plan shall include data and metrics:

3619 (a) about actual and potential housing production;

3620 (b) about actual and potential infrastructure capacity, maintenance, and development; and

3621 (c) allowing the [officer] division to measure success of the state housing plan over time.

3622 (5) In gathering data and developing metrics, the [officer] division shall analyze

3623 moderate income housing reports received by the [Division of Housing and Community
3624 Development] division and:

3625 (a) determine which, if any, of the moderate income housing strategies described in
3626 Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of
3627 moderate income housing, either built or entitled to be built, in the political
3628 subdivision that implements the moderate income housing strategy; and

3629 (b) draw conclusions regarding any data trends identified by the [officer] division as
3630 meaningful or significant.

3631 (6) By no later than October 1 of each year, the [officer] division shall provide a written

3632 report on the development and implementation of the state housing plan to the Economic
3633 Development and Workforce Services Interim Committee and the Political Subdivisions
3634 Interim Committee.

3635 Section 41. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered
3636 and amended to read:

3637 **Part 2. Housing Coordination and Planning**

3638 **[35A-8-803] 63N-22-201 (Effective 07/01/26). Division -- Functions.**

3639 (1) In addition to any other functions the governor or Legislature may assign:

3640 (a) the division shall:

3641 (i) provide a clearinghouse of information for federal, state, and local housing
3642 assistance programs;
3643 (ii) establish, in cooperation with political subdivisions, model plans and
3644 management methods to encourage or provide for the development of affordable
3645 housing that may be adopted by political subdivisions by reference;
3646 (iii) undertake, in cooperation with political subdivisions, a realistic assessment of
3647 problems relating to housing needs, such as:

3648 (A) inadequate supply of dwellings;
3649 (B) substandard dwellings; and
3650 (C) inability of medium and low income families to obtain adequate housing;

3651 (iv) provide the information obtained under Subsection (1)(a)(iii) to:

3652 (A) political subdivisions;
3653 (B) real estate developers;
3654 (C) builders;
3655 (D) lending institutions;
3656 (E) affordable housing advocates; and
3657 (F) others having use for the information;

3658 (v) advise political subdivisions of serious housing problems existing within [their]
3659 the political subdivision's jurisdiction that require concerted public action for
3660 solution;

3661 (vi) assist political subdivisions in defining housing objectives and in preparing for
3662 adoption a plan of action covering a five-year period designed to accomplish
3663 housing objectives within [their] the political subdivision's jurisdiction;

3664 (vii) for municipalities or counties required to submit an annual moderate income
3665 housing report to the [department] division as described in Section 10-21-202 or

3666 17-80-202:

3667 (A) assist in the creation of the reports; and

3668 (B) review the reports to meet the requirements of Sections 10-21-202 and

3669 17-80-202;

3670 (viii) establish and maintain a database of moderate income housing units located

3671 within the state; and

3672 (ix) ~~[on or before December 1, 2022, develop and submit to the Commission on~~

3673 ~~Housing Affordability a methodology for determining whether a municipality or~~

3674 ~~county is taking sufficient measures to protect and promote moderate income~~

3675 ~~housing in accordance with the provisions of Sections 10-21-201 and 17-80-201;~~

3676 ~~and] coordinate with Utah Housing Corporation to assist the division in the~~

3677 ~~administration of housing programs within the state; and~~

3678 (b) subject to Subsection (2), and within legislative appropriations, the division, in

3679 cooperation with the Department of Workforce Services and the Utah Housing

3680 Corporation, may accept for and on behalf of, and bind the state to, any federal

3681 housing or homeless program in which the state is invited, permitted, or authorized to

3682 participate in the distribution, disbursement, or administration of any funds or service

3683 advanced, offered, or contributed in whole or in part by the federal government.

3684 (2) The administration of any federal housing program in which the state is invited,

3685 permitted, or authorized to participate in distribution, disbursement, or administration of

3686 funds or services, except those administered by the Utah Housing Corporation, is

3687 governed by Sections ~~[35A-8-501]~~ 63N-22-301 through ~~[35A-8-508]~~ 63N-22-309.

3688 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [~~department~~] division shall make rules describing the review process for moderate income

3689 housing reports described in Subsection (1)(a)(vii).

3690

3691 Section 42. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered

3692 and amended to read:

3693 **[35A-8-804] 63N-22-202 (Effective 07/01/26). Moderate income housing plan**

3694 **coordination.**

3695 (1) Within appropriations from the Legislature, the division shall establish a program to

3696 assist municipalities to comply with the moderate income housing requirements

3697 described in Section 10-21-201 and counties to comply with the moderate income

3698 housing requirements described in Section 17-80-201.

3699 (2) Assistance under this section may include:

3700 (a) financial assistance for the cost of developing a plan for low and moderate income
3701 housing;
3702 (b) information on how to meet present and prospective needs for low and moderate
3703 income housing; and
3704 (c) technical advice and consultation on how to facilitate the creation of low and
3705 moderate income housing.

3706 (3) The division shall submit an annual report to the [department] office regarding the
3707 scope, amount, and type of assistance provided to municipalities and counties under this
3708 section, including the number of low and moderate income housing units constructed or
3709 rehabilitated within the state, for inclusion in the [department's] office's annual written
3710 report described in Section [35A-1-109] 63N-1a-306.

3711 Section 43. Section **63N-22-203**, which is renumbered from Section 35A-8-805 is renumbered
3712 and amended to read:

3713 **[35A-8-805] 63N-22-203 (Effective 07/01/26). Moderate income housing plan
3714 reporting requirements.**

3715 (1) As used in this section:

3716 (a) "Affordable housing" means, as determined by the [department] division, the number
3717 of housing units within a county or municipality where a household whose income is
3718 at or below 50% of area median income is able to live in a unit without spending
3719 more than 30% of [their] the household's income on housing costs.

3720 (b) "County" means the unincorporated area of a county.

3721 (c) "Low-income housing" means, as determined by the [department] division, the
3722 number of Section 42, Internal Revenue Code, housing units within a county or
3723 municipality.

3724 (d) "Municipality" means a city or town.

3725 (2)(a) On or before October 1 of each year, the division shall provide a report to the [
3726 department] office for inclusion in the [department's] office's annual report described
3727 in Section [35A-1-109] 63N-1a-306.

3728 (b) The report shall include:

3729 (i) an estimate of how many affordable housing units and how many low-income
3730 housing units are available in each county and municipality in the state;
3731 (ii) a determination of the percentage of affordable housing available in each county
3732 and municipality in the state as compared to the statewide average;
3733 (iii) a determination of the percentage of low-income housing available in each

3734 county and municipality in the state as compared to the statewide average; and
3735 (iv) a description of how information in the report was calculated.

3736 Section 44. Section **63N-22-301**, which is renumbered from Section 35A-8-501 is renumbered
3737 and amended to read:

3738 **Part 3. Housing Supply and Service Programs**

3739 **[35A-8-501] 63N-22-301 (Effective 07/01/26). Definitions.**

3740 As used in this part:

3741 (1) "Affordable housing" means housing occupied or reserved for occupancy by households
3742 whose incomes are at or below certain income requirements at rental rates affordable to
3743 such households.

3744 (2) "Board" means the Housing Board created by this part.

3745 (3) "Fund" means the Olene Walker Housing Loan Fund created by this part.

3746 (4)(a) "Housing sponsor" means a person who constructs, develops, rehabilitates,
3747 purchases, or owns a housing development that is or will be subject to legally
3748 enforceable restrictive covenants that require the housing development to provide, at
3749 least in part, affordable housing.

3750 (b) "Housing sponsor" may include:

- 3751 (i) a local public body;
- 3752 (ii) a nonprofit, limited profit, or for profit corporation;
- 3753 (iii) a limited partnership;
- 3754 (iv) a limited liability company;
- 3755 (v) a joint venture;
- 3756 (vi) a subsidiary of the Utah Housing Corporation;
- 3757 (vii) a cooperative;
- 3758 (viii) a mutual housing organization;
- 3759 (ix) a local government;
- 3760 (x) a local housing authority;
- 3761 (xi) a regional or statewide nonprofit housing or assistance organization; or
- 3762 (xii) any other entity that helps provide affordable housing.

3763 (5) "Rural" means a county in the state other than Utah, Salt Lake, Davis, or Weber.

3764 Section 45. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered
3765 and amended to read:

3766 **[35A-8-502] 63N-22-302 (Effective 07/01/26). Olene Walker Housing Loan Fund**

3767 **-- Creation -- Administration.**

3768 (1)(a) There is created an enterprise fund known as the Olene Walker Housing Loan
3769 Fund, administered by the [executive] deputy director or the [executive] deputy
3770 director's designee.
3771 (b) The [department] division is the administrator of the fund.
3772 (2) There shall be deposited into the fund:
3773 (a) grants, paybacks, bonuses, entitlements, and other money received by the [department]
3774 division from the federal government to preserve, rehabilitate, build, restore, or
3775 renew housing or for other activities authorized by the fund;
3776 (b) transfers, grants, gifts, bequests, and money made available from any source to
3777 implement this part; and
3778 (c) money appropriated to the fund by the Legislature.
3779 (3) The money in the fund shall be invested by the state treasurer according to the
3780 procedures and requirements of Title 51, Chapter 7, State Money Management Act,
3781 except that all interest or other earnings derived from money in the fund shall be
3782 deposited in the fund.

3783 Section 46. Section **63N-22-303**, which is renumbered from Section 35A-8-503 is renumbered
3784 and amended to read:

3785 **[35A-8-503] 63N-22-303 (Effective 07/01/26). Housing loan fund board -- Duties**
3786 **-- Expenses.**

3787 (1) There is created the Olene Walker Housing Loan Fund Board.
3788 (2) The board is composed of 14 voting members.
3789 (a) The governor shall appoint the following members to four-year terms:
3790 (i) two members from local governments, of which:
3791 (A) one member shall be a locally elected official who resides in a county of the
3792 first or second class; and
3793 (B) one member shall be a locally elected official who resides in a county of the
3794 third, fourth, fifth, or sixth class;
3795 (ii) two members from the mortgage lending community, of which:
3796 (A) one member shall have expertise in single-family mortgage lending; and
3797 (B) one member shall have expertise in multi-family mortgage lending;
3798 (iii) one member from real estate sales interests;
3799 (iv) two members from home builders interests, of which:
3800 (A) one member shall have expertise in single-family residential construction; and
3801 (B) one member shall have expertise in multi-family residential construction;

3802 (v) one member from rental housing interests;
3803 (vi) two members from housing advocacy interests, of which:
3804 (A) one member who resides within any area in a county of the first or second
3805 class; and
3806 (B) one member who resides within any area in a county of the third, fourth, fifth,
3807 or sixth class;
3808 (vii) one member of the manufactured housing interest;
3809 (viii) one member with expertise in transit-oriented developments;
3810 (ix) one member who represents rural interests; and
3811 (x) one member who represents the interests of modular housing.

3812 (b) The deputy director or the deputy director's designee serves as the secretary of the
3813 board.
3814 (c) The members of the board shall annually elect a chair from among the voting
3815 membership of the board.

3816 (3)(a) Notwithstanding the requirements of Subsection (2), the governor shall, at the
3817 time of appointment or reappointment, adjust the length of terms to ensure that the
3818 terms of board members are staggered so that approximately half of the board is
3819 appointed every two years.

3820 (b) When a vacancy occurs in the membership for any reason, the replacement is
3821 appointed for the unexpired term.

3822 (4)(a) The board shall:
3823 (i) meet regularly, at least quarterly to conduct business of the board, on dates fixed
3824 by the board;
3825 (ii) meet twice per year, with at least one of the meetings in a rural area of the state,
3826 to provide information to and receive input from the public regarding the state's
3827 housing policies and needs;
3828 (iii) keep minutes of [its] board meetings; and
3829 (iv) comply with the procedures and requirements of Title 52, Chapter 4, Open and
3830 Public Meetings Act.

3831 (b) Seven members of the board constitute a quorum, and the governor, the chair, or a
3832 majority of the board may call a meeting of the board.

3833 (5) The board shall:
3834 (a) review the housing needs in the state;
3835 (b) determine the relevant operational aspects of any grant, loan, or revenue collection

program established under the authority of this chapter;

- (c) determine the means to implement the policies and goals of this chapter;
- (d) select specific projects to receive grant or loan money; and
- (e) determine how fund money shall be allocated and distributed.

(6) 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 [pursuant to] in accordance with Sections 63A-3-106 and 63A-3-107.

Section 47. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered and amended to read:

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

(1) As used in this section:

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

(2) The [executive] deputy director shall:

- (a) make grants and loans from the fund for any of the activities authorized by Section [35A-8-505] 63N-22-305, as directed by the board;
- (b) establish the criteria with the approval of the board by which loans and grants will be made; and
- (c) determine with the approval of the board the order in which projects will be funded.

(3) The [executive-] deputy director shall distribute, as directed by the board, any federal money contained in the fund according to the procedures, conditions, and restrictions placed upon the use of the money by the federal government.

(4) The [executive-] deputy director shall distribute, as directed by the board, any funds received under Section 17C-1-412 to pay the costs of providing income targeted housing within the community that created the community reinvestment agency under Title 17C, Limited Purpose Local Government Entities - Community Reinvestment Agency Act.

(5) Except for federal money, money received under Section 17C-1-412, and money appropriated for use in accordance with Section [35A-8-2105] 63N-22-404, the [~~executive~~] deputy director shall distribute, as directed by the board, money in the fund according to the following requirements:

3870 (a) the [executive] deputy director shall distribute at least 70% of the money in the fund
3871 to benefit persons whose annual income is at or below 50% of the median family
3872 income for the state;

3873 (b) the [executive] deputy director may use up to 6% of the revenues of the fund,
3874 including any appropriation to the fund, to offset [department] division or board
3875 administrative expenses;

3876 (c) the [executive] deputy director shall distribute any remaining money in the fund to
3877 benefit persons whose annual income is at or below 80% of the median family
3878 income for the state; and

3879 (d) if the [executive] deputy director or the [executive] deputy director's designee makes
3880 a loan in accordance with this section, the interest rate of the loan shall be based on
3881 the borrower's ability to pay.

3882 (6) The [executive] deputy director may, with the approval of the board:

3883 (a) enact rules to establish procedures for the grant and loan process by following the
3884 procedures and requirements of Title 63G, Chapter 3, Utah Administrative
3885 Rulemaking Act; and

3886 (b) service or contract, under Title 63G, Chapter 6a, Utah Procurement Code, for the
3887 servicing of loans made by the fund.

