

Calvin Roberts proposes the following substitute bill:

**Housing and Community Development Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Calvin Roberts**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- creates the Division of Housing and Community Development (HCD) within the Governor's Office of Economic Opportunity by enacting, renumbering, and amending certain provisions from the Housing and Community Development Division within the Department of Workforce Services and the Governor's Office of Planning and Budget to HCD;
- defines terms;
- creates the deputy director position within HCD, who is appointed by the governor with the advice and consent of the Senate;
- renames the Housing and Community Development Division within the Department of Workforce Services to the Division of Community Services within the Department of Workforce Services;
- repeals certain obsolete sections of code;
- repeals certain sections of code to consolidate with other code sections;
- repeals the Commission on Housing Affordability;
- requires coordination between the deputy director of HCD and the Utah Housing Corporation (UHC) under certain circumstances;
- amends the required fields of expertise of public trustees appointed to the UHC board of trustees;
- moves the Homeless Housing and Services Grant Program from the Office of Homeless Services into HCD; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

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

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

**AMENDS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The division shall meet regularly with:

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Notwithstanding Subsection (2)(b)(i), if an elected official of an Indian Tribal Nation provides notice to the division, the Indian Tribal Nation may designate an individual other than the elected official selected under Subsection (2)(b)(i) to 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

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

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

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

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Applicable metropolitan planning organization" means the metropolitan planning organization that has jurisdiction over the area in which a fixed guideway public transit station is located.
- (4) "Applicable public transit district" means the public transit district, as defined in Section 17B-2a-802, of which a fixed guideway public transit station is included.
- (5) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (6) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (7) "Division" means the ~~[Housing and Community Development Division within the Department of Workforce Services]~~ Division of Housing and Community Development within the Governor's Office of Economic Opportunity.
- (8) "Existing fixed guideway public transit station" means a fixed guideway public transit station for which construction begins before June 1, 2022.
- (9) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- (10) "Home ownership promotion zone" means a home ownership promotion zone created in accordance with this part.
- (11) "Implementation plan" means the implementation plan adopted as part of the moderate income housing element of a specified municipality's general plan as provided in Subsection 10-21-201(4).
- (12) "Initial report" or "initial moderate income housing report" means the one-time report described in Subsection 10-21-202(1).
- (13) "Internal accessory dwelling unit" means an accessory dwelling unit created:
  - (a) within a primary dwelling;
  - (b) within the footprint of the primary dwelling described in Subsection (13)(a) at the

time the internal accessory dwelling unit is created; and

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

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

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

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

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

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

(i) is detached; and

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

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

(i) is a habitable space; and

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

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

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

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

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

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

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

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

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

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

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

(22) "Specified municipality" means:

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

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

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

(i) for a fixed guideway public transit station that provides rail services, the area within a one-half mile radius of the center of the fixed guideway public transit station platform; or

(ii) for a fixed guideway public transit station that provides bus services only, the area within a one-fourth mile radius of the center of the fixed guideway public transit station platform.

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

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

(a) establishes a vision, and the actions needed to implement that vision, for the development of land within a station area; and

(b) is developed and adopted in accordance with this section.

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

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

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

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

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

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

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

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

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

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

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

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

- (1) A moderate income housing element of a general plan shall include a moderate income housing plan that meets the requirements of this section.
- (2) A moderate income housing plan:
- (a) shall provide a realistic opportunity to meet the need for additional moderate income housing within the municipality during the next five years;
  - (b) for a municipality that is not a specified municipality, may include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii);
  - (c) for a specified municipality that does not have a fixed guideway public transit station, shall include a recommendation to implement three or more of the moderate income housing strategies described in Subsection (3)(a)(iii) or at least one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC);
  - (d) for a specified municipality that has a fixed guideway public transit station, shall include:
    - (i) a recommendation to implement five or more of the moderate income housing strategies described in Subsection (3)(a)(iii), of which one shall be the moderate income housing strategy described in Subsection (3)(a)(iii)(U) and one shall be a moderate income housing strategy described in Subsection (3)(a)(iii)(G) or (H); or
    - (ii) a recommendation to implement the moderate income housing strategy described in Subsection (3)(a)(iii)(U), one of the moderate income housing strategies described in Subsections (3)(a)(iii)(X) through (CC), and one moderate income housing strategy described in Subsection (3)(a)(iii); and
  - (e) for a specified municipality shall include an implementation plan as provided in Subsection (4).
- (3)(a) In drafting the moderate income housing element, the planning commission:
- (i) shall consider the Legislature's determination that municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing:
    - (A) to meet the needs of people of various income levels living, working, or desiring to live or work in the community; and
    - (B) to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life;
  - (ii) for a municipality that is not a specified municipality, may include, and for a

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

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

- (A) rezone for densities necessary to facilitate the production of moderate income housing;
- (B) demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing;
- (C) demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing;
- (D) identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate income housing;
- (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- (F) zone or rezone for higher density or moderate income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;
- (G) amend land use regulations to allow for higher density or new moderate income residential development in commercial or mixed-use zones near major transit investment corridors;
- (H) amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities;
- (I) amend land use regulations to allow for single room occupancy developments;
- (J) implement zoning incentives for moderate income units in new developments;
- (K) preserve existing and new moderate income housing and subsidized units by utilizing a landlord incentive program, providing for deed restricted units through a grant program~~[, or, notwithstanding Section 10-21-301,]~~ or establishing a housing loss mitigation fund;

- (L) reduce, waive, or eliminate impact fees related to moderate income housing;
- (M) demonstrate creation of, or participation in, a community land trust program for moderate income housing;
- (N) implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality, or any other public employer that operates within the municipality;
- (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 the Utah Housing Corporation's funding capacity, an entity that applies for affordable housing programs administered by ~~the Department of Workforce Services~~ the Division of Housing and Community Development within the Governor's Office of Economic Opportunity, an entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;
- (P) demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing;
- (Q) eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-21-101;
- (R) create a program to transfer development rights for moderate income housing;
- (S) ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing;
- (T) develop a moderate income housing project for residents who are disabled or 55 years old or older;
- (U) develop and adopt a station area plan in accordance with Section 10-21-203;
- (V) create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential

- 505 dwellings and located in walkable communities within residential or mixed-use  
506 zones;
- 507 (W) demonstrate implementation of any other program or strategy to address the  
508 housing needs of residents of the municipality who earn less than 80% of the  
509 area median income, including the dedication of a local funding source to  
510 moderate income housing or the adoption of a land use ordinance that requires  
511 10% or more of new residential development in a residential zone be dedicated  
512 to moderate income housing;
- 513 (X) create a housing and transit reinvestment zone in accordance with Title 63N,  
514 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;
- 515 (Y) create a home ownership promotion zone in accordance with Part 5, Home  
516 Ownership Promotion Zone for Municipalities;
- 517 (Z) create a first home investment zone in accordance with Title 63N, Chapter 3,  
518 Part 16, First Home Investment Zone Act;
- 519 (AA) approve a project that receives funding from, or qualifies to receive funding  
520 from, the Utah Homes Investment Program created in Title 51, Chapter 12,  
521 Utah Homes Investment Program;
- 522 (BB) adopt or approve a qualifying affordable home ownership density bonus for  
523 single-family residential units, as described in Section 10-21-401; and
- 524 (CC) adopt or approve a qualifying affordable home ownership density bonus for  
525 multi-family residential units, as described in Section 10-21-402; and
- 526 (b) the planning commission shall identify each moderate income housing strategy  
527 recommended to the legislative body for implementation by restating the exact  
528 language used to describe the strategy in Subsection (3)(a)(iii).
- 529 (4)(a) In drafting the implementation plan portion of the moderate income housing  
530 element as described in Subsection (2)(c), the planning commission shall recommend  
531 to the legislative body the establishment of a five-year timeline for implementing  
532 each of the moderate income housing strategies selected by the municipality for  
533 implementation.
- 534 (b) The timeline described in Subsection (4)(a) shall:
- 535 (i) identify specific measures and benchmarks for implementing each moderate  
536 income housing strategy selected by the municipality, whether one-time or  
537 ongoing; and
- 538 (ii) provide flexibility for the municipality to make adjustments as needed.



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

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

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

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

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

(c) The initial report shall:

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

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

(b) The subsequent progress report shall include:

- (i) subject to Subsection (2)(c), a description of each action, whether one-time or ongoing, taken by the specified municipality during the previous 12-month period to implement the moderate income housing strategies identified in the initial report for implementation;
- (ii) a description of each land use regulation or land use decision made by the specified municipality during the previous 12-month period to implement the moderate income housing strategies, including an explanation of how the land use regulation or land use decision supports the specified municipality's efforts to implement the moderate income housing strategies;
- (iii) a description of any barriers encountered by the specified municipality in the 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

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

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

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

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

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

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

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

(I) five or more of the moderate income housing strategies described in

Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income

housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one

shall be a moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(G) or (H); or

(II) the moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies

described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one

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

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

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

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

(A) three or more moderate income housing strategies if the specified

municipality does not have a fixed guideway public transit station; or

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

(I) five or more of the moderate income housing strategies described in

Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income

housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one

shall be a moderate income housing strategy described in Subsection

10-21-201(3)(a)(iii)(G) or (H); or

(II) the moderate income housing strategy described in Subsection

- 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii);
- (ii) is in a form approved by the division; and
- (iii) provides sufficient information for the division to:
- (A) assess the specified municipality's progress in implementing the moderate income housing strategies;
  - (B) monitor compliance with the specified municipality's implementation plan;
  - (C) identify a clear correlation between the specified municipality's land use regulations and land use decisions and the specified municipality's efforts to implement the moderate income housing strategies;
  - (D) identify how the market has responded to the specified municipality's selected moderate income housing strategies; and
  - (E) identify any barriers encountered by the specified municipality in implementing the selected moderate income housing strategies.
- (c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a specified municipality without a fixed guideway public transit station implements or is implementing, by ordinance or development agreement, one of the following moderate income housing strategies, the division shall consider that one moderate income housing strategy to be the equivalent of three moderate income housing strategies:
- (A) a housing and transit reinvestment zone, as described in Subsection 10-21-201(3)(a)(iii)(X);
  - (B) a home ownership promotion zone, as described in Subsection 10-21-201(3)(a)(iii)(Y);
  - (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
  - (D) the approval of a project described in Subsection 10-21-201(3)(a)(iii)(AA);
  - (E) a qualifying affordable home ownership density bonus for single-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
  - (F) a qualifying affordable home ownership density bonus for multi-family residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).
- (ii) If the division considers one moderate income housing strategy described in Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies,

- 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

- (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the specified municipality's ineligibility for funds under Subsection (8).
- (7)(a) A specified municipality that receives a notice of noncompliance under Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:
- (i) one individual appointed by the Utah League of Cities and Towns;
  - (ii) one individual appointed by the Utah Homebuilders Association; and
  - (iii) one individual appointed by the presiding member of the association of governments, established in accordance with an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is a member.
- (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- (d) The appeal board's written decision on the appeal is final.
- (8)(a) A specified municipality is ineligible for funds under this Subsection (8) if:
- (i) the specified municipality fails to submit a report to the division;
  - (ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified municipality fails to:
    - (A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
    - (B) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent;
  - (iii) after submitting to the division a corrected report to cure the deficiencies in a previously submitted report, the division determines that the corrected report does not comply with this section and the specified municipality fails to request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or
  - (iv) after submitting a request for an appeal under Subsection (7), the appeal board issues a written decision upholding the division's determination of noncompliance.
- (b) The following apply to a specified municipality described in Subsection (8)(a) until

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

(i) the executive director of the Department of Transportation may not program funds from the Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to projects located within the boundaries of the specified municipality in accordance with Subsection 72-2-124(5);

(ii) beginning with a report submitted in 2024, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the specified municipality:

(A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or

(B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (6); and

(iii) beginning with the report submitted in 2025, the specified municipality shall pay a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the specified municipality, in a consecutive year:

(A) fails to submit the report to the division in accordance with this section, beginning the day after the day on which the report was due; or

(B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance under Subsection (6).

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

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

(i) name the specified municipality that is ineligible for funds;

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

(iii) describe the fee the specified municipality is required to pay under Subsection (8)(b), if applicable; and

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

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



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

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

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

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

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

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

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

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

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

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

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

- 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

- 981 station area plan is not required to apply to the entire station area; and
- 982 (iii) the area where each action is needed to implement the station area plan;
- 983 (c) an implementation plan that identifies and describes each action needed within the
- 984 next five years to implement the station area plan, and the party responsible for
- 985 taking each action, including any actions to:
- 986 (i) modify land use regulations;
- 987 (ii) make infrastructure improvements;
- 988 (iii) modify deeds or other relevant legal documents;
- 989 (iv) secure funding or develop funding strategies;
- 990 (v) establish design standards for development within the station area; or
- 991 (vi) provide environmental remediation;
- 992 (d) a statement that explains how the station area plan promotes the objectives described
- 993 in Subsection (6)(a); and
- 994 (e) as an alternative or supplement to the requirements of Subsection (6) or this
- 995 Subsection (7), and for purposes of Subsection (1)(b)(ii), a statement that describes
- 996 any conditions that would make the following impracticable:
- 997 (i) promoting the objectives described in Subsection (6)(a); or
- 998 (ii) satisfying the requirements of this Subsection (7).
- 999 (8) A municipality shall develop a station area plan with the involvement of all relevant
- 1000 stakeholders that have an interest in the station area through public outreach and
- 1001 community engagement, including:
- 1002 (a) other impacted communities;
- 1003 (b) the applicable public transit district;
- 1004 (c) the applicable metropolitan planning organization;
- 1005 (d) the Department of Transportation;
- 1006 (e) owners of property within the station area; and
- 1007 (f) the municipality's residents and business owners.
- 1008 (9)(a) A municipality that is required to develop and adopt a station area plan for a
- 1009 station area under this section shall submit to the applicable metropolitan planning
- 1010 organization and the applicable public transit district documentation evidencing that
- 1011 the municipality has satisfied the requirement of Subsection (1)(a)(i) for the station
- 1012 area, including:
- 1013 (i) a station area plan; or
- 1014 (ii) a resolution adopted under Subsection (1)(b)(i) or (ii).

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

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

- (b) The report described in Subsection (10)(a) shall:
- (i) contain the status of advancing the station area plan objectives, including, if applicable, actions described in the implementation plan required in Subsection (7)(c); and
  - (ii) identify potential actions over the next five years that would advance the station area plan objectives.
- (c) If a municipality has multiple certified station area plans, the municipality may consolidate the reports required in Subsection (10)(a) for the purpose of submitting reports to the metropolitan planning organization.

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

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

As used in this chapter:

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



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

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

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

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

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

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

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

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

(12) "Interlocal entity" means:

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

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

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

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

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

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

(17)(a) "Project":

(i) means an electric generation and transmission facility owned by a Utah interlocal 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

with the site of a project, regardless of whether:

- (i) the capacity replacing existing capacity is less than or exceeds the generating or transmission capacity of the project existing before installation of the capacity replacing existing capacity;
- (ii) the capacity replacing existing capacity is owned by the project entity that is the owner of the project, a segment established by the project entity, or a person with whom the project entity or a segment established by the project entity has contracted; or
- (iii) the facility that provides the capacity replacing existing capacity is constructed, reconstructed, converted, repowered, acquired, leased, used, or installed before or after any actual or anticipated reduction or modification to existing capacity of the project.

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

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

(25) "Utah interlocal entity":

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

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

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

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

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

As used in this part:

- (1) "Affordable housing" means housing offered for sale at 80% or less of the median county home price for housing of that type.
- (2) "Agency" means the same as that term is defined in Section 17C-1-102.
- (3) "Base taxable value" means a property's taxable value as shown upon the assessment roll last equalized during the base year.
- (4) "Base year" means, for a proposed home ownership promotion zone area, a year beginning the first day of the calendar quarter determined by the last equalized tax roll before the adoption of the home ownership promotion zone.
- (5) "Division" means the ~~[Housing and Community Development Division within the Department of Workforce Services]~~ Division of Housing and Community Development

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;

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

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

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

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

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

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

(i) identify specific measures and benchmarks for implementing each moderate income housing strategy selected by the county; and

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

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

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

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

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

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

(c) The initial report shall:

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



used to describe the moderate income housing strategy; and

(ii) include an implementation plan.

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

(b) The subsequent progress report shall include:

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

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

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

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

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

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

(A) issued a building permit to construct; or

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

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

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

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

report if the specified county:

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

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

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

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

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

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

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

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

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

(iii) provides sufficient information for the division to:

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

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

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

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

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

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

(i) the year in which the specified county submits the report; and

(ii) two subsequent reporting years.

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

(i) complies with this section; and

(ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.