3888 Section 48. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered
3889 and amended to read:

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

3890 At the direction of the board, the [executive] deputy director may:

3891 (1) provide fund money to any of the following activities:

3892 (a) the acquisition, rehabilitation, or new construction of low-income housing units;

3893 (b) matching funds for social services projects directly related to providing housing for
3894 special-need renters in assisted projects;

3895 (c) the development and construction of accessible housing designed for low-income
3896 persons;

3897 (d) the construction or improvement of a shelter or transitional housing facility that
3898 provides services intended to prevent or minimize homelessness among members of a
3899 specific homeless subpopulation;

3900 (e) the purchase of an existing facility to provide temporary or transitional housing for
3901 the homeless in an area that does not require rezoning before providing such

3904 temporary or transitional housing;

3905 (f) the purchase of land that will be used as the site of low-income housing units;

3906 (g) the preservation of existing affordable housing units for low-income persons;

3907 [(h) providing loan guarantees under the two-year pilot program established in Section

3908 35A-8-504.5;]

3909 [(i) distribute funds to a qualifying applicant under the subordinate shared appreciation

3910 mortgage loan program established in Section 35A-8-504.6;]

3911 [(j) the award of predevelopment grants in accordance with Section [35A-8-507.5]

3912 63N-22-308;

3913 [(k) (i) the creation or financial support of a mediation program for landlords and

3914 tenants designed to minimize the loss of housing for low-income persons, which

3915 program may include:

3916 (i) funding for the hiring or training of mediators;

3917 (ii) connecting landlords and tenants with mediation services; and

3918 (iii) providing a limited amount of gap funding to assist a tenant in making a good

3919 faith payment towards attorney fees, damages, or other costs associated with

3920 eviction proceedings or avoiding eviction proceedings; and

3921 [(l) (j) other activities that will assist in minimizing homelessness or improving the

3922 availability or quality of housing in the state for low-income persons; and

3923 (2) do any act necessary or convenient to the exercise of the powers granted by this part or

3924 reasonably implied from those granted powers, including:

3925 (a) making or executing contracts and other instruments necessary or convenient for the

3926 performance of the [executive] deputy director and board's duties and the exercise of

3927 the [executive] deputy director and board's powers and functions under this part,

3928 including contracts or agreements for the servicing and originating of mortgage loans;

3929 (b) procuring insurance against a loss in connection with property or other assets held by

3930 the fund, including mortgage loans, in amounts and from insurers it considers

3931 desirable;

3932 (c) entering into agreements with a department, agency, or instrumentality of the United

3933 States or this state and with mortgagors and mortgage lenders for the purpose of

3934 planning and regulating and providing for the financing and refinancing, purchase,

3935 construction, reconstruction, rehabilitation, leasing, management, maintenance,

3936 operation, sale, or other disposition of residential housing undertaken with the

3937 assistance of the [department] division under this part;

3938 (d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate,
3939 repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real
3940 or personal property obtained by the fund due to the default on a mortgage loan held
3941 by the fund in preparation for disposition of the property, taking assignments of
3942 leases and rentals, proceeding with foreclosure actions, and taking other actions
3943 necessary or incidental to the performance of [its] the deputy director and board's
3944 duties; and
3945 (e) selling, at a public or private sale, with public bidding, a mortgage or other obligation
3946 held by the fund.

3947 Section 49. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered
3948 and amended to read:

3949 **[35A-8-506] 63N-22-306 (Effective 07/01/26). Authority of the deputy director.**

3950 The [executive] deputy director, with the approval of the board, may grant or lend fund
3951 money to a housing sponsor.

3952 Section 50. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered
3953 and amended to read:

3954 **[35A-8-507] 63N-22-307 (Effective 07/01/26). Application process and priorities.**

3955 (1)(a) In each calendar year that money is available from the fund for distribution by the [
3956 executive-] deputy director under the direction of the board, the [executive-] deputy
3957 director shall, at least once in that year, announce a grant and loan application period
3958 by sending notice to interested persons.
3959 (b) The [executive-] deputy director shall accept applications that are received in a timely
3960 manner.
3961 (2) The [executive-] deputy director shall give priority to applications for projects and
3962 activities in the following order:
3963 (a) first, to applications for projects and activities intended to minimize homelessness;
3964 (b) second, to applications for projects and activities that use existing privately owned
3965 housing stock, including privately owned housing stock purchased by a nonprofit
3966 public development authority; and
3967 (c) third, to all other applications.
3968 (3) Within each level of priority described in Subsection (2), the [executive-] deputy director
3969 shall give preference to applications that demonstrate the following:
3970 (a) a high degree of leverage with other sources of financing;
3971 (b) high recipient contributions to total project costs, including allied contributions from

3972 other sources such as professional, craft, and trade services and lender interest rate
3973 subsidies;

3974 (c) high local government project contributions in the form of infrastructure
3975 improvements, or other assistance;

3976 (d) projects that encourage ownership, management, and other project-related
3977 responsibility opportunities;

3978 (e) projects that demonstrate a strong probability of serving the original target group or
3979 income level for a period of at least 15 years;

3980 (f) projects where the applicant has demonstrated the ability, stability, and resources to
3981 complete the project;

3982 (g) projects that appear to serve the greatest need;

3983 (h) projects that provide housing for persons and families with the lowest income;

3984 (i) projects that promote economic development benefits;

3985 (j) projects that align with a local government plan to address housing and homeless
3986 services; and

3987 (k) projects that would mitigate or correct existing health, safety, or welfare problems.

3988 (4) The [executive-] deputy director may give consideration to projects that increase the
3989 supply of accessible housing.

3990 Section 51. Section **63N-22-308**, which is renumbered from Section 35A-8-507.5 is renumbered
3991 and amended to read:

3992 **[35A-8-507.5] 63N-22-308 (Effective 07/01/26). Predevelopment grants.**

3993 (1) The [executive-] deputy director may, under the direction of the board, award one or
3994 more predevelopment grants to a nonprofit or for-profit entity:

3995 (a) in preparation for a project that:

3996 (i) involves the construction of moderate income housing units; and

3997 (ii) is located within:

3998 (A) a city of the fifth or sixth class, or a town, in a rural area of the state; or

3999 (B) any municipality or unincorporated area in a county of the fourth, fifth, or
4000 sixth class; and

4001 (b) in an amount of no more than \$50,000 per project.

4002 (2) The [executive-] deputy director shall, under the direction of the board, award each
4003 predevelopment grant in accordance with the provisions of this section and the
4004 provisions related to grant applications, grant awards, and reporting requirements in this
4005 part.

4006 (3) The recipient of a predevelopment grant:

4007 (a) may use grant funds to offset the predevelopment funds needed to prepare for the
4008 construction of low-income housing units, including market studies, surveys,
4009 environmental and impact studies, technical assistance, and preliminary architecture,
4010 engineering, or legal work; and

4011 (b) may not use grant funds to pay for staff salaries or construction costs.

4012 (4) The [executive] deputy director shall, under the direction of the board, prioritize the
4013 awarding of a predevelopment grant for a project that is located within:

4014 (a) a county of the fifth or sixth class; and

4015 (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the
4016 following:

4017 (i) limited or no availability of natural gas;

4018 (ii) limited or no availability of a sewer system;

4019 (iii) limited or no availability of broadband Internet;

4020 (iv) unpaved residential streets; or

4021 (v) limited local construction professionals, vendors, or services.

4022 Section 52. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered
4023 and amended to read:

4024 **[35A-8-508] 63N-22-309 (Effective 07/01/26). Annual accounting.**

4025 (1) The [executive] deputy director shall monitor the activities of recipients of grants and
4026 loans issued under this part on a yearly basis to ensure compliance with the terms and
4027 conditions imposed on the recipient by the [executive] deputy director with the approval
4028 of the board or by this part.

4029 (2) Beginning July 1, 2021, an entity that receives any money from the fund under this part
4030 shall provide the [executive] deputy director with an annual accounting of how the
4031 money the entity received from the fund has been spent.

4032 (3) The [executive] deputy director shall make an annual report to the board accounting for
4033 the expenditures authorized by the board.

4034 (4) The board shall submit a report to the [department] office for inclusion in the annual
4035 written report described in Section **[35A-1-109] 63N-1a-306**:

4036 (a) accounting for expenditures authorized by the board; and

4037 (b) evaluating the effectiveness of the program.

4038 Section 53. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered
4039 and amended to read:

4040 [35A-8-509] **63N-22-310 (Effective 07/01/26). Economic Revitalization and**
4041 **Investment Fund.**

4042 (1) There is created an enterprise fund known as the "Economic Revitalization and
4043 Investment Fund."

4044 (2) The Economic Revitalization and Investment Fund consists of money from the
4045 following:

4046 (a) money appropriated to the account by the Legislature;

4047 (b) private contributions;

4048 (c) donations or grants from public or private entities; and

4049 (d) money returned to the [department] division under [Subsection 35A-8-512(3)(a)]
4050 Section 63N-22-314.

4051 (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be
4052 deposited into the Economic Revitalization and Investment Fund.

4053 (4) The [executive-]director may distribute money from the Economic Revitalization and
4054 Investment Fund to one or more projects that:

4055 (a) include affordable housing units for households whose income is no more than 30%
4056 of the area median income for households of the same size in the county or
4057 municipality where the project is located; and

4058 (b) have been approved by the board in accordance with Section [35A-8-510]
4059 63N-22-312.

4060 (5)(a) A housing sponsor may apply to the [department] division to receive a distribution
4061 in accordance with Subsection (4).

4062 (b) The application shall include:

4063 (i) the location of the project;

4064 (ii) the number, size, and tenant income requirements of affordable housing units
4065 described in Subsection (4)(a) that will be included in the project; and

4066 (iii) a written commitment to enter into a deed restriction that reserves for a period of
4067 30 years the affordable housing units described in Subsection (5)(b)(ii) or [their]
4068 the affordable housing unit equivalent for occupancy by households that meet the
4069 income requirements described in Subsection (5)(b)(ii).

4070 (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:

4071 (i) occupied or reserved for occupancy by a household whose income is no more than
4072 30% of the area median income for households of the same size in the county or
4073 municipality where the project is located; or

4074 (ii) occupied by a household whose income is no more than 60% of the area median
4075 income for households of the same size in the county or municipality where the
4076 project is located if that household met the income requirement described in
4077 Subsection (4)(a) when the household originally entered into the lease agreement
4078 for the housing unit.

4079 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
4080 ~~department~~] division may make additional rules providing procedures for a person to
4081 apply to the ~~department~~ division to receive a distribution described in Subsection (4).

4082 (6) The ~~executive-~~ deputy director may expend up to 3% of the revenues of the Economic
4083 Revitalization and Investment Fund, including any appropriation to the Economic
4084 Revitalization and Investment Fund, to offset ~~department~~ division or board
4085 administrative expenses.

4086 Section 54. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered
4087 and amended to read:

4088 **[35A-8-509.5] 63N-22-311 (Effective 07/01/26). Rural Housing Fund.**

4089 (1) There is created an enterprise fund known as the "Rural Housing Fund."

4090 (2) The Rural Housing Fund consists of money from the following:
4091 (a) money appropriated to the account by the Legislature;
4092 (b) private contributions;
4093 (c) donations or grants from public or private entities; and
4094 (d) money returned to the ~~department~~ division under [Subsection 35A-8-512(3)(b)]
4095 Section 63N-22-314.

4096 (3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural
4097 Housing Fund.

4098 (4) Subject to appropriation, the ~~executive-~~ deputy director may expend funds in the Rural
4099 Housing Fund to provide loans for projects that:
4100 (a) are located within:
4101 (i) a county of the third, fourth, fifth, or sixth class; or
4102 (ii) a municipality in a county of the second class with a population of 10,000 or less;
4103 (b) include moderate income housing units; and
4104 (c) have been approved by the board in accordance with Section [35A-8-510] 63N-22-312.

4105 (5)(a) A housing sponsor may apply to the ~~department~~ division to receive a loan under
4106 this section.
4107 (b) An application under Subsection (5)(a) shall specify:

4108 (i) the location of the project;

4109 (ii) the number, size, and income requirements of moderate income housing units that

4110 will be included in the project; and

4111 (iii) a written commitment to enter into a deed restriction that reserves for a period of

4112 50 years the moderate income housing units described in Subsection (5)(b)(ii).

4113 (c) A commitment under Subsection (5)(b)(iii) shall be considered satisfied if a housing

4114 unit is occupied by a household that met the income requirement for moderate

4115 income housing when the household originally entered into the lease agreement for

4116 the housing unit.

4117 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [

4118 department] division may make rules establishing procedures and requirements for

4119 housing sponsors to apply for and receive loans under this section.

4120 (6) The [executive] deputy director may expend up to 3% of the revenues of the Rural

4121 Housing Fund, including any appropriation to the Rural Housing Fund, to offset [department] division or board administrative expenses.

4123 Section 55. Section **63N-22-312**, which is renumbered from Section 35A-8-510 is renumbered
4124 and amended to read:

4125 **[35A-8-510] 63N-22-312 (Effective 07/01/26). Housing loan fund board approval.**

4126 (1) The board shall review the project applications described in [Subsections 35A-8-509(5)
4127 and 35A-8-509.5(5)] Sections 63N-22-310 and 63N-22-311.

4128 (2)(a) The board may approve a project that meets the requirements of [Subseetions
4129 35A-8-509(4) and (5)] Section 63N-22-310 to receive funds from the Economic
4130 Revitalization and Investment Fund.

4131 (b) The board may approve a project that meets the requirements of [Subseetions
4132 35A-8-509.5(4) and (5)] Section 63N-22-311 to receive funds from the Rural Housing
4133 Fund.

4134 (3) The board shall give preference to projects:

4135 (a) that include significant additional or matching funds from an individual, private
4136 organization, or local government entity;

4137 (b) that include significant contributions by the applicant to total project costs, including
4138 contributions secured by the applicant from other sources such as professional, craft,
4139 and trade services and lender interest rate subsidies;

4140 (c) with significant local government contributions in the form of infrastructure,
4141 improvements, or other assistance;

4142 (d) where the applicant has demonstrated the ability, stability, and resources to complete
4143 the project;
4144 (e) that will serve the greatest need;
4145 (f) that promote economic development benefits;
4146 (g) that allow integration into a local government housing plan;
4147 (h) that would mitigate or correct existing health, safety, or welfare concerns; or
4148 (i) that remedy a gap in the supply of and demand for affordable housing.

4149 Section 56. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered
4150 and amended to read:

4151 **[35A-8-511] 63N-22-313 (Effective 07/01/26). Activities authorized to receive
4152 account money.**

4153 The [executive] deputy director may distribute funds from the Economic Revitalization
4154 and Investment Fund and the Rural Housing Fund for any of the following activities
4155 undertaken as part of an approved project:

4156 (1) the acquisition, rehabilitation, or new construction of a building that includes moderate
4157 income housing units;
4158 (2) the purchase of land for the construction of a building that will include moderate income
4159 housing units; or
4160 (3) pre-development work, including planning, studies, design, and site work for a building
4161 that will include moderate income housing units.

4162 Section 57. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered
4163 and amended to read:

4164 **[35A-8-512] 63N-22-314 (Effective 07/01/26). Repayment of funds.**

4165 (1) Upon the earlier of 30 years from the date an approved project is placed in service or the
4166 sale or transfer of the affordable housing units acquired, constructed, or rehabilitated as
4167 part of an approved project funded under Subsection **[35A-8-511(1)] 63N-22-313(1)**, the
4168 housing sponsor shall remit to the [department] division:
4169 (a) the total amount of money distributed by the [department] division to the housing
4170 sponsor for the project; and
4171 (b) an additional amount of money determined by contract with the [department] division
4172 prior to the initial disbursement of money.
4173 (2) Any claim arising under Subsection (1) is a lien against the real property funded under
4174 this chapter.
4175 (3)(a) Any money returned to the [department] division under Subsection (1) from a

4176 housing sponsor that received funds from the Economic Revitalization and
4177 Investment Fund shall be deposited in the Economic Revitalization and Investment
4178 Fund.