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

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

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

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

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

- 1457 (iii) state the basis for the division's determination that the specified county qualifies  
1458 for priority consideration.
- 1459 (e) The division shall notify the legislative body of a specified county and the  
1460 Department of Transportation in writing if the division determines that the specified  
1461 county no longer qualifies for priority consideration under this Subsection (5).
- 1462 (6)(a) If the division, after reviewing a specified county's report, determines that the  
1463 report does not comply with this section, the division shall send a notice of  
1464 noncompliance to the legislative body of the specified county.
- 1465 (b) A specified county that receives a notice of noncompliance may:
- 1466 (i) cure each deficiency in the report within 90 days after the day on which the notice  
1467 of noncompliance is sent; or
- 1468 (ii) request an appeal of the division's determination of noncompliance within 10  
1469 days after the day on which the notice of noncompliance is sent.
- 1470 (c) The notice described in Subsection (6)(a) shall:
- 1471 (i) describe each deficiency in the report and the actions needed to cure each  
1472 deficiency;
- 1473 (ii) state that the specified county has an opportunity to:
- 1474 (A) submit to the division a corrected report that cures each deficiency in the  
1475 report within 90 days after the day on which the notice of noncompliance is  
1476 sent; or
- 1477 (B) submit to the division a request for an appeal of the division's determination of  
1478 noncompliance within 10 days after the day on which the notice of  
1479 noncompliance is sent; and
- 1480 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the  
1481 specified county's ineligibility for funds and fees owed under Subsection (8).
- 1482 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the  
1483 action needed to cure the deficiency as described by the division requires the  
1484 specified county to make a legislative change, the specified county may cure the  
1485 deficiency by making that legislative change within the 90-day cure period.
- 1486 (e)(i) If a specified county submits to the division a corrected report in accordance  
1487 with Subsection (6)(b)(i), and the division determines that the corrected report  
1488 does not comply with this section, the division shall send a second notice of  
1489 noncompliance to the legislative body of the specified county.
- 1490 (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

- 1593 (ii) for emergency purposes under Section 17B-1-623.
- 1594 (2)(a) Except as provided in Subsection (2)(b), the accumulation of a fund balance in the  
1595 general fund may not exceed the most recently adopted general fund budget, plus  
1596 100% of the current year's property tax.
- 1597 (b) Notwithstanding Subsection (2)(a), a special district may accumulate in the general  
1598 fund mineral lease revenue that the special district receives from the United States  
1599 under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., through a  
1600 distribution under:
- 1601 (i) [~~Title 35A, Chapter 8, Part 3, Community Impact Fund Act~~] Title 63N, Chapter 22,  
1602 Part 5, Community Impact Fund; or
- 1603 (ii) Title 59, Chapter 21, Mineral Lease Funds.
- 1604 (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under  
1605 Subsection (2), the district shall appropriate the excess in accordance with Section  
1606 17B-1-613.
- 1607 (4) A special district may utilize any fund balance in excess of 5% of the total revenues of  
1608 the general fund for budget purposes.
- 1609 (5)(a) Within a capital projects fund, the board of trustees may, in any budget year,  
1610 appropriate from estimated revenue or fund balance to a reserve for capital projects  
1611 for the purpose of financing future specific capital projects, including new  
1612 construction, capital repairs, replacement, and maintenance, under a formal  
1613 long-range capital plan that the board of trustees adopts.
- 1614 (b) A special district may allow a reserve amount under Subsection (5)(a) to accumulate  
1615 from year to year until the accumulated total is sufficient to permit economical  
1616 expenditure for the specified purposes.
- 1617 (c) A special district may disburse from a reserve account under Subsection (5)(a) only  
1618 by a budget appropriation that the special district adopts in accordance with this part.
- 1619 (d) A special district shall ensure that the expenditures from the appropriation budget  
1620 accounts described in this Subsection (5) conform to all requirements of this part  
1621 relating to execution and control of budgets.
- 1622 Section 11. Section **17C-1-102** is amended to read:
- 1623 **17C-1-102 (Effective 07/01/26). Definitions.**
- 1624 As used in this title:
- 1625 (1) "Active project area" means a project area that has not been dissolved in accordance  
1626 with Section 17C-1-702.



- (2) "Adjusted tax increment" means the percentage of tax increment, if less than 100%, that an agency is authorized to receive:
- (a) for a pre-July 1, 1993, project area plan, under Section 17C-1-403, excluding tax increment under Subsection 17C-1-403(3);
  - (b) for a post-June 30, 1993, project area plan, under Section 17C-1-404, excluding tax increment under Section 17C-1-406;
  - (c) under a project area budget approved by a taxing entity committee; or
  - (d) under an interlocal agreement that authorizes the agency to receive a taxing entity's tax increment.
- (3) "Affordable housing" means housing owned or occupied by a low or moderate income family, as determined by resolution of the agency.
- (4) "Agency" or "community reinvestment agency" means a separate body corporate and politic, created under Section 17C-1-201.5 or as a redevelopment agency or community development and renewal agency under previous law:
- (a) that is a political subdivision of the state;
  - (b) that is created to undertake or promote project area development as provided in this title; and
  - (c) whose geographic boundaries are coterminous with:
    - (i) for an agency created by a county, the unincorporated area of the county; and
    - (ii) for an agency created by a municipality, the boundaries of the municipality.
- (5) "Agency funds" means money that an agency collects or receives for agency operations, implementing a project area plan or an implementation plan as defined in Section 17C-1-1001, or other agency purposes, including:
- (a) project area funds;
  - (b) income, proceeds, revenue, or property derived from or held in connection with the agency's undertaking and implementation of project area development or agency-wide project development as defined in Section 17C-1-1001;
  - (c) a contribution, loan, grant, or other financial assistance from any public or private source;
  - (d) project area incremental revenue as defined in Section 17C-1-1001; or
  - (e) property tax revenue as defined in Section 17C-1-1001.
- (6) "Annual income" means the same as that term is defined in regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Sec. 5.609, as 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.

- (14) "Combined incremental value" means the combined total of all incremental values from all project areas, except project areas that contain some or all of a military installation or inactive industrial site, within the agency's boundaries under project area plans and project area budgets at the time that a project area budget for a new project area is being considered.
- (15) "Community" means a county or municipality.
- (16) "Community development project area plan" means a project area plan adopted under Chapter 4, Part 1, Community Development Project Area Plan.
- (17) "Community legislative body" means the legislative body of the community that created the agency.
- (18) "Community reinvestment project area plan" means a project area plan adopted under Chapter 5, Part 1, Community Reinvestment Project Area Plan.
- (19) "Contest" means to file a written complaint in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, and in a county in which the agency is located if the action is filed in the district court.
- (20) "Development impediment" means a condition of an area that meets the requirements described in Section 17C-2-303 for an urban renewal project area or Section 17C-5-405 for a community reinvestment project area.
- (21) "Development impediment hearing" means a public hearing regarding whether a development impediment exists within a proposed:
- (a) urban renewal project area under Subsection 17C-2-102(1)(a)(i)(C) and Section 17C-2-302; or
  - (b) community reinvestment project area under Section 17C-5-404.
- (22) "Development impediment study" means a study to determine whether a development impediment exists within a survey area as described in Section 17C-2-301 for an urban renewal project area or Section 17C-5-403 for a community reinvestment project area.
- (23) "Economic development project area plan" means a project area plan adopted under Chapter 3, Part 1, Economic Development Project Area Plan.
- (24) "Fair share ratio" means the ratio derived by:
- (a) for a municipality, comparing the percentage of all housing units within the municipality that are publicly subsidized income targeted housing units to the percentage of all housing units within the county in which the municipality is located that are publicly subsidized income targeted housing units; or
  - (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).

- (31)(a) "Inactive industrial site" means land that:
- (i) consists of at least 1,000 acres;
  - (ii) is occupied by an inactive or abandoned factory, smelter, or other heavy industrial facility; and
  - (iii) requires remediation because of the presence of hazardous waste or solid waste.
- (b) "Inactive industrial site" includes a perimeter of up to 1,500 feet around the land described in Subsection (31)(a).
- (32) "Income targeted housing" means housing that is:
- (a) owned and occupied by a family whose annual income is at or below 120% of the median annual income for a family within the county in which the housing is located;
  - or
  - (b) occupied by a family whose annual income is at or below 80% of the median annual income for a family within the county in which the housing is located.
- (33) "Incremental value" means a figure derived by multiplying the marginal value of the property located within a project area on which tax increment is collected by a number that represents the adjusted tax increment from that project area that is paid to the agency.
- (34) "Loan fund board" means the Olene Walker Housing Loan Fund Board, [established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund] created in Section 63N-22-303.
- (35)(a) "Local government building" means a building owned and operated by a community for the primary purpose of providing one or more primary community functions, including:
- (i) a fire station;
  - (ii) a police station;
  - (iii) a city hall; or
  - (iv) a court or other judicial building.
- (b) "Local government building" does not include a building the primary purpose of which is cultural or recreational in nature.
- (36) "Low-income individual" means the same as that term is defined in Section [ 35A-8-504.5] 63N-22-101.
- (37) "Major transit investment corridor" means the same as that term is defined in Section 10-20-102.
- (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-8-2401] 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

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

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

(52) "Project area funds collection period" means the period of time that:

(a) begins the day on which the first payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement; and

(b) ends the day on which the last payment of project area funds is distributed to an agency under a project area budget approved by a taxing entity committee or an interlocal agreement.

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

(54)(a) "Property tax" means each levy on an ad valorem basis on tangible or intangible personal or real property.

(b) "Property tax" includes a privilege tax imposed under Title 59, Chapter 4, Privilege Tax.

(55) "Public entity" means:

(a) the United States, including an agency of the United States;

(b) the state, including any of the state's departments or agencies; or

(c) a political subdivision of the state, including a county, municipality, school district, special district, special service district, community reinvestment agency, or interlocal cooperation entity.

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

(57) "Record property owner" or "record owner of property" means the owner of real property, as shown on the records of the county in which the property is located, to 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.

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

(i) the project area plan was adopted before May 4, 1993, whether or not the project area plan was subsequently amended; and

(ii) the taxes were pledged to support bond indebtedness or other contractual obligations of the agency.

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

(a) levies a tax on property located within a project area; or

(b) imposes a sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act.