4179 (b) Any money returned to the [department] division under Subsection (1) from a
4180 housing sponsor that received funds from the Rural Housing Fund shall be deposited
4181 in the Rural Housing Fund.

4182 Section 58. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered
4183 and amended to read:

4184 **[35A-8-513] 63N-22-315 (Effective 07/01/26). Annual accounting.**

4185 (1) The [executive-] deputy director shall monitor the activities of recipients of funds from
4186 the Economic Revitalization and Investment Fund and the Rural Housing Fund on a
4187 yearly basis to ensure compliance with the terms and conditions imposed on the
4188 recipient by the [executive-] deputy director with the approval of the board.

4189 (2)(a) A housing sponsor that receives funds from the Economic Revitalization and
4190 Investment Fund shall provide the [executive-] deputy director with an annual
4191 accounting of how the money the entity received from the Economic Revitalization
4192 and Investment Fund has been spent and evidence that the commitment described in [
4193 Subsection 35A-8-509(5)] Section 63N-22-310 has been met.

4194 (b) A housing sponsor that receives funds from the Rural Housing Fund shall provide
4195 the [executive-] deputy director with an annual accounting of how the money the
4196 entity received from the Rural Housing Fund has been spent and evidence that the
4197 commitment described in [Subsection 35A-8-509.5(5)] Section 63N-22-311 has been
4198 met.

4199 (3) The [executive-] deputy director shall make an annual report to the board accounting for
4200 the expenditures authorized by the board under the Economic Revitalization and
4201 Investment Fund and the Rural Housing Fund.

4202 (4) The board shall submit a report to the [department] office for inclusion in the annual
4203 written report described in Section [35A-1-109-] 63N-1a-306 that includes:
4204 (a) an accounting for expenditures authorized by the board; and
4205 (b) an evaluation of the effectiveness of each program.

4206 Section 59. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered
4207 and amended to read:

4208 **[35A-8-2401] 63N-22-316 (Effective 07/01/26). Pass-through funding agreements**

4209 **-- Accounting for expenditures of a housing organization.**

4210 (1) As used in this section:

4211 (a) "Housing organization" means an entity that:

4212 (i) manages a portfolio of investments;

4213 (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of

4214 affordable housing through property investment; and

4215 (iii) is controlled by a registered nonprofit.

4216 (b) "Pass-through funding" means state money appropriated by the Legislature to the [

4217 ~~department] division~~ with the intent that the ~~[department]~~ ~~division~~ grant or otherwise

4218 disburse the state money to a third party.

4219 (c) "Rural" means the same as that term is defined in Section ~~[35A-8-501]~~ 63N-22-301.

4220 (2)(a) This section applies to funds appropriated by the Legislature to the ~~[department]~~

4221 ~~division~~ for pass-through to a housing organization.

4222 (b) The ~~[department]~~ ~~division~~ shall ensure that pass-through funding granted or

4223 distributed before May 1, 2024 to a housing organization is subject to an agreement

4224 as described in this section, either through amending existing agreements or

4225 canceling existing agreements and issuing new agreements.

4226 (3)(a) The ~~[department]~~ ~~division~~ shall create agreements governing the use of

4227 pass-through funding as described in this section.

4228 (b) Before a housing organization may accept pass-through funding ~~[pursuant to]~~ in

4229 ~~accordance with~~ this section, the entity shall enter into an agreement with the ~~[~~

4230 ~~department]~~ ~~division~~ governing the use of pass-through funding.

4231 (4) An agreement for pass-through funding shall require, at a minimum:

4232 (a) the housing organization match pass-through funding with private funding at no less

4233 than a 70% private, 30% state split;

4234 (b) all pass-through funding be used by the housing organization to invest in housing

4235 units that are rented at rates affordable to households with an annual income at or

4236 below 80% of the area median income for a family within the county in which the

4237 housing is located;

4238 (c) that 50% of pass-through funding be used by the housing organization to invest in

4239 housing units that are rented at rates affordable to households with an annual income

4240 at or below 50% of the area median income for a family within the county in which

4241 the housing is located;

4242 (d) that at least 30% of pass-through funding be used by the housing organization to

4243 invest in housing units that are located in a rural county;

4244 (e) that any property purchased with pass-through funding be subject to a deed
4245 restriction for a minimum of 40 years to ensure the property remains a rental property
4246 affordable to households as described in Subsection (4)(b);
4247 (f) that returns on investment generated by pass-through funding shall be reinvested by
4248 the housing organization the same as if the returns on investment are pass-through
4249 funding; and
4250 (g) that the housing organization shall provide the division with the following
4251 information at the end of each fiscal year:
4252 (i) the housing organization's annual audit, including:
4253 (A) a third-party independent auditor's findings on the housing organization's
4254 compliance with this section and the terms of the housing organization's
4255 agreement for pass-through funding; and
4256 (B) the audited financial statements for a legal entity used by the housing
4257 organization to carry out activities authorized by this section;
4258 (ii) allocation of pass-through funds by county and housing type;
4259 (iii) progress and status of funded projects; and
4260 (iv) impact of pass-through funds on the availability of affordable housing across the
4261 state and by region.
4262 (5) The [department] division shall include in the annual written report described in Section [
4263 35A-1-109] 63N-1a-306 a report accounting for the expenditures authorized by a housing
4264 organization [pursuant to] in accordance with an agreement with the [department] division.
4265 Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered
4266 and amended to read:

4267 **Part 4. Private Activity Bonds**

4268 **[35A-8-2102] 63N-22-401 (Effective 07/01/26). Definitions.**

4269 As used in this part:

4270 (1) "Allocated volume cap" means a volume cap for which:
4271 (a) a certificate of allocation is in effect; or
4272 (b) bonds have been issued.
4273 (2) "Allotment accounts" means the various accounts created in Section [35A-8-2106]
4274 63N-22-405.
4275 (3) "Board of review" means the Private Activity Bond Review Board created in Section [
4276 35A-8-2103] 63N-22-402.
4277 (4) "Bond" means any obligation for which an allocation of volume cap is required by the

4278 code.

4279 (5) "Code" means the Internal Revenue Code of 1986, as amended, and any related Internal
4280 Revenue Service regulations.

4281 (6) "Form 8038" means the Department of the Treasury tax form 8038 (OMB No.
4282 1545-0720) or any other federal tax form or other method of reporting required by the
4283 Department of the Treasury under Section 149(e) of the code.

4284 (7) "Issuing authority" means:

4285 (a) any county, city, or town in the state;
4286 (b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one
4287 or more counties, cities, towns, or any combination of these;
4288 (c) the state; or
4289 (d) any other entity authorized to issue bonds under state law.

4290 (8) "State" means the state of Utah and any [of its] state agencies, institutions, and divisions
4291 authorized to issue bonds or certificates under state law.

4292 (9) "Volume cap" means the private activity bond volume cap for the state as computed
4293 under Section 146 of the code.

4294 (10) "Year" means each calendar year.

4295 Section 61. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered
4296 and amended to read:

4297 **[35A-8-2103] 63N-22-402 (Effective 07/01/26). Private Activity Bond Review**

4298 **Board.**

4299 (1) There is created within the [department] division the Private Activity Bond Review
4300 Board, composed of the following 11 members:

4301 (a)(i) the [executive] deputy director [of the department] or the [executive] deputy
4302 director's designee;
4303 (ii) the executive director [of the Governor's Office of Economic Opportunity] or the
4304 executive director's designee;
4305 (iii) the state treasurer or the state treasurer's designee;
4306 (iv) the chair of the Utah Board of Higher Education or the chair's designee; and
4307 (v) the chair of the Utah Housing Corporation or the chair's designee; and
4308 (b) six local government members who are:

4309 (i) three elected or appointed county officials, nominated by the Utah Association of
4310 Counties and appointed or reappointed by the governor with the advice and
4311 consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,

4312 Vacancies; and

4313 (ii) three elected or appointed municipal officials, nominated by the Utah League of
4314 Cities and Towns and appointed or reappointed by the governor with the advice
4315 and consent of the Senate and in accordance with Title 63G, Chapter 24, Part 2,
4316 Vacancies.

4317 (2)(a) Except as required by Subsection (2)(b), the terms of office for the local
4318 government members of the board of review shall be four-year terms.

4319 (b) Notwithstanding the requirements of Subsection (2)(a), the governor shall, at the
4320 time of appointment or reappointment, adjust the length of terms to ensure that the
4321 terms of board of review members are staggered so that approximately half of the
4322 board of review is appointed every two years.

4323 (c) Members may be reappointed only once.

4324 (3)(a) If a local government member ceases to be an elected or appointed official of the
4325 city or county the member is appointed to represent, that membership on the board of
4326 review terminates immediately and there shall be a vacancy in the membership.

4327 (b) When a vacancy occurs in the local government membership for any reason:

4328 (i) the Utah Association of Counties or the Utah League of Cities and Towns shall,
4329 within 30 days after the date of the vacancy, nominate an official described in
4330 Subsection (1)(b)(i) or (ii), as applicable, to fill the vacancy; and

4331 (ii) the governor shall, with the advice and consent of the Senate in accordance with
4332 Title 63G, Chapter 24, Part 2, Vacancies, appoint the nominee for the unexpired
4333 term.

4334 (4)(a) The chair of the board of review is the [executive director of the department or the
4335 executive] deputy director or the deputy director's designee.

4336 (b) The chair is [nonvoting except in the case of a tie vote] a nonvoting member, except
4337 that the chair may vote to break a tie vote between the voting members.

4338 (5) Six members of the board of review constitute a quorum.

4339 (6) Formal action by the board of review requires a majority vote of a quorum.

4340 (7) A member may not receive compensation or benefits for the member's service, but may
4341 receive per diem and travel expenses in accordance with:

4342 (a) Section 63A-3-106;

4343 (b) Section 63A-3-107; and

4344 (c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

4345 (8) The chair of the board of review serves as the state official designated under state law to

4346 make certifications required to be made under Section 146 of the code including the
4347 certification required by Section 149(e)(2)(F) of the code.

4348 (9) A member appointed to fill a position described in Subsection (1)(b) shall comply with
4349 the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of
4350 Interest.

4351 Section 62. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered
4352 and amended to read:

4353 **[35A-8-2104] 63N-22-403 (Effective 07/01/26). Powers, functions, and duties of
4354 the board of review.**

4355 The board of review shall:

- 4356 (1) make, subject to the limitations of the code, allocations of volume cap to issuing
4357 authorities;
- 4358 (2) determine the amount of volume cap to be allocated with respect to approved
4359 applications;
- 4360 (3) maintain a record of all applications filed by issuing authorities under Section [
4361 ~~35A-8-2105~~] 63N-22-404 and all certificates of allocation issued under Section [
4362 ~~35A-8-2107~~] 63N-22-406;
- 4363 (4) maintain a record of all bonds issued by issuing authorities during each year;
- 4364 (5) determine the amount of volume cap to be treated as a carryforward under Section
4365 146(f) of the code and allocate this carryforward to one or more qualified carryforward
4366 purposes;
- 4367 (6) make available upon reasonable request a certified copy of all or any part of the records
4368 maintained by the board of review under this part or a summary of them, including
4369 information relating to the volume cap for each year and any amounts available for
4370 allocation under this part;
- 4371 (7) make rules for the allocation of volume cap under this part; and
- 4372 (8) charge reasonable fees for the performance of duties prescribed by this part, including
4373 application, filing, and processing fees.

4374 Section 63. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered
4375 and amended to read:

4376 **[35A-8-2105] 63N-22-404 (Effective 07/01/26). Allocation of volume cap.**

- 4377 (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by
4378 the board of review to the allotment accounts as described in Section [~~35A-8-2106~~]
4379 63N-22-405.

4380 (b) The board of review may distribute up to 50% of each increase in the volume cap for
4381 use in development that occurs in quality growth areas, depending upon the board's
4382 analysis of the relative need for additional volume cap between development in
4383 quality growth areas and the allotment accounts under Section [35A-8-2106]
4384 63N-22-405.

4385 (2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board
4386 of review an application containing information required by the procedures and
4387 processes of the board of review.

4388 (3)(a) The board of review shall establish criteria for making allocations of volume cap
4389 that are consistent with the purposes of the code and this part.

4390 (b) In making an allocation of volume cap the board of review shall consider the
4391 following:

4392 (i) the principal amount of the bonds proposed to be issued;

4393 (ii) the nature and the location of the project or the type of program;

4394 (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;

4395 (iv) whether the project or program could obtain adequate financing without an
4396 allocation of volume cap;

4397 (v) the degree to which an allocation of volume cap is required for the project or
4398 program to proceed or continue;

4399 (vi) the social, health, economic, and educational effects of the project or program on
4400 the local community and state as a whole;

4401 (vii) the anticipated economic development created or retained within the local
4402 community and the state as a whole;

4403 (viii) the anticipated number of jobs, both temporary and permanent, created or
4404 retained within the local community and the state as a whole; and

4405 (ix) if the project is a residential rental project, the degree to which the residential
4406 rental project:

4407 (A) targets lower income populations; and

4408 (B) is accessible housing.

4409 (4) The board of review shall provide evidence of an allocation of volume cap by issuing a
4410 certificate in accordance with Section [35A-8-2107] 63N-22-406.

4411 (5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of
4412 review shall set aside at least 50% of the Small Issue Bond Account that may only be
4413 allocated to manufacturing projects.

4414 (b) Subject to Subsection (5)(c), from July 1 to August 15 of each year, the board of
4415 review shall set aside at least 50% of the Pool Account that may only be allocated to
4416 manufacturing projects.
4417 (c) The board of review is not required to set aside any unused volume cap under
4418 Subsection [35A-8-2106(2)(e)] 63N-22-405(2)(c) to satisfy the requirements of
4419 Subsection (5)(a) or (b).

4420 Section 64. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered
4421 and amended to read:

4422 **[35A-8-2106] 63N-22-405 (Effective 07/01/26). Allotment accounts.**

4423 (1) There are created the following allotment accounts:

4424 (a) the Single Family Housing Account, for which eligible issuing authorities are those
4425 authorized under the code and state statute to issue qualified mortgage bonds under
4426 Section 143 of the code;

4427 (b) the Student Loan Account, for which eligible issuing authorities are those authorized
4428 under the code and state statute to issue qualified student loan bonds under Section
4429 144(b) of the code;

4430 (c) the Small Issue Bond Account, for which eligible issuing authorities are those
4431 authorized under the code and state statute to issue:

4432 (i) qualified small issue bonds under Section 144(a) of the code;

4433 (ii) qualified exempt facility bonds for qualified residential rental projects under
4434 Section 142(d) of the code; or

4435 (iii) qualified redevelopment bonds under Section 144(c) of the code;

4436 (d) the Exempt Facilities Account, for which eligible issuing authorities are those
4437 authorized under the code and state statute to issue any bonds requiring an allocation
4438 of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);

4439 (e) the Pool Account, for which eligible issuing authorities are those authorized under
4440 the code and state statute to issue any bonds requiring an allocation of volume cap;
4441 and

4442 (f) the Carryforward Account, for which eligible issuing authorities are those with
4443 projects or programs qualifying under Section 146(f) of the code.

4444 (2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of
4445 each year on the following basis:

4446 (i) 42% to the Single Family Housing Account;

4447 (ii) 33% to the Student Loan Account;

4448 (iii) 1% to the Exempt Facilities Account; and
4449 (iv) 24% to the Small Issue Bond Account.

4450 (b) From July 1 to September 30 of each year, the board of review may transfer any
4451 unallocated volume cap from the Exempt Facilities Account or the Small Issue Bond
4452 Account to the Pool Account.

4453 (c) Upon written notification by the issuing authorities eligible for volume cap allocation
4454 from the Single Family Housing Account or the Student Loan Account that all or a
4455 portion of volume cap distributed into that allotment account will not be used, the
4456 board of review may transfer the unused volume cap to any other allotment account.

4457 (d) From October 1 to the third Friday of December of each year, the board of review
4458 shall transfer all unallocated volume cap into the Pool Account.

4459 (e) On the third Saturday of December of each year, the board of review shall transfer
4460 uncollected volume cap, or allocated volume cap for which bonds have not been
4461 issued prior to the third Saturday of December, into the Carryforward Account.

4462 (f) If the authority to issue bonds designated in any allotment account is rescinded by
4463 amendment to the code, the board of review may transfer any unallocated volume cap
4464 from that allotment account to any other allotment account.

4465 Section 65. Section **63N-22-406**, which is renumbered from Section 35A-8-2107 is renumbered
4466 and amended to read:

4467 **[35A-8-2107] 63N-22-406 (Effective 07/01/26). Certificates of allocation.**

4468 (1)(a) After an allocation of volume cap for a project or program is approved by the
4469 board of review, the board of review shall issue a numbered certificate of allocation
4470 stating the amount of the allocation, the allotment account for which the allocation is
4471 being made, and the expiration date of the allocation.

4472 (b) The certificates of allocation shall be mailed to the issuing authority within 10
4473 working days of the date of approval.

4474 (c) Bonds are not entitled to any allocation of the volume cap unless the issuing
4475 authority received a certificate of allocation with respect to the bonds.

4476 (d)(i) Certificates of allocation shall remain in effect for a period of 90 days from the
4477 date of approval.

4478 (ii) If bonds for which a certificate has been approved are not issued within the
4479 90-day period, the certificate of allocation is void and volume cap shall be
4480 returned to the applicable allotment account for reallocation by the board of
4481 review.

4482 (2)(a) An issuing authority receiving an allocation of volume cap from the Carryforward
4483 Account shall receive a certificate of allocation similar to the certificates of allocation
4484 described in Subsection (1) from the board of review stating the amount of allocation
4485 from the Carryforward Account that has been allocated to the issuing authority and
4486 the expiration of the allocation.

4487 (b)(i) If in the judgment of the board of review an issuing authority or a person or
4488 entity responsible for a project or program receiving an allocation from the
4489 Carryforward Account does not proceed with diligence in providing for the
4490 issuance of the bonds with respect to the project or program, and because of the
4491 lack of diligence the volume cap cannot be used, the board of review may exclude
4492 from the board of review's consideration for a given period of time, determined by
4493 the board of review, an application of the issuing authority, person, or entity.
4494 (ii) The board of review may, at any time, review and modify the board of review's
4495 decisions relating to the exclusion described in this Subsection (2)(b).

4496 Section 66. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered
4497 and amended to read:

4498 **[35A-8-2108] 63N-22-407 (Effective 07/01/26). Issuing authorities -- Limitations
4499 -- Duties.**

4500 (1)(a) Notwithstanding any law to the contrary, an issuing authority issuing bonds
4501 without a certificate of allocation issued under Section **[35A-8-2107] 63N-22-406**, or
4502 an issuing authority issuing bonds after the expiration of a certificate of allocation, is
4503 not entitled to an allocation of the volume cap for those bonds.
4504 (b) An issuing authority issuing bonds in excess of the amount set forth in the related
4505 certificate of allocation is not entitled to an allocation of the volume cap for the
4506 excess.
4507 (2) Each issuing authority shall:
4508 (a) advise the board of review, within 15 days after the issuance of bonds, of the
4509 principal amount of bonds issued under each certificate of allocation by delivering to
4510 the board of review a copy of the Form 8038 that was delivered or shall be delivered
4511 to the Internal Revenue Service in connection with the bonds, or, if no Form 8038 is
4512 required to be delivered to the Internal Revenue Service, a completed copy of a Form
4513 8038 prepared for the board of review with respect to the bonds; and
4514 (b) if all or a stated portion of the bonds for which a certificate of allocation was
4515 received will not be issued, advise the board of review in writing, within 15 days of

4516 the earlier of:

4517 (i) the final decision not to issue all or a stated portion of the bonds; or

4518 (ii) the expiration of the certificate of allocation.

4519 (3) Failure by an issuing authority to notify the board of review under Subsection (2),
4520 including failure to timely deliver a Form 8038, may, in the sole discretion of the board
4521 of review, result in the board of review denying further consideration of applications
4522 from the issuing authority.

4523 Section 67. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered
4524 and amended to read:

4525 **[35A-8-2109] 63N-22-408 (Effective 07/01/26). Procedures -- Adjudicative
4526 proceedings.**

4527 The board of review shall comply with the procedures and requirements of Title 63G,
4528 Chapter 4, Administrative Procedures Act, in the board of review's adjudicative proceedings.

4529 Section 68. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered
4530 and amended to read:

4531 **[35A-8-2110] 63N-22-409 (Effective 07/01/26). Duties of the division.**

4532 (1) The [department] division is recognized as an issuing authority, as defined in Section [
4533 35A-8-2102] 63N-22-401, entitled to issue bonds from the Small Issue Bond Account
4534 created in Subsection [35A-8-2106(1)(e)] 63N-22-405(1)(c) as a part of the state's private
4535 activity bond volume cap authorized by the Internal Revenue Code and computed under
4536 Section 146, Internal Revenue Code.

4537 (2) To promote and encourage the issuance of bonds from the Small Issue Bond Account
4538 for manufacturing projects, the [department] division may:

4539 (a) develop campaigns and materials that inform qualified small manufacturing
4540 businesses about the existence of the program and the application process;
4541 (b) assist small businesses in applying for and qualifying for these bonds; and
4542 (c) develop strategies to lower the cost to small businesses of applying for and
4543 qualifying for these bonds, including making arrangements with financial advisors,
4544 underwriters, bond counsel, and other professionals involved in the issuance process
4545 to provide services at a reduced rate when the [department] division can provide such
4546 service providers with a high volume of applicants or issues.

4547 Section 69. Section **63N-22-501**, which is renumbered from Section 35A-8-301 is renumbered
4548 and amended to read:

4549 **Part 5. Community Impact Fund**

4550 **[35A-8-301] 63N-22-501 (Effective 07/01/26). Legislative policy.**

4551 (1) Funds received by the state from federal mineral lease revenues under Section 59-21-2,
4552 bonus payments on federal oil shale lease tracts U-A and U-B, and all other bonus
4553 payments on federal mineral leases are to be used for planning, construction and
4554 maintenance of public facilities, and provision of public service, subject to the
4555 limitations provided for in Section 35 of the Mineral Leasing Act of 1920 (41 Stat. 450,
4556 30 U.S.C. Sec. 191).

4557 (2) To the extent allowed under the Mineral Leasing Act, any ambiguity as to whether a
4558 particular use of the lease revenue and bonus payments described in Subsection (1) is a
4559 permissible use under this part shall be resolved in favor of upholding the use.

4560 (3) Priority for the use of the funds described in Subsection (1) shall be given to those
4561 communities designated as impacted by the development of natural resources covered
4562 by the Mineral Leasing Act.

4563 (4) The policy of this state is to promote cooperation and coordination between the state
4564 and the state's agencies and political subdivisions with individuals, firms, and business
4565 organizations engaged in the development of the natural resources of this state.

4566 Section 70. Section **63N-22-502**, which is renumbered from Section 35A-8-302 is renumbered
4567 and amended to read:

4568 **[35A-8-302] 63N-22-502 (Effective 07/01/26). Definitions.**

4569 As used in this part:

4570 (1) "Bonus payments" means that portion of the bonus payments received by the United
4571 States government under the Leasing Act paid to the state under Section 35 of the
4572 Leasing Act, 30 U.S.C. Sec. 191, together with any interest that had accrued on those
4573 payments.

4574 (2) "Impact board" means the Permanent Community Impact Fund Board created under
4575 Section **[35A-8-304] 63N-22-504**.

4576 (3) "Impact fund" means the Permanent Community Impact Fund established by this
4577 chapter.

4578 (4) "Interlocal agency" means a legal or administrative entity created by a subdivision or
4579 combination of subdivisions under the authority of Title 11, Chapter 13, Interlocal
4580 Cooperation Act.

4581 (5) "Leasing Act" means the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.

4582 (6) "Qualifying sales and use tax distribution reduction" means that, for the calendar year
4583 beginning on January 1, 2008, the total sales and use tax distributions a city received

4584 under Section 59-12-205 were reduced by at least 15% from the total sales and use tax
4585 distributions the city received under Section 59-12-205 for the calendar year beginning
4586 on January 1, 2007.

4587 (7)(a) "Planning" means any of the following performed by or on behalf of the state, a
4588 subdivision, or an interlocal agency:

- 4589 (i) a study, analysis, plan, or survey; or
- 4590 (ii) activities necessary to obtain a permit or land use approval, including review to
4591 determine the need, cost, or feasibility of obtaining a permit or land use approval.

4592 (b) "Planning" includes:

- 4593 (i) the preparation of maps and guidelines;
- 4594 (ii) land use planning;
- 4595 (iii) a study or analysis of:
 - 4596 (A) the social or economic impacts associated with natural resource development;
 - 4597 (B) the demand for the transportation of individuals or goods;
 - 4598 (C) state, regional, and local development and growth;
 - 4599 (D) population and employment;
 - 4600 (E) development related to natural resources; and
 - 4601 (F) as related to any other activity described in this Subsection (7), engineering,
4602 financial analysis, legal analysis, or any other analysis helpful to the state,
4603 subdivision, or interlocal agency; and
- 4604 (iv) any activity described in this Subsection (7) regardless of whether the activity is
4605 for a public facility or a public service.

4606 (8) "Public facility" means a facility:

- 4607 (a) in whole or in part, owned, controlled, or operated by the state, a subdivision, or an
4608 interlocal agency; and
- 4609 (b) that serves a public purpose.

4610 (9)(a) "Public service" means a service that:

- 4611 (i) is provided, in whole or in part, by or on behalf of the state, a subdivision, or an
4612 interlocal agency; and
- 4613 (ii) serves a public purpose.

4614 (b) "Public service" includes:

- 4615 (i) a service described in Subsection (9)(a) regardless of whether the service is
4616 provided in connection with a public facility;
- 4617 (ii) the cost of providing a service described in Subsection (9)(a), including

4618 administrative costs, wages, and legal fees; and

4619 (iii) a contract with a public postsecondary institution to fund research, education, or

4620 a public service program.

4621 (10) "Subdivision" means a county, city, town, county service area, special service district,

4622 special improvement district, water conservancy district, water improvement district,

4623 sewer improvement district, housing authority, building authority, school district, or

4624 public postsecondary institution organized under the laws of this state.

4625 (11)(a) "Throughput infrastructure project" means the following facilities, whether

4626 located within, partially within, or outside of the state:

4627 (i) a bulk commodities ocean terminal;

4628 (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;

4629 (iii) electric transmission lines and ancillary facilities;

4630 (iv) a shortline freight railroad and ancillary facilities;

4631 (v) a plant or facility for storing, distributing, or producing hydrogen, including the

4632 liquefaction of hydrogen, for use as a fuel in zero emission motor vehicles, for

4633 electricity generation, or for industrial use;

4634 (vi) a plant for the production of zero emission hydrogen fueled trucks; or

4635 (vii) a mining facility described in Subsection [35A-8-309(9)] 63N-22-508(9).

4636 (b) "Throughput infrastructure project" includes:

4637 (i) an ownership interest or a joint or undivided ownership interest in a facility;

4638 (ii) a membership interest in the owner of a facility; or

4639 (iii) a contractual right, whether secured or unsecured, to use all or a portion of the

4640 throughput, transportation, or transmission capacity of a facility.

4641 Section 71. Section **63N-22-503**, which is renumbered from Section 35A-8-303 is renumbered

4642 and amended to read:

4643 **[35A-8-303] 63N-22-503 (Effective 07/01/26). Permanent Community Impact**

4644 **Fund -- Deposits and contents -- Use of fund money.**

4645 (1) There is created an enterprise fund entitled the "Permanent Community Impact Fund."

4646 (2) The fund consists of:

4647 (a) all amounts appropriated to the impact fund under Section 59-21-2;

4648 (b) bonus payments deposited to the impact fund under Subsection 59-21-1(2);

4649 (c) all amounts appropriated to the impact fund under Section 53C-3-203;

4650 (d) all amounts received for the repayment of loans made by the impact board under this

4651 chapter; and

4652 (e) all other money appropriated or otherwise made available to the impact fund by the
4653 Legislature.

4654 (3) The state treasurer shall:

4655 (a) invest the money in the impact fund by following the procedures and requirements of
4656 Title 51, Chapter 7, State Money Management Act; and
4657 (b) deposit all interest or other earnings derived from those investments into the impact
4658 fund.

4659 (4) The amounts in the impact fund available for loans, grants, administrative costs, or other
4660 purposes of this part shall be limited to that which the Legislature appropriates for these
4661 purposes.

4662 (5) Federal mineral lease revenue received by the state under the Leasing Act that is
4663 deposited into the impact fund shall be used:

4664 (a) in a manner consistent with the provisions of:

4665 (i) the Leasing Act; and

4666 (ii) this part; and

4667 (b) for loans, grants, or both to state agencies or subdivisions that are socially or
4668 economically impacted by the leasing of minerals under the Leasing Act.

4669 (6) The money described in Subsection (2)(c) shall be used for grants to political
4670 subdivisions of the state to mitigate the impacts resulting from the development or use of
4671 school and institutional trust lands.