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

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

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

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

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

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

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

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

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

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

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

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

- 1967 (vi) replace housing units lost as a result of the project area development;
- 1968 (vii) make payments on or establish a reserve fund for bonds:
- 1969 (A) issued by the agency, the community, or the housing authority that provides
- 1970 income targeted housing within the community; and
- 1971 (B) all or part of the proceeds of which are used within the community for the
- 1972 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1973 (viii) if the community's fair share ratio at the time of the first adoption of the project
- 1974 area budget is at least 1.1 to 1.0, make payments on bonds:
- 1975 (A) that were previously issued by the agency, the community, or the housing
- 1976 authority that provides income targeted housing within the community; and
- 1977 (B) all or part of the proceeds of which were used within the community for the
- 1978 purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
- 1979 (ix) relocate mobile home park residents displaced by project area development;
- 1980 (x) subject to Subsection (7), transfer funds to a community that created the agency;
- 1981 or
- 1982 (xi) pay for or make a contribution toward the acquisition, construction, or
- 1983 rehabilitation of housing that:
- 1984 (A) is located in the same county as the agency;
- 1985 (B) is owned in whole or in part by, or is dedicated to supporting, a public
- 1986 nonprofit college or university; and
- 1987 (C) only students of the relevant college or university, including the students'
- 1988 immediate families, occupy.
- 1989 (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or
- 1990 any portion of the agency's housing allocation to:
- 1991 (i) the community for use as described in Subsection (1)(a);
- 1992 (ii) a housing authority that provides income targeted housing within the community
- 1993 for use in providing income targeted housing within the community;
- 1994 (iii) a housing authority established by the county in which the agency is located for
- 1995 providing:
- 1996 (A) income targeted housing within the county;
- 1997 (B) permanent housing, permanent supportive housing, or a transitional facility, as
- 1998 defined in Section 35A-5-302, within the county; or
- 1999 (C) homeless assistance within the county;
- 2000 (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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(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;

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

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

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

The department shall:

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

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

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

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

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

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

(2) The information and services may include:

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

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

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

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

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

As used in this chapter:

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

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

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

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

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

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



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

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

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

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

(1) The division shall:

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

59-12-102.

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

(i) is:

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

(B) an association of governments; or

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

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

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

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

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

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

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

(i) Section 59-12-103;

(ii) Section 59-12-204; and

(iii) Section 59-12-1102.

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

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

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

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

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

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

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

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

(i) except as provided in Subsection (4)(c)(ii), shall utilize that funding formula in disbursing funds for the provision of homeless services; and

(ii) shall ensure that any federal funds not subject to the funding formula are disbursed in accordance with any applicable federal requirements.

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

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

(b) The written report shall include:

(i) the homeless services budget;

(ii) the strategic plan;

(iii) recommendations regarding improvements to coordinating and providing services to individuals experiencing homelessness in the state;

(iv) in coordination with the board, a complete accounting of the office's disbursement of funds during the previous fiscal year from:

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

(B) the Homeless to Housing Reform Restricted Account created in Section 35A-16-303;

(C) the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-402;

(D) the COVID-19 Homeless Housing and Services Grant Program created in Section [35A-16-602] 63N-22-802; and

(E) any other grant program created in statute that is administered by the office; and

(v) the data described in Section 35A-16-211.

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

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

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

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

- 2375 Exchange Distribution Account.
- 2376 (b) The account shall consist of revenue deposited in the account as required by Section  
2377 53C-3-202.
- 2378 (3)(a) The state treasurer shall invest money in the account according to Title 51,  
2379 Chapter 7, State Money Management Act.
- 2380 (b) The Division of Finance shall deposit interest or other earnings derived from  
2381 investment of account money into the General Fund.
- 2382 (4) The Legislature shall annually appropriate from the account in the following order:
- 2383 (a) \$1,000,000 to the Constitutional Defense Restricted Account created in Section  
2384 63C-4a-402; and
- 2385 (b) from the deposits to the account remaining after the appropriation in Subsection  
2386 (4)(a), the following amounts:
- 2387 (i) 55% of the deposits to counties in amounts proportionate to the amounts of  
2388 mineral revenue generated from the acquired land, exchanged land, acquired  
2389 mineral interests, or exchanged mineral interests located in each county, to be  
2390 used to mitigate the impacts caused by mineral development;
- 2391 (ii) 25% of the deposits to counties in amounts proportionate to the total surface and  
2392 mineral acreage within each county that was conveyed to the United States under  
2393 the agreement or an exchange, to be used to mitigate the loss of mineral  
2394 development opportunities resulting from the agreement or exchange;
- 2395 (iii) 1.68% of the deposits to the State Board of Education, to be used for education  
2396 research and experimentation in the use of staff and facilities designed to improve  
2397 the quality of education in Utah;
- 2398 (iv) 1.66% of the deposits to the Geological Survey, to be used for natural resources  
2399 development in the state;
- 2400 (v) 1.66% of the deposits to the Water Research Laboratory at Utah State University,  
2401 to be used for water development in the state;
- 2402 (vi) 11% of the deposits to the Constitutional Defense Restricted Account created in  
2403 Section 63C-4a-402;
- 2404 (vii) 1% of the deposits to the Geological Survey, to be used for test wells and other  
2405 hydrologic studies in the West Desert; and
- 2406 (viii) 3% of the deposits to the Permanent Community Impact Fund created in  
2407 Section ~~[35A-8-303]~~ 63N-22-503, to be used for grants to political subdivisions of  
2408 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.

- (ii) "Nonprofit entity" includes an entity:
- (A) if the entity is treated as a disregarded entity for federal income tax purposes and wholly owned by, and controlled under the direction of, a nonprofit entity; and
  - (B) for which none of the net earnings and profits of the entity inure to the benefit of any person other than a nonprofit entity.
- (iii) "Nonprofit entity" includes an entity that is not an entity described in Subsection (1)(h)(i) if the entity jointly owns a property that:
- (A) is used for the purpose of providing permanent supportive housing;
  - (B) has an owner that is an entity described in Subsection (1)(h)(i) or that is a housing authority that operates the permanent supportive housing;
  - (C) has an owner that receives public funding from a federal, state, or local government entity to provide support services and rental subsidies to the permanent supportive housing;
  - (D) is intended to be transferred at or before the end of the compliance period to an entity described in Subsection (1)(h)(i) or a housing authority that will continue to operate the property as permanent supportive housing; and
  - (E) has been certified by the Utah Housing Corporation as meeting the requirements described in Subsections (1)(h)(iii)(A) through (D).
- (iv) "Nonprofit entity" includes an entity that is not an entity described in Subsection (1)(h)(i) if:
- (A) the entity is a housing organization as defined in ~~[Subsection 35A-8-2401(1)(a)]~~ Section 63N-22-316; and
  - (B) the entity is owned by an entity described in Subsection (1)(h)(i) or a housing authority.
- (i) "Permanent supportive housing" means a housing facility that:
- (i) provides supportive services;
  - (ii) makes a 15-year commitment to provide rent subsidies to tenants of the housing facility when the housing facility is placed in service;
  - (iii) receives an allocation of federal low-income housing tax credits in accordance with 26 U.S.C. Sec. 42; and
  - (iv) leases each unit to a tenant:
    - (A) who, immediately before leasing the housing, was homeless as defined in 24 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

(c) 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

(G) Section 59-12-2219;

(b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the county is an eligible political subdivision; or

(ii) a city or town within the boundary of the county is an eligible political subdivision; or

(c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county.

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .2%.

(3)(a) The commission shall distribute sales and use tax revenue collected under this section as determined by a county legislative body as described in Subsection (3)(b).

(b) If a county legislative body imposes a sales and use tax as described in this section, the county legislative body may elect to impose a sales and use tax revenue distribution as described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and type of a public transit provider in the county.

(4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a county legislative body imposes a sales and use tax as described in this section, and the entire boundary of the county is annexed into a large public transit district, and the county is a county of the first class, the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(b) .05% to the cities and towns as provided in Subsection (8); and

(c) .05% to the county legislative body.

(5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as described in this section and the entire boundary of the county is annexed into a large public transit district, and the county is a county not described in Subsection (4), the commission shall distribute the sales and use tax revenue as follows:

(a) .10% to a public transit district as described in Subsection (11);

(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

- (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.
- (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent not otherwise required by federal law:
- (A) the most recent estimate from the Utah Population Committee created in Section 63C-20-103; or
- (B) if the Utah Population Committee estimate is not available for each municipality and unincorporated area, the adjusted sub-county population estimate provided by the Utah Population Committee in accordance with Section 63C-20-104.
- (ii) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from an estimate from the Utah Population Estimates Committee created by executive order of the governor.
- (c)(i) Beginning on January 1, 2024, if 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 determines that a city or town is ineligible for funds in accordance with Subsection 10-21-202(6), beginning the first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that city or town would have received under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does not apply.
- (ii) Beginning on January 1, 2024, if 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 determines that a county is ineligible for funds in accordance with Subsection 17-80-202(6), beginning the first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute the distribution that county would have received under Subsection (8)(a) to counties to which Subsection 17-80-202(6) does not apply.
- (9) If a public transit service is organized after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may

not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the public transit provider that the public transit service has been organized.