4672 Section 72. Section **63N-22-504**, which is renumbered from Section 35A-8-304 is renumbered
4673 and amended to read:

4674 **[35A-8-304] 63N-22-504 (Effective 07/01/26). Permanent Community Impact**
4675 **Fund Board.**

4676 (1) There is created within the [department] division the Permanent Community Impact
4677 Fund Board composed of 11 members as follows:
4678 (a) the state treasurer or the state treasurer's designee;
4679 (b) the chair of the Transportation Commission or the chair's designee;
4680 (c) the executive director of the Governor's Office of Planning and Budget or the
4681 executive director's designee;
4682 (d) a locally elected official who resides in Carbon, Emery, Grand, or San Juan County;
4683 (e) a locally elected official who resides in Juab, Millard, Sanpete, Sevier, Piute, or
4684 Wayne County;
4685 (f) a locally elected official who resides in Duchesne, Daggett, or Uintah County;

4686 (g) a locally elected official who resides in Beaver, Iron, Washington, Garfield, or Kane
4687 County;

4688 (h) a locally elected official from the county that:
4689 (i) produced the most mineral lease money related to oil extraction during the
4690 four-year period immediately preceding the term of appointment, as determined
4691 by the [department] division at the end of each term; and
4692 (ii) does not already have a representative on the impact board;

4693 (i) a locally elected official from the county that:
4694 (i) produced the most mineral lease money related to natural gas extraction during the
4695 four-year period immediately preceding the term of appointment, as determined
4696 by the [department] division at the end of each term; and
4697 (ii) does not already have a representative on the impact board;

4698 (j) a locally elected official from the county that:
4699 (i) produced the most mineral lease money related to coal extraction during the
4700 four-year period immediately preceding the term of appointment, as determined
4701 by the [department] division at the end of each term; and
4702 (ii) does not already have a representative on the impact board; and
4703 (k) an individual who resides in a county of the third, fourth, fifth, or sixth class,
4704 appointed by the governor with the advice and consent of the Senate in accordance
4705 with Title 63G, Chapter 24, Part 2, Vacancies.

4706 (2)(a) The members specified under Subsections (1)(d) through (j) may not reside in the
4707 same county and shall be:
4708 (i) nominated by the Board of Directors of the Southeastern Association of Local
4709 Governments, the Six County Association of Governments, the Uintah Basin
4710 Association of Governments, and the Five County Association of Governments,
4711 respectively, except that the members specified under Subsections (1)(h) through
4712 (j) shall be nominated by the Board of Directors of the Association of
4713 Governments from the region of the state in which the county is located; and
4714 (ii) appointed by the governor with the advice and consent of the Senate in
4715 accordance with Title 63G, Chapter 24, Part 2, Vacancies.

4716 (b) Except as required by Subsection (2)(c), as terms of current board members expire,
4717 the governor shall appoint each new member or reappointed member to a four-year
4718 term.

4719 (c) Notwithstanding the requirements of Subsection (2)(b), the governor shall, at the

4720 time of appointment or reappointment, adjust the length of terms to ensure that the
4721 terms of board members are staggered so that approximately half of the board is
4722 appointed every two years.

4723 (d) When a vacancy occurs in the membership for any reason, the replacement shall be
4724 appointed for the unexpired term.

4725 (3) When the governor makes a new appointment or reappointment under Subsection
4726 (2)(b), or a vacancy appointment under Subsection (2)(d), the governor's new
4727 appointment, reappointment, or vacancy appointment shall be made with the advice and
4728 consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.

4729 (4) The terms of office for the members specified under Subsections (1)(a) through (c) shall
4730 run concurrently with the term of office for the commission, department, or office from
4731 which each member comes.

4732 (5)(a) The member specified under Subsection (1)(k) is the chair of the impact board.

4733 (b) The chair of the impact board is responsible for the call and conduct of meetings.

4734 (6) A member may not receive compensation or benefits for the member's service, but may
4735 receive per diem and travel expenses in accordance with:

4736 (a) Section 63A-3-106;

4737 (b) Section 63A-3-107; and

4738 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
4739 63A-3-107.

4740 (7) A member described in Subsections (1)(d) through (k) shall comply with the conflict of
4741 interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

4742 (8)(a) A majority of the members of the impact board constitutes a quorum.

4743 (b) Action by a majority vote of a quorum of the impact board constitutes action by the
4744 impact board.

4745 (9) The [department] division shall provide staff support to the impact board.

4746 Section 73. Section **63N-22-505**, which is renumbered from Section 35A-8-305 is renumbered
4747 and amended to read:

4748 **[35A-8-305] 63N-22-505 (Effective 07/01/26). Powers, functions, and duties of the
4749 impact board.**

4750 (1) The impact board shall:

4751 (a) [make-] award grants and loans from the amounts appropriated by the Legislature out
4752 of the impact fund to state agencies, subdivisions, and interlocal agencies that are or
4753 may be socially or economically impacted, directly or indirectly, by mineral resource

4754 development for:

4755 (i) planning;

4756 (ii) construction and maintenance of public facilities; and

4757 (iii) provision of public services;

4758 (b) establish the criteria by which the loans and grants will be [made] awarded;

4759 (c) determine the order in which projects will be funded;

4760 (d) in [econjuntion] cooperation with other agencies of the state, subdivisions, or
4761 interlocal agencies, conduct studies, investigations, and research into the effects of
4762 proposed mineral resource development projects upon local communities;

4763 (e) sue and be sued in accordance with applicable law;

4764 (f) qualify for, accept, and administer grants, gifts, loans, or other funds from:

4765 (i) the federal government; and

4766 (ii) other sources, public or private; and

4767 (g) perform other duties [assigned to it] required under Sections 11-13-306 and 11-13-307.

4768 (2)(a) [Money,] Subject to Subsection (2)(b), money, including all loan repayments
4769 and interest, in the impact fund [derived] received from bonus payments may be used
4770 for any [of the purposes set forth] purpose described in Subsection (1)(a).

4771 (b) [but] Money received under Subsection (2)(a) may only be given in the form of
4772 interest bearing loans to be paid back into the impact fund by the agency,
4773 subdivision, or interlocal agency.

4774 (3) The impact board may [make] award a grant or loan under Subsection (1) [regardless of]
4775 whether the activity results in more than one impact or outcome, including an increase in
4776 natural resource development or an increase in economic development.

4777 (4) If the public service described in Subsection (1)(a) is a contract with a public
4778 postsecondary institution described in Subsection [35A-8-302(9)(b)(iii)]
4779 63N-22-502(9)(b)(iii), the contract shall be:

4780 (a) based on an application to the impact board from the impacted county; and

4781 (b) approved by the county legislative body.

4782 (5) The impact board may:

4783 (a) appoint, when appropriate, a hearing examiner or administrative law judge with
4784 authority to conduct hearings, make determinations, and enter appropriate findings of
4785 facts, conclusions of law, and orders under authority of the impact board in
4786 accordance with Sections 11-13-306 and 11-13-307;

4787 (b) appoint additional professional and administrative staff necessary to perform the

4788 impact board's duties under Sections 11-13-306 and 11-13-307;
4789 (c) make independent studies regarding matters submitted to the impact board under
4790 Sections 11-13-306 and 11-13-307 that the impact board, in the impact board's
4791 discretion, considers necessary, which studies shall be made a part of the record and
4792 may be considered in the impact board's determination; and
4793 (d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
4794 Rulemaking Act, to implement this part.

4795 Section 74. Section **63N-22-506**, which is renumbered from Section 35A-8-307 is renumbered
4796 and amended to read:

4797 **[35A-8-307] 63N-22-506 (Effective 07/01/26). Impact fund administered by**
4798 **impact board -- Eligibility for assistance -- Review by board -- Administration costs --**
4799 **Annual report.**

4800 (1)(a) The impact board shall:
4801 (i) administer the impact fund in a manner that will keep a portion of the impact fund
4802 revolving;
4803 (ii) determine provisions for repayment of loans;
4804 (iii) establish criteria for determining eligibility for assistance under this part; and
4805 (iv) consider recommendations from the School and Institutional Trust Lands
4806 Administration when awarding a grant described in Subsection [35A-8-303(6)]
4807 63N-22-503(6).
4808 (b)(i) The criteria for awarding loans or grants made from funds described in
4809 Subsection [35A-8-303(5)] 63N-22-503(5) shall be consistent with the
4810 requirements of Subsection [35A-8-303(5)] 63N-22-503(5).
4811 (ii) The criteria for awarding grants made from funds described in Subsection [
4812 35A-8-303(2)(e)] 63N-22-503(2)(c) shall be consistent with the requirements of
4813 Subsection [35A-8-303(6)] 63N-22-503(6).
4814 (c) In order to receive assistance under this part, subdivisions and interlocal agencies
4815 shall submit formal applications containing the information [that the impact board
4816 requires] required by the impact board.
4817 (2) In determining eligibility for loans and grants under this part, the impact board shall
4818 consider the following:
4819 (a) the subdivision's or interlocal agency's current mineral lease production;
4820 (b) the feasibility of the actual development or the increased development of a resource
4821 that may impact the subdivision or interlocal agency directly or indirectly;

- 4822 (c) current taxes being paid by the subdivision's or interlocal agency's residents;
- 4823 (d) the borrowing capacity of the subdivision or interlocal agency, including:
 - 4824 (i) the subdivision's or interlocal agency's ability and willingness to sell bonds or
other securities in the open market; and
 - 4826 (ii) the subdivision's or interlocal agency's current and authorized indebtedness;
- 4827 (e) all possible additional sources of state and local revenue, including utility user
4828 charges;
- 4829 (f) the availability of federal assistance funds;
- 4830 (g) probable growth of population due to actual or prospective natural resource
4831 development in an area;
- 4832 (h) existing public facilities and services;
- 4833 (i) the extent of the expected direct or indirect impact upon public facilities and public
4834 services of the actual or prospective natural resource development in an area; and
- 4835 (j) the extent of industry participation in an impact alleviation plan, either as [specified]
4836 described in Title 63M, Chapter 5, Resource Development Act, or otherwise.

4837 (3) The impact board may not fund an education project that [could otherwise] may have
4838 reasonably been funded by a school district through a program of annual budgeting,
4839 capital budgeting, bonded indebtedness, or special assessments.

4840 (4) The impact board may restructure all or part of the agency's or subdivision's liability to
4841 repay loans for extenuating circumstances.

4842 (5) The impact board shall:

- 4843 (a) review the proposed uses of the impact fund for loans or grants before approving [
4844 them] the loan or grant and may condition [its-]approval on whatever assurances the
4845 impact board considers necessary to ensure that proceeds of the loan or grant will be
4846 used in accordance with the Leasing Act and this part; and
- 4847 (b) ensure that each loan specifies the terms for repayment and is evidenced by general
4848 obligation, special assessment, or revenue bonds, notes, or other obligations of the
4849 appropriate subdivision or interlocal agency issued to the impact board [under
4850 ~~whatever authority for the issuance of those bonds, notes, or obligations exists at the~~
4851 ~~time of the loan~~] by the appropriate authorizing authority that existed at the time of
4852 the loan.

4853 (6) The impact board shall allocate from the impact fund to the [department] division those
4854 funds that are appropriated by the Legislature for the administration of the impact fund, [
4855 ~~but this amount may not~~] not to exceed 2% of the annual receipts to the impact fund.

4856 (7) [The department shall include in the annual written report described in Section
4857 35A-1-109, the number and type of loans and grants made as well as a list of
4858 subdivisions and interlocal agencies that received this assistance.] The division shall
4859 submit a report to the office for inclusion in the annual written report described in
4860 Section 63N-1a-306, the number and type of loan or grant awarded and the subdivision
4861 or interlocal agency that received a loan or grant award under this section.

4862 Section 75. Section **63N-22-507**, which is renumbered from Section 35A-8-308 is renumbered
4863 and amended to read:

4864 **[35A-8-308] 63N-22-507 (Effective 07/01/26). Throughput Infrastructure Fund.**

4865 (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."
4866 (2) The fund consists of money generated from the following revenue sources:
4867 (a) amounts transferred to the fund by statute;
4868 (b) [any] voluntary contributions received;
4869 (c) appropriations made to the fund by the Legislature;
4870 (d) the amounts received from the repayment of loans made by the impact board under
4871 Section [35A-8-309] 63N-22-508; and
4872 (e) interest or other earnings deposited under Subsection (3).

4873 (3) The state treasurer shall:

4874 (a) invest the money in the fund [by following the procedures and requirements of] in
4875 accordance with Title 51, Chapter 7, State Money Management Act; and
4876 (b) deposit the interest or other earnings [derived from those investments into the fund]
4877 into the fund that are received from the investments described in Subsection (3)(a).

4878 Section 76. Section **63N-22-508**, which is renumbered from Section 35A-8-309 is renumbered
4879 and amended to read:

4880 **[35A-8-309] 63N-22-508 (Effective 07/01/26). Throughput Infrastructure Fund**
4881 **administered by impact board -- Uses -- Review by board -- Annual report -- First**
4882 **project.**

4883 (1) The impact board shall:

4884 (a) make grants and loans from the Throughput Infrastructure Fund created in Section [
4885 35A-8-308] 63N-22-507 for a throughput infrastructure project;
4886 (b) use money transferred to the Throughput Infrastructure Fund in accordance with
4887 statute to provide a loan or grant to finance the cost of acquisition or construction of a
4888 throughput infrastructure project to one or more local political subdivisions,
4889 including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal

Cooperation Act;

- (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of the fund revolving;
- (d) determine provisions for repayment of loans;
- (e) establish criteria for awarding loans and grants; and
- (f) establish criteria for determining eligibility for assistance under this section.

(2) The cost of acquisition or construction of a throughput infrastructure project includes amounts for working capital, reserves, transaction costs, and other amounts determined by the impact board to be allocable to a throughput infrastructure project.

(3) The impact board may restructure or forgive all or part of a local political subdivision's or interlocal agency's obligation to repay loans for extenuating circumstances.

(4) To receive assistance under this section, a local political subdivision or an interlocal agency shall submit a formal application containing the information [that the impact board requires] required by the impact board.

(5)(a) The impact board shall:

(i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant before approving 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 this section;

- (ii) ensure that each loan specifies terms for interest deferments, accruals, and scheduled principal repayment; and

- (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of the appropriate local political subdivision or interlocal agency issued to the impact board and payable from the net revenues of a throughput infrastructure project.

(b) An instrument described in Subsection (5)(a)(iii) may be:

(i) non-recourse to the local political subdivision or interlocal agency; and

(ii) limited to a pledge of the net revenues from a throughput infrastructure project.

(6)(a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from the Throughput Infrastructure Fund to the board those amounts that are appropriated by the Legislature for the administration of the Throughput Infrastructure Fund.

(b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts to the Throughput Infrastructure Fund.

(7) [The board shall include in the annual written report described in Section 35A-1-109:]

4924 [({a}) the number and type of loans and grants made under this section; and]
4928 [({b}) a list of local political subdivisions or interlocal agencies that received assistance
4929 under this section.] The impact board
4930 shall submit a
4931 report to the office for inclusion in the annual written report described in Section
4932 63N-1a-306, the number and type of loan or grant awarded and the subdivision or
4933 interlocal agency that received a loan or grant award under this section.

4934 (8)(a) The first throughput infrastructure project funded by the impact board shall be a
4935 bulk commodities ocean terminal project financed through a mixture of grant and
4936 loans, of which no less than 20% of the project costs funded by the impact board is
4937 grants.

4938 (b) Upon receipt of an application from an interlocal agency for a bulk commodities
4939 ocean terminal project, the impact board shall:
4940 (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the
4941 interlocal agency to pay or reimburse costs incurred by the interlocal agency
4942 preliminary to [its] the interlocal agency's acquisition of the throughput
4943 infrastructure project; and
4944 (ii) fund the interlocal agency's application if the application meets all criteria
4945 established by the impact board.

4946 (9) Notwithstanding Subsection (8) and following the procedures of this section, the impact
4947 board may issue a grant or loan for a throughput infrastructure project other than a bulk
4948 commodities ocean terminal project if the throughput infrastructure project:

4949 (a) is funded from the interest or other earnings deposited into the Throughput
4950 Infrastructure Fund;
4951 (b) is applied for by a political subdivision or interlocal agency to be distributed to a
4952 private entity described in Subsection (9)(c); and
4953 (c) is engaged in by a private entity if the private entity:
4954 (i) has the required permits to engage in mining fluorspar or gallium;
4955 (ii) will engage in the mining activity in a community within the state that is
4956 economically impacted by the Leasing Act;
4957 (iii) will draw money from the loan or grant by no later than two years from the day
4958 on which the impact board awards the loan or grant; and
4959 (iv) agrees to reimburse the Throughput Infrastructure Fund in staggered payments
4960 during a period beginning three years from the day on which the impact board

4957 approves the loan or grant and ending seven years from the day on which the
4958 impact board approves the loan or grant.

4959 Section 77. Section **63N-22-509**, which is renumbered from Section 35A-8-310 is renumbered
4960 and amended to read:

4961 **[35A-8-310] 63N-22-509 (Effective 07/01/26). Application -- Retroactivity.**

4962 (1) The provisions of Laws of Utah 2021, Chapter 339, apply to any claim for which a court
4963 of competent jurisdiction has not issued a final unappealable judgment or order.
4964 (2) The Legislature finds that the provisions of Laws of Utah 2021, Chapter 339:
4965 (a) do not enlarge, eliminate, or destroy vested rights; and
4966 (b) clarify application of the law.

4967 Section 78. Section **63N-22-601**, which is renumbered from Section 35A-8-1601 is renumbered
4968 and amended to read:

4969 **Part 6. Uintah Basin Revitalizatin Fund**

4970 **[35A-8-1601] 63N-22-601 (Effective 07/01/26). Definitions.**

4971 As used in this part:

4972 (1) "Board" means the Uintah Basin Revitalization Fund Board.
4973 (2) "Capital projects" means expenditures for land, improvements on the land, and
4974 equipment intended to have long-term beneficial use.
4975 (3) "County" means:
4976 (a) Duchesne County; or
4977 (b) Uintah County.
4978 (4) "Division" means the ~~Housing and Community Development Division~~ Division of
4979 Housing and Community Development within the Governor's Office of Economic
4980 Opportunity.
4981 (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.
4982 (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

4983 Section 79. Section **63N-22-602**, which is renumbered from Section 35A-8-1602 is renumbered
4984 and amended to read:

4985 **[35A-8-1602] 63N-22-602 (Effective 07/01/26). Uintah Basin Revitalization Fund.**

4986 (1) In order to maximize the long-term benefit of severance taxes derived from lands held
4987 in trust by the United States for the Tribe and the Tribe's members by fostering funding
4988 mechanisms that will, consistent with sound financial practices, result in the greatest use
4989 of financial resources for the greatest number of citizens of the Uintah Basin, and in
4990 order to promote cooperation and coordination between the state, ~~[its]~~ the state's political

4991 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in
4992 the development of oil and gas interests held in trust for the Tribe and the Tribe's
4993 members, there is created an expendable special revenue fund entitled the "Uintah Basin
4994 Revitalization Fund."

4995 (2) The fund consists of all money deposited [to] into the Revitalization Fund under this part
4996 and Section 59-5-116.

4997 (3)(a) The Revitalization Fund shall earn interest.

4998 (b) All interest earned on fund money shall be deposited into the fund.

4999 (4)(a) Money required to be deposited into the Uintah Basin Revitalization Fund under
5000 Section 59-5-116 shall be deposited into the Uintah Basin Revitalization Fund if a
5001 business or activity fee or tax based on gross receipts has not been imposed by a
5002 county or the Tribe on oil and gas activities.

5003 (b) Nothing in this section prohibits a county from imposing a charge described in this
5004 Subsection (4) with respect to any gathering, transmission, or local distribution
5005 pipeline in which the county owns an interest.

5006 (c) Nothing in this section prohibits the Tribe from imposing a charge described in this
5007 Subsection (4) with respect to any gathering, transmission, or local distribution
5008 pipeline in which the Tribe owns an interest.

5009 Section 80. Section **63N-22-603**, which is renumbered from Section 35A-8-1603 is renumbered
5010 and amended to read:

5011 **[35A-8-1603] 63N-22-603 (Effective 07/01/26). Uintah Basin Revitalization Fund**
5012 **Board.**

5013 (1) There is created within the division the Revitalization Board composed of five members
5014 as follows:

5015 (a) the governor or his designee;
5016 (b) a Uintah County commissioner;
5017 (c) a Duchesne County commissioner; and
5018 (d) two representatives of the Business Committee of the Tribe.

5019 (2) The terms of office for the members of the board shall run concurrently with the terms
5020 of office for the governor, commissioners, and Business Committee of the Tribe.

5021 (3) The governor, or [his] the governor's designee, shall be the chair of the board.

5022 (4) Four board members are a quorum.

5023 (5) All decisions of the board require four affirmative votes.

5024 (6) A member may not receive compensation or benefits for the member's service, but may

5025 receive per diem and travel expenses in accordance with:

5026 (a) Section 63A-3-106;

5027 (b) Section 63A-3-107; and

5028 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

5029 63A-3-107.

5030 Section 81. Section **63N-22-604**, which is renumbered from Section 35A-8-1604 is renumbered
5031 and amended to read:

5032 **[35A-8-1604] 63N-22-604 (Effective 07/01/26). Powers, functions, and duties of
5033 the revitalization fund board.**

5034 (1) The board shall:

5035 (a) subject to the other provisions of this part and an agreement entered into under Title
5036 11, Chapter 13, Interlocal Cooperation Act, among the state, the counties, and the
5037 Tribe, make recommendations to the division for grants and loans from the
5038 revitalization fund to county agencies and the Tribe that are or may be socially or
5039 economically impacted, directly or indirectly, by mineral resource development;

5040 (b) establish procedures for application for and award of grants and loans including:

5041 (i) eligibility criteria;

5042 (ii) subject to Subsection [35A-8-1606(2)(b)] **63N-22-605(2)(b)**, a preference that
5043 capital projects, including subsidized and low-income housing, and other one-time
5044 need projects and programs have priority over other projects;

5045 (iii) a preference for projects and programs that are associated with the geographic
5046 area where the oil and gas were produced; and

5047 (iv) coordination of projects and programs with other projects and programs funded
5048 by federal, state, and local governmental entities;

5049 (c) determine the order in which projects will be funded;

5050 (d) allocate the amount to be distributed from the revitalization fund for grants or loans
5051 to each county and the Tribe during a fiscal year as follows:

5052 (i) up to and including the first \$3,000,000 that is approved for distribution by the
5053 board during a fiscal year, the board may allocate the amount in accordance with
5054 the interlocal agreement described by Subsection (1)(a), except that the board may
5055 not allocate less than 75% of the amount under the interlocal agreement to the
5056 Tribe unless the interlocal agreement is further modified by statute; and

5057 (ii) beginning with fiscal year 2007-08, any amount approved for distribution by the
5058 board during that fiscal year in excess of \$3,000,000 shall be allocated equally

5059 amongst each county and the Tribe so that each receives [1/3] one-third of the
5060 amount approved for distribution by the board in excess of \$3,000,000;

5061 (e) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal
5062 government and from other sources, public or private; [and]

5063 (f) perform other duties assigned to [it] the board under the interlocal agreement
5064 described in Subsection (1)(a) that are not prohibited by law or otherwise modified
5065 by this part[.]; and

5066 (g) comply with the procedures and requirements of Title 51, Chapter 7, State Money
5067 Management Act, and Title 52, Chapter 4, Open and Public Meetings Act.

5068 (2) The board shall ensure that loan repayments and interest are deposited into the
5069 revitalization fund.

5070 (3) The interlocal agreement described in Subsection (1)(a) shall be consistent with[the
5071 following statutes, including any subsequent amendments to those statutes]:

5072 (a) this part;

5073 (b) Title 11, Chapter 13, Interlocal Cooperation Act;

5074 (c) Section 59-5-116; and

5075 (d) any other applicable provision of [this Utah Code] state law.

5076 (4) The board may:

5077 (a) appoint a hearing examiner or administrative law judge with authority to conduct any
5078 hearings, make determinations, and enter appropriate findings of facts, conclusions of
5079 law, and orders in accordance with Title 11, Chapter 13, Interlocal Cooperation Act;
5080 and

5081 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
5082 Rulemaking Act, to implement this part.

5083 Section 82. Section **63N-22-605**, which is renumbered from Section 35A-8-1606 is renumbered
5084 and amended to read:

5085 **[35A-8-1606] 63N-22-605 (Effective 07/01/26). Eligibility for assistance --**

5086 **Applications -- Review by board -- Terms -- Security.**

5087 (1) [Counties or the Tribe that wish to receive loans or grants from the board shall submit
5088 formal applications to the board containing the information required by the board.] To
5089 receive a loan or grant under this part, a county or the Tribe shall submit an application
5090 to the board that contains the information required by the board.

5091 (2) The board may not fund:

5092 (a) start-up or operational costs of private business ventures; and

5093 (b) general operating budgets of the counties or the Tribe, except that the Tribe may use
5094 a grant or loan to fund costs associated with the management and administration of
5095 energy or mineral development on:
5096 (i) lands held in trust by the United States for the Tribe and [its] the Tribe's members;
5097 or
5098 (ii) lands owned by the Tribe.

5099 (3)(a) The board shall review each application for a loan or grant before approving [it] a
5100 loan or grant application.

5101 (b) The board may approve a loan or grant applications application subject to the
5102 applicant's compliance with certain- the conditions established by the board.

5103 (c) The board shall:

5104 (i) ensure that each loan specifies the terms for repayment; and
5105 (ii) secure the loans by proceeds from any general obligation, special assessment, or
5106 revenue bonds, notes, or other obligations of the appropriate subdivision.

5107 Section 83. Section **63N-22-606**, which is renumbered from Section 35A-8-1607 is renumbered
5108 and amended to read:

5109 **[35A-8-1607] 63N-22-606 (Effective 07/01/26). Division to distribute money --
5110 Annual report -- Administration costs.**

5111 (1) The division shall distribute loan and grant money if the loan or grant is approved by the
5112 board.

5113 (2) ~~[The division shall provide an annual report to the department concerning the number
5114 and type of loans and grants made as well as a list of recipients of this assistance for
5115 inclusion in the department's annual written report described in Section 35A-1-109] The
5116 division shall submit a report to the office for inclusion in the annual written report
5117 described in Section 63N-1a-306, the number and type of loan or grant awarded and a
5118 list of recipients that received a loan or grant award under this part.~~

5119 (3) The division, with board approval, may use fund money for the administration of the
5120 fund, ~~[but this amount may]~~ not to exceed 2% of the annual receipts to the fund.

5121 Section 84. Section **63N-22-701**, which is renumbered from Section 35A-8-1702 is renumbered
5122 and amended to read:

5123 **Part 7. Navajo Revitalization Fund**

5124 **[35A-8-1702] 63N-22-701 (Effective 07/01/26). Definitions.**

5125 As used in this part:

5126 (1) "Board" means the Navajo Revitalization Fund Board.

5127 (2) "Capital project" means an expenditure for land, improvements on the land, or
5128 equipment intended to have long-term beneficial use.

5129 (3) "Division" means the [Housing and Community Development Division] Division of
5130 Housing and Community Development within the Governor's Office of Economic
5131 Opportunity.

5132 (4) "Eligible entity" means:
5133 (a) the Navajo Nation;
5134 (b) a department or division of the Navajo Nation;
5135 (c) a Utah Navajo Chapter;
5136 (d) the Navajo Utah Commission;
5137 (e) an agency of the state or a political subdivision of the state; or
5138 (f) a nonprofit corporation.

5139 (5) "Navajo Utah Commission" means the commission created by Resolution
5140 IGRJN-134-92 of the Intergovernmental Relations Committee of the Navajo Nation
5141 Council.

5142 (6) "Revitalization fund" means the Navajo Revitalization Fund.

5143 (7) "Utah Navajo Chapter" means any of the following chapters of the Navajo Nation:
5144 (a) Aneth Chapter;
5145 (b) Dennehotso Chapter;
5146 (c) Mexican Water Chapter;
5147 (d) Navajo Mountain Chapter;
5148 (e) Oljato Chapter;
5149 (f) Red Mesa Chapter; and
5150 (g) Teec Nos Pos Chapter.

5151 Section 85. Section **63N-22-702**, which is renumbered from Section 35A-8-1703 is renumbered
5152 and amended to read:

5153 **[35A-8-1703] 63N-22-702 (Effective 07/01/26). Purpose.**

5154 The purpose of this part is to:

5155 (1) maximize the long-term benefit of state severance taxes derived from lands in Utah held
5156 in trust by the United States for the Navajo Nation and [its] the Navajo Nation members
5157 by fostering funding mechanisms that will, consistent with sound financial practices,
5158 result in the greatest use of financial resources for the greatest number of citizens of San
5159 Juan County; and

5160 (2) promote cooperation and coordination between the state, [its] the state's political

5161 subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in
5162 the development of oil and gas interests in Utah held in trust by the United States for the
5163 Navajo Nation and [its] the Navajo Nation members.

5164 Section 86. Section **63N-22-703**, which is renumbered from Section 35A-8-1704 is renumbered
5165 and amended to read:

5166 **[35A-8-1704] 63N-22-703 (Effective 07/01/26). Navajo Revitalization Fund.**

5167 (1)(a) There is created an expendable special revenue fund called the "Navajo
5168 Revitalization Fund."

5169 (b) The revitalization fund shall consist of:

5170 (i) money deposited to the revitalization fund under this part;
5171 (ii) money deposited to the revitalization fund under Section 59-5-119; and
5172 (iii) any loan repayment or interest on a loan issued under this part.

5173 (2)(a) The revitalization fund shall earn interest.

5174 (b) The interest earned on revitalization fund money shall be deposited into the fund.

5175 (3) Beginning for fiscal year 2010-11, the division may use revitalization fund money for
5176 the administration of the revitalization fund, [but this amount may not] not to exceed 4%
5177 of the annual receipts to the revitalization fund.

5178 (4) The fund:

5179 (a) consists of state severance tax money to be spent at the discretion of the state; and
5180 (b) does not constitute a trust fund.