(10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii), (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in Section 59-12-2212.2.

(b) If a county described in Subsection (1)(a) that is a county of the first class imposes the sales and use tax authorized in this section, the county may also use funds distributed in accordance with Subsection (4)(c) for public safety purposes.

(c) In addition to the purposes described in Subsections (10)(a) and (b), for a city relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable use of revenue from a sales and use tax under this section includes the revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center.

(11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit as described in this section may be used for capital expenses and service delivery expenses of:

(i) a public transit district;

(ii) an eligible political subdivision; or

(iii) another entity providing a service for public transit or a transit facility within the relevant county, as those terms are defined in Section 17B-2a-802.

(b)(i)(A) If a county of the first class imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section, and for a three-year period after at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first, revenue designated for public transit within a county of the first class as described in Subsection (4)(a) shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121.

(B) Revenue deposited into the County of the First Class Highway Projects Fund created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be used for public transit innovation grants as provided in Title 72, Chapter 2, Part 4, Public Transit Innovation Grants.

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

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

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

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

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

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

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

(d) Except as provided in Subsection ~~[(13)(e)]~~ (14)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

- (12) A large public transit district shall send notice to the commission at least 90 days before the earlier of:
- (a) the date that is three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section; or
  - (b) June 30, 2030.
- (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization project described in Subsection (10)(c), the city shall transfer at least 50%, and may transfer up to 100%, of any revenue the city receives from a distribution under Subsection (4)(b) to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center as permitted in Subsection (10)(c).
- (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- (b) If a county passes an ordinance to impose a sales and use tax as described in this section, the sales and use tax shall take effect on the first day of the calendar quarter after a 90-day period that begins on the date the commission receives written notice from the county of the passage of the ordinance.
- (c) A county that imposed the local option sales and use tax described in this section before January 1, 2023, may maintain that county's distribution allocation in place as of January 1, 2023.
- (15)(a) Revenue collected from a sales and use tax under this section may not be used to supplant existing General Fund appropriations that a county, city, or town budgeted for transportation or public transit as of the date the tax becomes effective for a county, city, or town.
- (b) The limitation under Subsection (15)(a) does not apply to a designated transportation or public transit capital or reserve account a county, city, or town established before the date the tax becomes effective.
- Section 28. Section **59-21-1** is amended to read:
- 59-21-1 (Effective 07/01/26). Disposition of federal mineral lease money -- Priority to political subdivisions impacted by mineral development -- Disposition of mineral bonus payments -- Appropriation of money attributable to royalties from extraction of minerals on federal land located within boundaries of Grand**

**Staircase-Escalante National Monument.**

- (1) Except as provided in Subsections (2) through (4), all money received from the United States under the provisions of the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq., shall:
- (a) be deposited in the Mineral Lease Account of the General Fund; and
  - (b) be appropriated by the Legislature giving priority to those subdivisions of the state socially or economically impacted by development of minerals leased under the Mineral Lands Leasing Act, for:
    - (i) planning;
    - (ii) construction and maintenance of public facilities; and
    - (iii) provision of public services.
- (2) Seventy percent of money received from federal mineral lease bonus payments shall be deposited into the Permanent Community Impact Fund and shall be used ~~[as provided in Title 35A, Chapter 8, Part 3, Community Impact Fund Act]~~ in accordance with Title 63N, Chapter 22, Part 5, Community Impact Fund.
- (3) Thirty percent of money received from federal mineral lease bonus payments shall be deposited in the Mineral Bonus Account created by Subsection 59-21-2(1) and appropriated as provided in that subsection.
- (4)(a) For purposes of this Subsection (4):
- (i) the "boundaries of the Grand Staircase-Escalante National Monument" means the boundaries:
    - (A) established by Presidential Proclamation No. 6920, 61 Fed. Reg. 50,223 (1996); and
    - (B) modified by:
      - (I) Pub. L. No. 105-335, 112 Stat. 3139; and
      - (II) Pub. L. No. 105-355, 112 Stat. 3247; and
  - (ii) a special service district, school district, or federal land is considered to be located within the boundaries of the Grand Staircase-Escalante National Monument if a portion of the special service district, school district, or federal land is located within the boundaries described in Subsection (4)(a)(i).
- (b) Beginning on July 1, 1999, the Legislature shall appropriate, as provided in Subsections (4)(c) through (g), money received from the United States that is attributable to royalties from the extraction of minerals on federal land that, on September 18, 1996, was located within the boundaries of the Grand

Staircase-Escalante National Monument.

- (c) The Legislature shall annually appropriate 40% of the money described in Subsection (4)(b) to the Division of Finance to be distributed by the Division of Finance to special service districts that are:
  - (i) established by counties under Title 17D, Chapter 1, Special Service District Act;
  - (ii) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
  - (iii) located within the boundaries of the Grand Staircase-Escalante National Monument.
- (d) The Division of Finance shall distribute the money described in Subsection (4)(c) in amounts proportionate to the amount of federal mineral lease money generated by the county in which a special service district is located.
- (e) The Legislature shall annually appropriate 40% of the money described in Subsection (4)(b) to the State Board of Education to be distributed equally to school districts that are:
  - (i) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
  - (ii) located within the boundaries of the Grand Staircase-Escalante National Monument.
- (f) The Legislature shall annually appropriate 2.25% of the money described in Subsection (4)(b) to the Utah Geological Survey to facilitate the development of energy and mineral resources in counties that are:
  - (i) socially or economically impacted by the development of minerals under the Mineral Lands Leasing Act; and
  - (ii) located within the boundaries of the Grand Staircase-Escalante National Monument.
- (g) Seventeen and three-fourths percent of the money described in Subsection (4)(b) shall be deposited annually into the State School Fund established by Utah Constitution Article X, Section 5.

Section 29. Section **59-21-2** is amended to read:

**59-21-2 (Effective 07/01/26). Mineral Bonus Account created -- Contents -- Use of Mineral Bonus Account money -- Mineral Lease Account created -- Contents -- Appropriation of money from Mineral Lease Account.**

- (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

Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1, Special Service District Act, by counties:

(A) of the third, fourth, fifth, or sixth class;

(B) in which 4.5% or less of the mineral lease money within the state is generated; and

(C) that are significantly socially or economically impacted as provided in Subsection (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec. 181 et seq.

(iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C) shall be as a result of:

(A) the transportation within the county of hydrocarbons, including solid hydrocarbons as defined in Section 59-5-101;

(B) the employment of persons residing within the county in hydrocarbon extraction, including the extraction of solid hydrocarbons as defined in Section 59-5-101; or

(C) a combination of Subsections (2)(i)(iii)(A) and (B).

(iv) For purposes of distributing the appropriations under this Subsection (2)(i) to special service districts established by counties under Title 17D, Chapter 1, Special Service District Act, the Department of Workforce Services shall:

(A)(I) allocate 50% of the appropriations equally among the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and

(II) allocate 50% of the appropriations based on the ratio that the population of each county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and

(B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the allocated revenues to special service districts established by the counties under Title 17D, Chapter 1, Special Service District Act, as determined by the executive director of the Department of Workforce Services after consulting with the county legislative bodies of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii).

(v) The executive director of the Department of Workforce Services:

(A) shall determine whether a county meets the requirements of Subsections (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 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
3059 Act, may make rules:  
3060 (I) providing a procedure for making the distributions under this Subsection  
3061 (2)(i) to special service districts; and  
3062 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).
- 3063 (j)(i) The Legislature shall annually make the following appropriations from the  
3064 Mineral Lease Account:
- 3065 (A) an amount equal to 52 cents multiplied by the number of acres of school or  
3066 institutional trust lands, lands owned by the Division of State Parks or the  
3067 Division of Outdoor Recreation, and lands owned by the Division of Wildlife  
3068 Resources that are not under an in lieu of taxes contract, to each county in  
3069 which those lands are located;
- 3070 (B) to each county in which school or institutional trust lands are transferred to the  
3071 federal government after December 31, 1992, an amount equal to the number  
3072 of transferred acres in the county multiplied by a payment per acre equal to the  
3073 difference between 52 cents per acre and the per acre payment made to that  
3074 county in the most recent payment under the federal payment in lieu of taxes  
3075 program, 31 U.S.C. Sec. 6901 et seq., unless the federal payment was equal to  
3076 or exceeded the 52 cents per acre, in which case a payment under this  
3077 Subsection (2)(j)(i)(B) may not be made for the transferred lands;
- 3078 (C) to each county in which federal lands, which are entitlement lands under the  
3079 federal in lieu of taxes program, are transferred to the school or institutional  
3080 trust, an amount equal to the number of transferred acres in the county  
3081 multiplied by a payment per acre equal to the difference between the most  
3082 recent per acre payment made under the federal payment in lieu of taxes  
3083 program and 52 cents per acre, unless the federal payment was equal to or less  
3084 than 52 cents per acre, in which case a payment under this Subsection  
3085 (2)(j)(i)(C) may not be made for the transferred land; and
- 3086 (D) to a county of the fifth or sixth class, an amount equal to the product of:  
3087 (I) \$1,000; and  
3088 (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

money on an annual basis.

(b) The accounting required under Subsection (3)(a) shall:

(i) include actual expenditures for the prior fiscal year, budgeted expenditures for the current fiscal year, and planned expenditures for the following fiscal year; and

(ii) be reviewed by the Economic and Community Development Appropriations Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary Procedures Act.

Section 30. Section **63A-3-205** is amended to read:

**63A-3-205 (Effective 07/01/26). Revolving loan funds -- Standards and procedures.**

(1) As used in this section, "revolving loan fund" means:

(a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;

(b) the Water Resources Construction Fund, created in Section 73-10-8;

(c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;

(d) the Water Development Security Fund and [its] the Water Development Security Fund's subaccounts, created in Section 73-10c-5;

(e) the Agriculture Resource Development Fund, created in Section 4-18-106;

(f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

(g) the Permanent Community Impact Fund, created in Section [~~35A-8-303~~] 63N-22-503;

(h) the Petroleum Storage Tank Fund, created in Section 19-6-409;

(i) the Uintah Basin Revitalization Fund, created in Section [~~35A-8-1602~~] 63N-22-602;

(j) the Navajo Revitalization Fund, created in Section [~~35A-8-1704~~] 63N-22-703; and

(k) the Energy Efficiency Fund, created in Section 11-45-201.

(2) The division shall for each revolving loan fund make rules establishing standards and procedures governing:

(a) payment schedules and due dates;

(b) interest rate effective dates;

(c) loan documentation requirements; and

(d) interest rate calculation requirements.

Section 31. Section **63B-1b-102** is amended to read:

**63B-1b-102 (Effective 07/01/26). Definitions.**

As used in this chapter:

- (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness representing loans or grants made by an authorizing agency.
- (2) "Authorized official" means the state treasurer or other person authorized by a bond document to perform the required action.
- (3) "Authorizing agency" means the board, person, or unit with legal responsibility for administering and managing revolving loan funds.
- (4) "Bond document" means:
- (a) a resolution of the commission; or
  - (b) an indenture or other similar document authorized by the commission that authorizes and secures outstanding revenue bonds from time to time.
- (5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.
- (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.
- (7) "Revolving Loan Funds" means:
- (a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;
  - (b) the Water Resources Construction Fund, created in Section 73-10-8;
  - (c) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Emission Reduction Technology Program Act;
  - (d) the Water Development Security Fund and ~~[its]~~ the Water Development Security Fund's subaccounts, created in Section 73-10c-5;
  - (e) the Agriculture Resource Development Fund, created in Section 4-18-106;
  - (f) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;
  - (g) the Permanent Community Impact Fund, created in Section ~~[35A-8-303]~~ 63N-22-503;
  - (h) the Petroleum Storage Tank Fund, created in Section 19-6-409; and
  - (i) the State Infrastructure Bank Fund, created in Section 72-2-202.
- Section 32. Section **63B-1b-202** is amended to read:
- 63B-1b-202 (Effective 07/01/26). Custodial officer -- Powers and duties.**
- (1)(a) There is created within the Division of Finance an officer responsible for the care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust documents, and other evidences of indebtedness:
- (i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state; and
  - (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.
- (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not

responsible for the care, custody, safekeeping, collection, and accounting of a bond, note, contract, trust document, or other evidence of indebtedness relating to the:

- (i) Agriculture Resource Development Fund, created in Section 4-18-106;
- (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-105;
- (iii) Petroleum Storage Tank Fund, created in Section 19-6-409;
- (iv) Olene Walker Housing Loan Fund, created in Section [35A-8-502] 63N-22-302;
- (v) Brownfields Fund, created in Section 19-8-120; and
- (vi) Rural Opportunity Fund, created in Section 63N-4-805.

(2)(a) Each authorizing agency shall deliver to ~~[this]~~ the officer for the officer's care, custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents, and other evidences of indebtedness:

- (i) owned or administered by the state or ~~[any of its agencies]~~ an agency of the state; and
- (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

(b) ~~[This]~~ The officer shall:

- (i) establish systems, programs, and facilities for the care, custody, safekeeping, collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences of indebtedness submitted to the officer under this Subsection (2); and
- (ii) ~~[shall]~~ make available updated reports to each authorizing agency as to the status of loans under ~~[their]~~ each authorizing agency's authority.

(3) The officer described in Section 63B-1b-201 shall deliver to the officer described in Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).

Section 33. Section **63C-25-101** is amended to read:

**63C-25-101 (Effective 07/01/26) (Repealed 07/01/27). Definitions.**

As used in this chapter:

- (1) "Authority" means the same as that term is defined in Section 63B-1-303.
- (2) "Bond" means the same as that term is defined in Section 63B-1-101.
- (3)(a) "Bonding government entity" means the state or any entity that is authorized to issue bonds under any provision of state law.
- (b) "Bonding government entity" includes:
  - (i) a bonding political subdivision; and

- 3225 (ii) a public infrastructure district that is authorized to issue bonds either directly, or  
3226 through the authority of a bonding political subdivision or other governmental  
3227 entity.
- 3228 (4) "Bonding political subdivision" means:
- 3229 (a) the Utah Inland Port Authority, created in Section 11-58-201;
- 3230 (b) the Military Installation Development Authority, created in Section 63H-1-201;
- 3231 (c) the Point of the Mountain State Land Authority, created in Section 11-59-201;
- 3232 (d) the Utah Lake Authority, created in Section 11-65-201;
- 3233 (e) the State Fair Park Authority, created in Section 11-68-201; or
- 3234 (f) the Utah Fairpark Area Investment and Restoration District, created in Section  
3235 11-70-201.
- 3236 (5) "Commission" means the State Finance Review Commission created in Section  
3237 63C-25-201.
- 3238 (6) "Concessionaire" means a person who:
- 3239 (a) operates, finances, maintains, or constructs a government facility under a contract  
3240 with a bonding political subdivision; and
- 3241 (b) is not a bonding government entity.
- 3242 (7) "Concessionaire contract" means a contract:
- 3243 (a) between a bonding government entity and a concessionaire for the operation, finance,  
3244 maintenance, or construction of a government facility;
- 3245 (b) that authorizes the concessionaire to operate the government facility for a term of  
3246 five years or longer, including any extension of the contract; and
- 3247 (c) in which all or some of the annual source of payment to the concessionaire comes  
3248 from state funds provided to the bonding government entity.
- 3249 (8) "Creating entity" means the same as that term is defined in Section 17D-4-102.
- 3250 (9) "Government facility" means infrastructure, improvements, or a building that:
- 3251 (a) costs more than \$5,000,000 to construct; and
- 3252 (b) has a useful life greater than five years.
- 3253 (10) "Large public transit district" means the same as that term is defined in Section  
3254 17B-2a-802.
- 3255 (11) "Loan entity" means the board, person, unit, or agency with legal responsibility for  
3256 making a loan from a revolving loan fund.
- 3257 (12) "Obligation" means the same as that term is defined in Section 63B-1-303.
- 3258 (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:

3299 **63H-8-201 (Effective 07/01/26). Creation -- Trustees -- Terms -- Vacancies --**  
 3300 **Chair -- Powers -- Quorum -- Per diem and expenses -- Annual conflict of interest**  
 3301 **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~~

- 3463            ~~Development Division]~~ Division of Community Services;
- 3464            (i) a representative from the Utah Historical Society appointed by the director of the
- 3465            Utah Historical Society;
- 3466            (j) a representative from the Division of Air Quality appointed by the director of the
- 3467            Division of Air Quality;
- 3468            (k) a representative from the Division of Drinking Water appointed by the director of the
- 3469            Division of Drinking Water;
- 3470            (l) a representative from the Division of Environmental Response and Remediation
- 3471            appointed by the director of the Division of Environmental Response and
- 3472            Remediation;
- 3473            (m) a representative from the Division of Waste Management and Radiation Control
- 3474            appointed by the director of the Division of Waste Management and Radiation
- 3475            Control;
- 3476            (n) a representative from the Division of Water Quality appointed by the director of the
- 3477            Division of Water Quality;
- 3478            (o) a representative from the Division of Oil, Gas, and Mining appointed by the director
- 3479            of the Division of Oil, Gas, and Mining;
- 3480            (p) a representative from the Division of Parks appointed by the director of the Division
- 3481            of Parks;
- 3482            (q) a representative from the Division of Outdoor Recreation appointed by the director
- 3483            of the Division of Outdoor Recreation;
- 3484            (r) a representative from the Division of Forestry, Fire, and State Lands appointed by the
- 3485            director of the Division of Forestry, Fire, and State Lands;
- 3486            (s) a representative from the Utah Geological Survey appointed by the director of the
- 3487            Utah Geological Survey;
- 3488            (t) a representative from the Division of Water Resources appointed by the director of
- 3489            the Division of Water Resources;
- 3490            (u) a representative from the Division of Water Rights appointed by the director of the
- 3491            Division of Water Rights;
- 3492            (v) a representative from the Division of Wildlife Resources appointed by the director of
- 3493            the Division of Wildlife Resources;
- 3494            (w) a representative from the School and Institutional Trust Lands Administration
- 3495            appointed by the director of the School and Institutional Trust Lands Administration;
- 3496            (x) a representative from the Division of Facilities Construction and Management

- appointed by the director of the Division of Facilities Construction and Management;
- (y) a representative from the Division of Emergency Management appointed by the director of the Division of Emergency Management; and
- (z) a representative from the Division of Conservation, created under Section 4-46-401, appointed by the director of the Division of Conservation.