5181 Section 87. Section **63N-22-704**, which is renumbered from Section 35A-8-1705 is renumbered
5182 and amended to read:

5183 **[35A-8-1705] 63N-22-704 (Effective 07/01/26). Navajo Revitalization Fund
5184 Board.**

5185 (1) There is created within the division the Navajo Revitalization Fund Board composed of
5186 five members as follows:

5187 (a) the governor or the governor's designee;
5188 (b) the two members of the San Juan County commission whose districts include
5189 portions of the Navajo Reservation;
5190 (c) the chair of the Navajo Utah Commission or a member of the commission designated
5191 by the chair of the Navajo Utah Commission; and
5192 (d) beginning July 1, 2008, a president of a Utah Navajo Chapter or an individual
5193 designated by the president under an annual rotation system of Utah Navajo Chapters
5194 as follows:

5195 (i) the president of a Utah Navajo Chapter shall serve for one year;

5196 (ii) the Utah Navajo Chapter is rotated in alphabetical order as provided in

5197 Subsection [35A-8-1702(7)] 63N-22-701(7), except that the rotation will begin on

5198 July 1, 2008, with the Dennehotso Chapter; and

5199 (iii) if the president of a Utah Navajo Chapter under Subsection (1)(d)(ii) is the same

5200 individual as the individual listed in Subsection (1)(c):

5201 (A) that Utah Navajo Chapter is skipped as part of [that] the annual rotation; and

5202 (B) the president of the next Utah Navajo Chapter in the alphabetical rotation shall

5203 serve on the board.

5204 (2) The term of office for a member of the board described in Subsections (1)(a) through (c)

5205 runs concurrently with the term of office for the governor, county commissioner, or

5206 member of the Navajo Utah Commission.

5207 (3)(a) The governor, or the governor's designee, [is] shall be the chair of the board.

5208 (b) The chair shall call necessary meetings.

5209 (4) A member may not receive compensation or benefits for the member's service, but may

5210 receive per diem and travel expenses in accordance with:

5211 (a) Section 63A-3-106;

5212 (b) Section 63A-3-107; and

5213 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

5214 63A-3-107.

5215 (5) The per diem and travel expenses permitted under Subsection (4) may be included as

5216 costs of administration of the revitalization fund.

5217 (6) Four board members are a quorum.

5218 (7) An affirmative vote of each member of the board present at a meeting when a quorum is

5219 present is required for a board decision related to money in or disbursed from the

5220 revitalization fund.

5221 Section 88. Section **63N-22-705**, which is renumbered from Section 35A-8-1706 is renumbered
5222 and amended to read:

5223 **[35A-8-1706] 63N-22-705 (Effective 07/01/26). Powers, functions, and duties of**
5224 **the revitalization fund board.**

5225 (1) The board shall:

5226 (a) direct the division regarding grants and loans from the revitalization fund to eligible

5227 entities to serve persons that are or may be socially or economically impacted,
5228 directly or indirectly, by mineral resource development;

5229 (b) establish procedures for application for an award of grants and loans including
5230 eligibility criteria;
5231 (c) coordinate projects and programs with other projects and programs funded by
5232 federal, state, and local government entities;
5233 (d) determine the order in which projects will be funded; and
5234 (e) be subject to the procedures and requirements under Title 52, Chapter 4, Open and
5235 Public Meetings Act.

5236 (2) The board may:

5237 (a) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal
5238 government and from other sources, public or private; and
5239 (b) make rules, [under] in accordance with Title 63G, Chapter 3, Utah Administrative
5240 Rulemaking Act, [if necessary to perform its responsibilities] to implement this part.

5241 Section **63N-22-706**, which is renumbered from Section 35A-8-1707 is renumbered
5242 and amended to read:

5243 **[35A-8-1707] 63N-22-706 (Effective 07/01/26). Revitalization fund administered
5244 by board -- Eligibility for assistance -- Review by board -- Restrictions on loans and
5245 grants -- Division to distribute money -- Annual report.**

5246 (1)(a) [If an eligible entity wishes to receive a loan or grant from the board, the eligible]
5247 To receive a loan or grant under this part, an eligible entity shall [file an application
5248 with the board] submit an application to the board that contains the information
5249 required by the board.

5250 (b) The board shall review an application for a loan or grant [filed] submitted under
5251 Subsection (1)(a) before approving the loan or grant.
5252 (c) The board may approve a loan or grant application subject to the applicant's
5253 compliance with the one or more conditions established by the board.

5254 (2) In determining whether an eligible entity may receive a loan or grant, the board shall
5255 give priority to:

5256 (a) a capital project or infrastructure, including:
5257 (i) electrical power;
5258 (ii) water; and
5259 (iii) a one time need project;
5260 (b) a housing project that consists of:
5261 (i) the purchase of new housing;
5262 (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
- (c) ~~in the case of a loan~~ if the distribution is a loan, in accordance with Section

5297 63A-3-205.

5298 (7) The division shall submit a report to the office for inclusion in the annual written report
5299 described in Section 63N-1a-306, the number and type of loan or grant awarded and a
5300 list of recipients that received a loan or grant award under this part.

5301 Section 90. Section **63N-22-801**, which is renumbered from Section 35A-16-601 is renumbered
5302 and amended to read:

5303 **Part 8. Homeless Housing and Services Grant Program**

5304 **[35A-16-601] 63N-22-801 (Effective 07/01/26). Definitions.**

5305 As used in this part:

5306 (1) "COVID-19" means:
5307 (a) severe acute respiratory syndrome coronavirus 2; or
5308 (b) the disease caused by severe acute respiratory syndrome coronavirus 2.
5309 (2) "COVID-19 emergency" means the spread of COVID-19 that the World Health
5310 Organization declared a pandemic on March 11, 2020.
5311 (3) "Grant program" means the COVID-19 Homeless Housing and Services Grant Program
5312 established in Section [35A-16-602] 63N-22-802.

5313 Section 91. Section **63N-22-802**, which is renumbered from Section 35A-16-602 is renumbered
5314 and amended to read:

5315 **[35A-16-602] 63N-22-802 (Effective 07/01/26). COVID-19 Homeless Housing and** 5316 **Services Grant Program.**

5317 (1) There is established the COVID-19 Homeless Housing and Services Grant Program, a
5318 competitive grant program administered by the office and funded in accordance with 42
5319 U.S.C. Sec. 802.
5320 (2) The office shall distribute money to fund one or more projects that:
5321 (a) include affordable housing units for households:
5322 (i) whose income is no more than 30% of the area median income for households of
5323 the same size in the county or municipality where the project is located;
5324 (ii) at rental rates no greater than 30% of the income described in Subsection (2)(a)(i)
5325 for a household of:
5326 (A) one person if the unit is an efficiency unit;
5327 (B) two people if the unit is a one-bedroom unit;
5328 (C) four people if the unit is a two-bedroom unit;
5329 (D) five people if the unit is a three-bedroom unit;
5330 (E) six people if the unit is a four-bedroom unit; or

5331 (F) eight people if the unit is a five-bedroom or larger unit; and
5332 (iii) that have been impacted by the COVID-19 emergency in accordance with 42
5333 U.S.C. Sec. 802; and
5334 (b) have been approved by the board.

5335 (3) The office shall:

5336 (a) administer the grant program, including:
5337 (i) reviewing grant applications and making recommendations to the board; and
5338 (ii) distributing grant money to approved grant recipients; and
5339 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
5340 make rules to administer the program, including:
5341 (i) grant application requirements;
5342 (ii) procedures to approve a grant; and
5343 (iii) procedures for distributing money to grant recipients.

5344 (4) Except as provided in Subsection (5), when reviewing an application for approval, the
5345 board shall consider:

5346 (a) an applicant's rental income plan;
5347 (b) proposed case management and service plans for households;
5348 (c) any matching funds proposed by an applicant;
5349 (d) proposed restrictions, including deed restrictions, and the duration of restrictions on
5350 housing units to facilitate long-term assistance to households;
5351 (e) whether use of funds for the proposed project complies with 42 U.S.C. Sec. 802; and
5352 (f) any other considerations as adopted by the board.

5353 (5) A licensed residential, vocational and life skills program, as defined in Section
5354 13-53-102, is exempt from the requirements described in Subsections (4)(a), (b), and (f).

5355 (6) A grant award under this section shall comply with the requirements of 42 U.S.C. Sec.
5356 802.

5357 Section 92. Section **72-1-215** is amended to read:

5358 **72-1-215 (Effective 07/01/26). Affordable housing study.**

5359 (1) As used in this section, "moderate income housing unit" means a housing unit that has
5360 an appraised value that would allow, as estimated by the department, a household whose
5361 income is no more than 80% of the area median income to occupy the housing unit
5362 paying no more than 30% of the household's income for gross housing costs, including
5363 utilities.
5364 (2) On or before September 15, the department shall provide a written report to the

5365 Economic Development and Workforce Services Interim Committee [and to the
5366 ~~Commission on Housing Affordability created in Section 35A-8-2201~~] and the Political
5367 Subdivisions Interim Committee that describes:

5368 (a) the total number of housing units that were permanently vacated or destroyed as a
5369 result of department action in the previous fiscal year, including separate subtotals
5370 describing the total number of housing units with one bedroom, two bedrooms, three
5371 bedrooms, and four or more bedrooms, which were permanently vacated or destroyed
5372 as a result of department action in the previous fiscal year; and
5373 (b) the total number of moderate income housing units that were permanently vacated or
5374 destroyed as a result of department action in the previous fiscal year, including
5375 separate subtotals describing the total number of moderate income housing units with
5376 one bedroom, two bedrooms, three bedrooms, and four or more bedrooms, which
5377 were permanently vacated or destroyed as a result of department action in the
5378 previous fiscal year.

5379 Section 93. Section **72-1-304** is amended to read:

5380 **72-1-304 (Effective 07/01/26). Written project prioritization process for new
5381 transportation capacity projects -- Rulemaking.**

5382 (1)(a) The Transportation Commission, in consultation with the department and the
5383 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a
5384 written prioritization process for the prioritization of:
5385 (i) new transportation capacity projects that are or will be part of the state highway
5386 system under Chapter 4, Part 1, State Highways;
5387 (ii) paved pedestrian or paved nonmotorized transportation projects described in
5388 Section 72-2-124;
5389 (iii) public transit projects that directly add capacity to the public transit systems
5390 within the state, not including facilities ancillary to the public transit system; and
5391 (iv) pedestrian or nonmotorized transportation projects that provide connection to a
5392 public transit system.
5393 (b)(i) A local government or public transit district may nominate a project for
5394 prioritization in accordance with the process established by the commission in rule.
5395 (ii) If a local government or public transit district nominates a project for
5396 prioritization by the commission, the local government or public transit district
5397 shall provide data and evidence to show that:
5398 (A) the project will advance the purposes and goals described in Section 72-1-211;

5399 (B) for a public transit project, the local government or public transit district has
5400 an ongoing funding source for operations and maintenance of the proposed
5401 development; and
5402 (C) the local government or public transit district will provide the percentage of
5403 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or
5404 72-2-124(10)(e).

5405 (2) The following shall be included in the written prioritization process under Subsection (1):

5406 (a) a description of how the strategic initiatives of the department adopted under Section
5407 72-1-211 are advanced by the written prioritization process;
5408 (b) a definition of the type of projects to which the written prioritization process applies;
5409 (c) specification of a weighted criteria system that is used to rank proposed projects and
5410 how it will be used to determine which projects will be prioritized;
5411 (d) specification of the data that is necessary to apply the weighted ranking criteria; and
5412 (e) any other provisions the commission considers appropriate, which may include
5413 consideration of:
5414 (i) regional and statewide economic development impacts, including improved local
5415 access to:
5416 (A) employment;
5417 (B) educational facilities;
5418 (C) recreation;
5419 (D) commerce; and
5420 (E) residential areas, including moderate income housing as demonstrated in the
5421 local government's or public transit district's general plan in accordance with
5422 Section 10-20-404 or 17-79-403;
5423 (ii) the extent to which local land use plans relevant to a project support and
5424 accomplish the strategic initiatives adopted under Section 72-1-211; and
5425 (iii) any matching funds provided by a political subdivision or public transit district
5426 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)
5427 and 72-2-124(10)(e).

5428 (3)(a) When prioritizing a public transit project that increases capacity, the commission:

5429 (i) may give priority consideration to projects that are part of a transit-oriented
5430 development or transit-supportive development as defined in Section 17B-2a-802;
5431 and
5432 (ii) shall give priority consideration to projects that are within the boundaries of a

housing and transit reinvestment zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(b) When prioritizing a transportation project that increases capacity, the commission may give priority consideration to projects that are:

- (i) part of a transportation reinvestment zone created under Section 11-13-227 if:
 - (A) the state is a participant in the transportation reinvestment zone; or
 - (B) the commission finds that the transportation reinvestment zone provides a benefit to the state transportation system; or
- (ii) within the boundaries of a housing and transit reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

(c) If the department receives a notice of prioritization for a municipality as described in Subsection 10-21-202(5), or a notice of prioritization for a county as described in Subsection 17-80-202(5), the commission may give priority consideration to transportation projects that are within the boundaries of the municipality or the unincorporated areas of the county until the department receives notification from 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 that the municipality or county no longer qualifies for prioritization under this Subsection (3)(c).

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

In developing the written prioritization process, the commission:

- (a) shall seek and consider public comment by holding public meetings at locations throughout the state; and
- (b) may not consider local matching dollars as provided under Section 72-2-123 unless the state provides an equal opportunity to raise local matching dollars for state highway improvements within each county.

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

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

5467 Section 94. Section **72-2-124** is amended to read:

5468 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

5469 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
5470 2005.

5471 (2) The fund consists of money generated from the following sources:

5472 (a) any voluntary contributions received for the maintenance, construction,
5473 reconstruction, or renovation of state and federal highways;

5474 (b) appropriations made to the fund by the Legislature;

5475 (c) registration fees designated under Section 41-1a-1201;

5476 (d) the sales and use tax revenues deposited into the fund in accordance with Section
5477 59-12-103;

5478 (e) revenues transferred to the fund in accordance with Section 72-2-106;

5479 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

5480 (g) revenue from bond proceeds described in Section 63B-34-201.

5481 (3)(a) The fund shall earn interest.

5482 (b) All interest earned on fund money shall be deposited into the fund.

5483 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
5484 money to pay:

5485 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
5486 federal highways prioritized by the Transportation Commission through the
5487 prioritization process for new transportation capacity projects adopted under
5488 Section 72-1-304;

5489 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
5490 highway projects described in Subsections 63B-18-401(2), (3), and (4);

5491 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
5492 Section 72-5-401;

5493 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
5494 minus the costs paid from the County of the First Class Highway Projects Fund in
5495 accordance with Subsection 72-2-121(4)(e);

5496 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
5497 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
5498 amount certified by Salt Lake County in accordance with Subsection
5499 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
5500 revenue bonds issued by Salt Lake County;

- 5501 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
5502 for projects prioritized in accordance with Section 72-2-125;
- 5503 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
5504 Class Highway Projects Fund created in Section 72-2-121 to be used for the
5505 purposes described in Section 72-2-121;
- 5506 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
5507 the costs needed for construction, reconstruction, or renovation of paved
5508 pedestrian or paved nonmotorized transportation for projects that:
 - 5509 (A) mitigate traffic congestion on the state highway system;
 - 5510 (B) are part of an active transportation plan approved by the department; and
 - 5511 (C) are prioritized by the commission through the prioritization process for new
5512 transportation capacity projects adopted under Section 72-1-304;
- 5513 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
5514 reconstruction, or renovation of or improvement to the following projects:
 - 5515 (A) the connector road between Main Street and 1600 North in the city of
5516 Vineyard;
 - 5517 (B) Geneva Road from University Parkway to 1800 South;
 - 5518 (C) the SR-97 interchange at 5600 South on I-15;
 - 5519 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
5520 South Jordan Parkway;
 - 5521 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
 - 5522 (F) improvements to 1600 North in Orem from 1200 West to State Street;
 - 5523 (G) widening I-15 between mileposts 6 and 8;
 - 5524 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
 - 5525 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
5526 in Spanish Fork Canyon;
 - 5527 (J) I-15 northbound between mileposts 43 and 56;
 - 5528 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
5529 43 and 45.1;
 - 5530 (L) east Zion SR-9 improvements;
 - 5531 (M) Toquerville Parkway;
 - 5532 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
 - 5533 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
5534 for construction of an interchange on Bangerter Highway at 13400 South; and

5535 (P) an environmental impact study for Kimball Junction in Summit County;

5536 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project

5537 costs based upon a statement of cash flow that the local jurisdiction where the

5538 project is located provides to the department demonstrating the need for money

5539 for the project, for the following projects in the following amounts:

5540 (A) \$5,000,000 for Payson Main Street repair and replacement;

5541 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;

5542 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and

5543 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.