(2)(a) As particular issues require, the coordinating committee may, by majority vote of the members present, appoint additional temporary members to serve as ex officio voting members.

(b) ~~[Those]~~ The ex officio members described under Subsection (2)(a) may discuss and vote on the issue or issues for which ~~[they were]~~ the ex officio member is appointed.

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

(4) 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) Sections 63A-3-106 and 63A-3-107; and

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

Section 37. Section **63N-22-101** is enacted to read:

## **CHAPTER 22. Division of Housing and Community Development**

### **Part 1. General Provisions**

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

As used in this chapter:

- (1) "Accessible housing" means housing which has been constructed or modified to be accessible, as described in the State Construction Code or an approved code under Title 15A, State Construction and Fire Codes Act.
- (2) "Deputy director" means the deputy director of the Division of Housing and Community Development.
- (3) "Division" means the Division of Housing and Community Development.
- (4) "Low-income individual" means an individual whose household income is less than 80% of the area median income.
- (5) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the housing is located.



(6) "Moderate income housing unit" means a housing unit that qualifies as moderate income housing.

Section 38. Section **63N-22-102** is enacted to read:

**63N-22-102 (Effective 07/01/26). Division of Housing and Community Development -- Creation -- Responsibilities.**

(1) There is created the Division of Housing and Community Development within the Governor's Office of Economic Opportunity.

(2) The division shall be under the authority of the deputy director.

(3) The division shall:

(a) create the state housing plan, as described in Section 63N-22-104;

(b) assist housing authorities in carrying out the housing authority's responsibilities under Title 35A, Chapter 8, Part 4, Housing Authorities;

(c) assist, when requested by a county or municipality, in the development of accessible housing;

(d) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, regarding the form and content of a moderate income housing report in accordance with Title 10, Chapter 21, Municipalities and Housing Supply and Title 17, Chapter 80, Counties and Housing Supply, to:

(i) ensure consistency across reporting political subdivisions; and

(ii) promote better potential analysis of report data;

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

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

Section 39. Section **63N-22-103** is enacted to read:

**63N-22-103 (Effective 07/01/26). Division of Housing and Community Development deputy director appointment, functions, and duties.**

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

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

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

(2) The deputy director shall:

- (a) act as the governor's adviser on state housing matters;
- (b) counsel with the authorized representatives of the Department of Transportation, the Division of Facilities Construction and Management, the Department of Health and Human Services, the Department of Workforce Services, the Labor Commission, the Department of Natural Resources, the School and Institutional Trust Lands Administration, the Utah Housing Corporation, and other proper persons concerning state housing matters;
- (c) when designated to do so by the governor, receive funds made available to the state by the federal government;
- (d) provide information and cooperate with the Legislature or legislative committees in conducting housing studies;
- (e) cooperate and exchange information with federal agencies and local, metropolitan, or regional agencies as necessary to assist with federal, state, regional, metropolitan, and local housing programs;
- (f) make recommendations to the governor that the deputy director considers advisable for the proper development and coordination of housing for the state; and
- (g) assist in the interpretation of housing projections and analyses with respect to future growth needs.

(3) The deputy director may:

- (a) assist city, county, metropolitan, and regional planning agencies in performing local, metropolitan, and regional planning, subject to Subsection (4); and
- (b) conduct, or coordinate with stakeholders to conduct public meetings or hearings to:
  - (i) encourage maximum public understanding of and agreement with the factual data and assumptions upon which housing projections and analyses are based; and
  - (ii) receive suggestions as to the types of housing projections and analyses that are needed.

(4) In performing the duties described in Subsection (3), to the extent possible, the deputy director or the deputy director's designee shall recognize and promote the plans, policies, programs, processes, and desired outcomes of the city, county, metropolitan, or regional planning agency that the deputy director or the deputy director's designee is assisting.

(5) In assisting in the preparation of housing plans, policies, programs, or processes related to the management or use of federal lands or natural resources on federal lands in the state, the deputy director shall coordinate with the Public Lands Policy Coordinating

Office created in Section 63L-11-201.

Section 40. Section **63N-22-104**, which is renumbered from Section 63J-4-402 is renumbered and amended to read:

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

- (1) The [office] division shall develop a state housing plan by December 31, 2025.
- (2)(a) The [office] division shall partner with the Legislature, municipal and county governments, the home building industry and related stakeholders, and the general public in the development of the state housing plan described in Subsection (1).
- (b) In developing the state housing plan, the [office] division may develop regional housing plans within the state housing plan.
- (3) The state housing plan shall:
  - (a) prioritize collaboration over preemption and collaboration across private and public sectors;
  - (b) promote a holistic and regional approach to housing;
  - (c) enable connected communities and center-based development;
  - (d) acknowledge cross-issue policy alignment;
  - (e) maintain a long-range vision;
  - (f) promote opportunity and inclusivity;
  - (g) recognize complex market forces; and
  - (h) consider rural and urban contexts.
- (4) The state housing plan shall include data and metrics:
  - (a) about actual and potential housing production;
  - (b) about actual and potential infrastructure capacity, maintenance, and development; and
  - (c) allowing the [office] division to measure success of the state housing plan over time.
- (5) In gathering data and developing metrics, the [office ~~may~~] division shall analyze moderate income housing reports received by the [~~Division of Housing and Community Development~~] division and:
  - (a) determine which, if any, of the moderate income housing strategies described in Sections 10-21-201 and 17-80-201 are correlated with an increase in the supply of moderate income housing, either built or entitled to be built, in the political subdivision that implements the moderate income housing strategy; and
  - (b) draw conclusions regarding any data trends identified by the [office] division as meaningful or significant.
- (6) By no later than October 1 of each year, the [office] division shall provide a written

report on the development and implementation of the state housing plan to the Economic Development and Workforce Services Interim Committee and the Political Subdivisions Interim Committee.

Section 41. Section **63N-22-201**, which is renumbered from Section 35A-8-803 is renumbered and amended to read:

**Part 2. Housing Coordination and Planning**

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

(1) In addition to any other functions the governor or Legislature may assign:

(a) the division shall:

- (i) provide a clearinghouse of information for federal, state, and local housing assistance programs;
- (ii) establish, in cooperation with political subdivisions, model plans and management methods to encourage or provide for the development of affordable housing that may be adopted by political subdivisions by reference;
- (iii) undertake, in cooperation with political subdivisions, a realistic assessment of problems relating to housing needs, such as:
  - (A) inadequate supply of dwellings;
  - (B) substandard dwellings; and
  - (C) inability of medium and low income families to obtain adequate housing;
- (iv) provide the information obtained under Subsection (1)(a)(iii) to:
  - (A) political subdivisions;
  - (B) real estate developers;
  - (C) builders;
  - (D) lending institutions;
  - (E) affordable housing advocates; and
  - (F) others having use for the information;
- (v) advise political subdivisions of serious housing problems existing within ~~[their]~~ the political subdivision's jurisdiction that require concerted public action for solution;
- (vi) assist political subdivisions in defining housing objectives and in preparing for adoption a plan of action covering a five-year period designed to accomplish housing objectives within ~~[their]~~ the political subdivision's jurisdiction;
- (vii) for municipalities or counties required to submit an annual moderate income housing report to the ~~[department]~~ division as described in Section 10-21-202 or

17-80-202:

(A) assist in the creation of the reports; and

(B) review the reports to meet the requirements of Sections 10-21-202 and 17-80-202;

(viii) establish and maintain a database of moderate income housing units located within the state; and

(ix) ~~[on or before December 1, 2022, develop and submit to the Commission on Housing Affordability a methodology for determining whether a municipality or county is taking sufficient measures to protect and promote moderate income housing in accordance with the provisions of Sections 10-21-201 and 17-80-201; and]~~ coordinate with Utah Housing Corporation to assist the division in the administration of housing programs within the state; and

(b) subject to Subsection (2), and within legislative appropriations, the division, in cooperation with the Department of Workforce Services and the Utah Housing Corporation, may accept for and on behalf of, and bind the state to, any federal housing or homeless program in which the state is invited, permitted, or authorized to participate in the distribution, disbursement, or administration of any funds or service advanced, offered, or contributed in whole or in part by the federal government.

- (2) The administration of any federal housing program in which the state is invited, permitted, or authorized to participate in distribution, disbursement, or administration of funds or services, except those administered by the Utah Housing Corporation, is governed by Sections ~~[35A-8-501]~~ 63N-22-301 through ~~[35A-8-508]~~ 63N-22-309.
- (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 housing reports described in Subsection (1)(a)(vii).

Section 42. Section **63N-22-202**, which is renumbered from Section 35A-8-804 is renumbered and amended to read:

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

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

county and municipality in the state as compared to the statewide average; and

(iv) a description of how information in the report was calculated.