5544 40 between mile markers 7 and 10;

5545 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way

5546 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road

5547 over the railroad and to U.S. Highway 6;

5548 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from

5549 revenue deposited into the fund in accordance with Section 59-12-103, for the

5550 following projects:

5551 (A) \$3,000,000 for the department to perform an environmental study for the I-15

5552 Salem and Benjamin project; and

5553 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand

5554 Dunes Road project; and

5555 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of

5556 right-of-way acquisition and construction for improvements on SR-89 in a county

5557 of the first class.

5558 (b) The executive director may use fund money to exchange for an equal or greater

5559 amount of federal transportation funds to be used as provided in Subsection (4)(a).

5560 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may

5561 not commence until a right-of-way not owned by a federal agency that is required

5562 for the realignment and extension of U-111, as described in the department's 2023

5563 environmental study related to the project, is dedicated to the department.

5564 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the

5565 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the

5566 department may proceed with the project, except that the project will be limited to

5567 two lanes on U-111 from Herriman Parkway to 11800 South.

5568 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of

5569 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
5570 director may not program fund money to a project prioritized by the commission
5571 under Section 72-1-304, including fund money from the Transit Transportation
5572 Investment Fund, within the boundaries of the municipality until the department
5573 receives notification from the [Housing and Community Development Division
5574 within the Department of Workforce Services] Division of Housing and Community
5575 Development within the Governor's Office of Economic Opportunity that ineligibility
5576 under this Subsection (5) no longer applies to the municipality.

5577 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
5578 director:

- 5579 (i) may program fund money in accordance with Subsection (4)(a) for a
5580 limited-access facility or interchange connecting limited-access facilities;
- 5581 (ii) may not program fund money for the construction, reconstruction, or renovation
5582 of an interchange on a limited-access facility;
- 5583 (iii) may program Transit Transportation Investment Fund money for a
5584 multi-community fixed guideway public transportation project; and
- 5585 (iv) may not program Transit Transportation Investment Fund money for the
5586 construction, reconstruction, or renovation of a station that is part of a fixed
5587 guideway public transportation project.

5588 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
5589 director before July 1, 2022, for projects prioritized by the commission under Section
5590 72-1-304.

5591 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
5592 ineligibility for a county as described in Subsection 17-80-202(8), the executive
5593 director may not program fund money to a project prioritized by the commission
5594 under Section 72-1-304, including fund money from the Transit Transportation
5595 Investment Fund, within the boundaries of the unincorporated area of the county until
5596 the department receives notification from the [Housing and Community Development
5597 Division within the Department of Workforce Services] Division of Housing and
5598 Community Development within the Governor's Office of Economic Opportunity
5599 that ineligibility under this Subsection (6) no longer applies to the county.

5600 (b) Within the boundaries of the unincorporated area of a county described in Subsection
5601 (6)(a), the executive director:

- 5602 (i) may program fund money in accordance with Subsection (4)(a) for a

5603 limited-access facility to a project prioritized by the commission under Section
5604 72-1-304;

5605 (ii) may not program fund money for the construction, reconstruction, or renovation
5606 of an interchange on a limited-access facility;
5607 (iii) may program Transit Transportation Investment Fund money for a
5608 multi-community fixed guideway public transportation project; and
5609 (iv) may not program Transit Transportation Investment Fund money for the
5610 construction, reconstruction, or renovation of a station that is part of a fixed
5611 guideway public transportation project.

5612 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
5613 director before July 1, 2022, for projects prioritized by the commission under Section
5614 72-1-304.

5615 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
5616 any fiscal year, the department and the commission shall appear before the Executive
5617 Appropriations Committee of the Legislature and present the amount of bond
5618 proceeds that the department needs to provide funding for the projects identified in
5619 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
5620 or next fiscal year.

5621 (b) The Executive Appropriations Committee of the Legislature shall review and
5622 comment on the amount of bond proceeds needed to fund the projects.

5623 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
5624 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
5625 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
5626 service or sinking fund.

5627 (9) The executive director may only use money in the fund for corridor preservation as
5628 described in Subsection (4)(a)(iii):

5629 (a) if the project has been prioritized by the commission, including the use of fund
5630 money for corridor preservation; or
5631 (b) for a project that has not been prioritized by the commission, if the commission:
5632 (i) approves the use of fund money for the corridor preservation; and
5633 (ii) finds that the use of fund money for corridor preservation will not result in any
5634 delay to a project that has been prioritized by the commission.

5635 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
5636 Transportation Investment Fund.

5637 (b) The fund shall be funded by:

5638 (i) contributions deposited into the fund in accordance with Section 59-12-103;

5639 (ii) appropriations into the account by the Legislature;

5640 (iii) deposits of sales and use tax increment related to a housing and transit

5641 reinvestment zone as described in Section 63N-3-610;

5642 (iv) transfers of local option sales and use tax revenue as described in Subsection

5643 59-12-2220(11)(b) or (c);

5644 (v) private contributions; and

5645 (vi) donations or grants from public or private entities.

5646 (c)(i) The fund shall earn interest.

5647 (ii) All interest earned on fund money shall be deposited into the fund.

5648 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:

5649 (i) for public transit capital development of new capacity projects and fixed guideway

5650 capital development projects to be used as prioritized by the commission through

5651 the prioritization process adopted under Section 72-1-304;

5652 (ii) to the department for oversight of a fixed guideway capital development project

5653 for which the department has responsibility; or

5654 (iii) up to \$500,000 per year, to be used for a public transit study.

5655 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize

5656 money from the fund for a public transit capital development project or pedestrian

5657 or nonmotorized transportation project that provides connection to the public

5658 transit system if the public transit district or political subdivision provides funds of

5659 equal to or greater than 30% of the costs needed for the project.

5660 (ii) A public transit district or political subdivision may use money derived from a

5661 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide

5662 all or part of the 30% requirement described in Subsection (10)(e)(i) if:

5663 (A) the loan is approved by the commission as required in Part 2, State

5664 Infrastructure Bank Fund; and

5665 (B) the proposed capital project has been prioritized by the commission pursuant

5666 to Section 72-1-303.

5667 (f) Before July 1, 2022, the department and a large public transit district shall enter into

5668 an agreement for a large public transit district to pay the department \$5,000,000 per

5669 year for 15 years to be used to facilitate the purchase of zero emissions or low

5670 emissions rail engines and trainsets for regional public transit rail systems.

5671 (g) For any revenue transferred into the fund in accordance with Subsection
5672 59-12-2220(11)(b):
5673 (i) the commission may prioritize money from the fund for public transit projects,
5674 operations, or maintenance within the county of the first class; and
5675 (ii) Subsection (10)(e) does not apply.

5676 (h) For any revenue transferred into the fund in accordance with Subsection
5677 59-12-2220(11)(c):
5678 (i) the commission may prioritize public transit projects, operations, or maintenance
5679 in the county from which the revenue was generated; and
5680 (ii) Subsection (10)(e) does not apply.

5681 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
5682 the project described in Subsection (10)(e) does not apply to a public transit capital
5683 development project or pedestrian or nonmotorized transportation project that the
5684 department proposes.

5685 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
5686 prioritize money from the fund for public transit innovation grants, as defined in
5687 Section 72-2-401, for public transit capital development projects requested by a
5688 political subdivision within a public transit district.

5689 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
5690 Canyons Transportation Investment Fund.

5691 (b) The fund shall be funded by:
5692 (i) money deposited into the fund in accordance with Section 59-12-103;
5693 (ii) appropriations into the account by the Legislature;
5694 (iii) private contributions; and
5695 (iv) donations or grants from public or private entities.

5696 (c)(i) The fund shall earn interest.
5697 (ii) All interest earned on fund money shall be deposited into the fund.

5698 (d) The Legislature may appropriate money from the fund for public transit or
5699 transportation projects in the Cottonwood Canyons of Salt Lake County.

5700 (e) The department may use up to 2% of the revenue deposited into the account under
5701 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
5702 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

5703 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
5704 sales and use tax growth over sales and use tax collections during the 2025 fiscal year

5705 to fund projects to provide ingress and egress for a public transit hub, including
5706 construction of the public transit hub, in the Big Cottonwood Canyon area.

5707 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
5708 Transportation Investment Fund.

5709 (b) The fund shall be funded by:

- 5710 (i) money deposited into the fund in accordance with Section 59-12-103;
- 5711 (ii) appropriations into the account by the Legislature; and
- 5712 (iii) donations or grants from public or private entities.

5713 (c)(i) The fund shall earn interest.

- 5714 (ii) All interest earned on fund money shall be deposited into the fund.

5715 (d) The executive director may only use fund money to pay the costs needed for:

- 5716 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
5717 paved pedestrian or paved nonmotorized trail projects that:
 - 5718 (A) are prioritized by the commission through the prioritization process for new
5719 transportation capacity projects adopted under Section 72-1-304;
 - 5720 (B) serve a regional purpose; and
 - 5721 (C) are part of an active transportation plan approved by the department or the
5722 plan described in Subsection (12)(d)(ii);
- 5723 (ii) the development of a plan for a statewide network of paved pedestrian or paved
5724 nonmotorized trails that serve a regional purpose; and
- 5725 (iii) the administration of the fund, including staff and overhead costs.

5726 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
5727 defined in Section 63N-3-602.

5728 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
5729 Subaccount.

5730 (c) The subaccount shall be funded by:

- 5731 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 5732 (ii) appropriations into the subaccount by the Legislature;
- 5733 (iii) private contributions; and
- 5734 (iv) donations or grants from public or private entities.

5735 (d)(i) The subaccount shall earn interest.

- 5736 (ii) All interest earned on money in the subaccount shall be deposited into the
5737 subaccount.

5738 (e) As prioritized by the commission through the prioritization process adopted under

5739 Section 72-1-304 or as directed by the Legislature, the department may only use
5740 money from the subaccount for projects that improve the state's commuter rail
5741 infrastructure, including the building or improvement of grade-separated crossings
5742 between commuter rail lines and public highways.

5743 (f) Appropriations made in accordance with this section are nonlapsing in accordance
5744 with Section 63J-1-602.1.

5745 Section 95. Section **73-10c-3** is amended to read:

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

-- Purpose -- Members.

5748 (1)(a) There is created within the Department of Natural Resources a Water
5749 Development Coordinating Council. The council is comprised of:
5750 (i) the director of the Division of Water Resources;
5751 (ii) the executive secretary of the Water Quality Board;
5752 (iii) the executive secretary of the Drinking Water Board;
5753 (iv) the director of the [Housing and Community Development Division] Division of
5754 Community Services or the director's designee;
5755 (v) the state treasurer or the state treasurer's designee;
5756 (vi) the commissioner of the Department of Agriculture and Food, or the
5757 commissioner's designee; and
5758 (vii) an individual appointed by the governor with the advice and consent of the
5759 Senate who is:

5760 (A) familiar with water infrastructure projects, including planning, financing,
5761 construction, or operation; and
5762 (B) employed by a water conservancy district that is subject to the asset
5763 management criteria [of] described in Section 17B-2a-1010.

5764 (b) The council shall choose a chair and vice chair from among the council's own
5765 members, except the chair and vice chair may not be from the same department.

5766 (c) A member may not receive compensation or benefits for the member's service, but
5767 may receive per diem and travel expenses in accordance with:

5768 (i) Section 63A-3-106;
5769 (ii) Section 63A-3-107; and
5770 (iii) rules made by the Division of Finance [pursuant to] in accordance with Sections
5771 63A-3-106 and 63A-3-107.

5772 (2) The purposes of the council are to:

5773 (a) coordinate the use and application of the money available to the state to give
5774 financial assistance to political subdivisions of this state so as to promote the
5775 conservation, development, treatment, restoration, and protection of the waters of this
5776 state;

5777 (b) promote the coordination of the financial assistance programs administered by the
5778 state and the use of the financing alternative most economically advantageous to the
5779 state and [its-] the political subdivisions of the state;

5780 (c) promote the consideration by the Board of Water Resources, Drinking Water Board,
5781 and Water Quality Board of regional solutions to the water and wastewater needs of
5782 individual political subdivisions of this state;

5783 (d) assess the adequacy and needs of the state and [its-] the political subdivisions [with
5784 respect to] of the state concerning water-related infrastructures and advise the
5785 governor and the Legislature on those funding needs;

5786 (e) conduct reviews and reports on water-related infrastructure issues as directed by
5787 statute;

5788 (f) engage in planning and prioritization of water infrastructure projects in accordance
5789 with Chapter 10g, Part 6, Planning and Prioritization; and

5790 (g) expend money from the Water Infrastructure Fund in accordance with Section
5791 73-10g-107.

5792 **Section 96. Repealer.**

5793 This bill repeals:

5794 **Section 35A-8-306, Powers.**

5795 **Section 35A-8-504.5, Low-income ADU loan guarantee pilot program.**

5796 **Section 35A-8-504.6, Subordinate shared appreciation loan program.**

5797 **Section 35A-8-801, Title.**

5798 **Section 35A-8-802, Legislative policy and purpose.**

5799 **Section 35A-8-901, Assistance to domestic violence shelters -- Rulemaking authority.**

5800 **Section 35A-8-1605, Powers.**

5801 **Section 35A-8-1608, Deposits into fund.**

5802 **Section 35A-8-1708, Annual report.**

5803 **Section 35A-8-2101, Title -- Purpose.**

5804 **Section 35A-8-2201, Definitions.**

5805 **Section 35A-8-2202, Commission on Housing Affordability.**

5806 **Section 35A-8-2203, Duties of the commission.**

Section 35A-8-2204, Annual report.

Section 97. **FY 2027 Appropriations.**

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

Subsection 97(a). Operating and Capital Budgets

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1 To Governor's Office of Economic Opportunity - Division of Housing and Community Development

From General Fund 345,000

Schedule of Programs:

Division of Housing and Community

Development

345,000

ITEM 2 To Governor's Office - Governor's Office Operations

From General Fund

(345,000)

Schedule of Programs:

Administration

(345,000)

Section 98. Effective Date.

5827 This bill takes effect on July 1, 2026.