Section 44. Section **63N-22-301**, which is renumbered from Section 35A-8-501 is renumbered and amended to read:

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

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

As used in this part:

(1) "Affordable housing" means housing occupied or reserved for occupancy by households whose incomes are at or below certain income requirements at rental rates affordable to such households.

(2) "Board" means the Housing Board created by this part.

(3) "Fund" means the Olene Walker Housing Loan Fund created by this part.

(4)(a) "Housing sponsor" means a person who constructs, develops, rehabilitates, purchases, or owns a housing development that is or will be subject to legally enforceable restrictive covenants that require the housing development to provide, at least in part, affordable housing.

(b) "Housing sponsor" may include:

(i) a local public body;

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

(iii) a limited partnership;

(iv) a limited liability company;

(v) a joint venture;

(vi) a subsidiary of the Utah Housing Corporation;

(vii) a cooperative;

(viii) a mutual housing organization;

(ix) a local government;

(x) a local housing authority;

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

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

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

Section 45. Section **63N-22-302**, which is renumbered from Section 35A-8-502 is renumbered and amended to read:

**[35A-8-502] 63N-22-302 (Effective 07/01/26). Olene Walker Housing Loan Fund**  
**-- 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

- 3836 program established under the authority of this chapter;
- 3837 (c) determine the means to implement the policies and goals of this chapter;
- 3838 (d) select specific projects to receive grant or loan money; and
- 3839 (e) determine how fund money shall be allocated and distributed.
- 3840 (6) A member may not receive compensation or benefits for the member's service, but may
- 3841 receive per diem and travel expenses in accordance with:
- 3842 (a) Section 63A-3-106;
- 3843 (b) Section 63A-3-107; and
- 3844 (c) rules made by the Division of Finance [~~pursuant to~~] in accordance with Sections
- 3845 63A-3-106 and 63A-3-107.
- 3846 Section 47. Section **63N-22-304**, which is renumbered from Section 35A-8-504 is renumbered
- 3847 and amended to read:
- 3848 **[~~35A-8-504~~] 63N-22-304 (Effective 07/01/26). Distribution of fund money.**
- 3849 (1) As used in this section:
- 3850 (a) "Community" means the same as that term is defined in Section 17C-1-102.
- 3851 (b) "Income targeted housing" means the same as that term is defined in Section
- 3852 17C-1-102.
- 3853 (2) The [~~executive~~] deputy director shall:
- 3854 (a) make grants and loans from the fund for any of the activities authorized by Section [
- 3855 ~~35A-8-505~~] 63N-22-305, as directed by the board;
- 3856 (b) establish the criteria with the approval of the board by which loans and grants will be
- 3857 made; and
- 3858 (c) determine with the approval of the board the order in which projects will be funded.
- 3859 (3) The [~~executive~~] deputy director shall distribute, as directed by the board, any federal
- 3860 money contained in the fund according to the procedures, conditions, and restrictions
- 3861 placed upon the use of the money by the federal government.
- 3862 (4) The [~~executive~~] deputy director shall distribute, as directed by the board, any funds
- 3863 received under Section 17C-1-412 to pay the costs of providing income targeted housing
- 3864 within the community that created the community reinvestment agency under Title 17C,
- 3865 Limited Purpose Local Government Entities - Community Reinvestment Agency Act.
- 3866 (5) Except for federal money, money received under Section 17C-1-412, and money
- 3867 appropriated for use in accordance with Section [~~35A-8-2105~~] 63N-22-404, the [
- 3868 ~~executive~~] deputy director shall distribute, as directed by the board, money in the fund
- 3869 according to the following requirements:

(a) the ~~[executive-]~~ deputy director shall distribute at least 70% of the money in the fund to benefit persons whose annual income is at or below 50% of the median family income for the state;

(b) the ~~[executive-]~~ deputy director may use up to 6% of the revenues of the fund, including any appropriation to the fund, to offset ~~[department]~~ division or board administrative expenses;

(c) the ~~[executive-]~~ deputy director shall distribute any remaining money in the fund to benefit persons whose annual income is at or below 80% of the median family income for the state; and

(d) if the ~~[executive-]~~ deputy director or the ~~[executive-]~~ deputy director's designee makes a loan in accordance with this section, the interest rate of the loan shall be based on the borrower's ability to pay.

(6) The ~~[executive-]~~ deputy director may, with the approval of the board:

(a) enact rules to establish procedures for the grant and loan process by following the procedures and requirements of Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

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

Section 48. Section **63N-22-305**, which is renumbered from Section 35A-8-505 is renumbered 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.**

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

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

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

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

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

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

(e) the purchase of an existing facility to provide temporary or transitional housing for 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)~~ (h) 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;

(d) proceeding with a foreclosure action, to own, lease, clear, reconstruct, rehabilitate, repair, maintain, manage, operate, assign, encumber, sell, or otherwise dispose of real or personal property obtained by the fund due to the default on a mortgage loan held by the fund in preparation for disposition of the property, taking assignments of leases and rentals, proceeding with foreclosure actions, and taking other actions necessary or incidental to the performance of [its] the deputy director and board's duties; and

(e) selling, at a public or private sale, with public bidding, a mortgage or other obligation held by the fund.

Section 49. Section **63N-22-306**, which is renumbered from Section 35A-8-506 is renumbered and amended to read:

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

The [executive] deputy director, with the approval of the board, may grant or lend fund money to a housing sponsor.

Section 50. Section **63N-22-307**, which is renumbered from Section 35A-8-507 is renumbered and amended to read:

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

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

(b) The [executive] deputy director shall accept applications that are received in a timely manner.

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

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

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

(c) third, to all other applications.

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

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

(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.

- (3) The recipient of a predevelopment grant:
- (a) may use grant funds to offset the predevelopment funds needed to prepare for the construction of low-income housing units, including market studies, surveys, environmental and impact studies, technical assistance, and preliminary architecture, engineering, or legal work; and
  - (b) may not use grant funds to pay for staff salaries or construction costs.
- (4) The ~~[executive-]~~ deputy director shall, under the direction of the board, prioritize the awarding of a predevelopment grant for a project that is located within:
- (a) a county of the fifth or sixth class; and
  - (b) an area that has underdeveloped infrastructure, as demonstrated by at least two of the following:
    - (i) limited or no availability of natural gas;
    - (ii) limited or no availability of a sewer system;
    - (iii) limited or no availability of broadband Internet;
    - (iv) unpaved residential streets; or
    - (v) limited local construction professionals, vendors, or services.

Section 52. Section **63N-22-309**, which is renumbered from Section 35A-8-508 is renumbered and amended to read:

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

- (1) The ~~[executive-]~~ deputy director shall monitor the activities of recipients of grants and loans issued under this part on a yearly basis to ensure compliance with the terms and conditions imposed on the recipient by the ~~[executive-]~~ deputy director with the approval of the board or by this part.
- (2) Beginning July 1, 2021, an entity that receives any money from the fund under this part shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the money the entity received from the fund has been spent.
- (3) The ~~[executive-]~~ deputy director shall make an annual report to the board accounting for the expenditures authorized by the board.
- (4) The board shall submit a report to the ~~[department]~~ office for inclusion in the annual written report described in Section ~~[35A-1-109]~~ 63N-1a-306:
  - (a) accounting for expenditures authorized by the board; and
  - (b) evaluating the effectiveness of the program.

Section 53. Section **63N-22-310**, which is renumbered from Section 35A-8-509 is renumbered and amended to read:

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

- (1) There is created an enterprise fund known as the "Economic Revitalization and Investment Fund."
- (2) The Economic Revitalization and Investment Fund consists of money from the following:
- (a) money appropriated to the account by the Legislature;
  - (b) private contributions;
  - (c) donations or grants from public or private entities; and
  - (d) money returned to the ~~[department]~~ division under ~~[Subsection 35A-8-512(3)(a)]~~ Section 63N-22-314.
- (3) The Economic Revitalization and Investment Fund shall earn interest, which shall be deposited into the Economic Revitalization and Investment Fund.
- (4) The ~~[executive-]~~director may distribute money from the Economic Revitalization and Investment Fund to one or more projects that:
- (a) include affordable housing units for households whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; and
  - (b) have been approved by the board in accordance with Section ~~[35A-8-510]~~ 63N-22-312.
- (5)(a) A housing sponsor may apply to the ~~[department]~~ division to receive a distribution in accordance with Subsection (4).
- (b) The application shall include:
- (i) the location of the project;
  - (ii) the number, size, and tenant income requirements of affordable housing units described in Subsection (4)(a) that will be included in the project; and
  - (iii) a written commitment to enter into a deed restriction that reserves for a period of 30 years the affordable housing units described in Subsection (5)(b)(ii) or ~~[their]~~ the affordable housing unit equivalent for occupancy by households that meet the income requirements described in Subsection (5)(b)(ii).
- (c) The commitment in Subsection (5)(b)(iii) shall be considered met if a housing unit is:
- (i) occupied or reserved for occupancy by a household whose income is no more than 30% of the area median income for households of the same size in the county or municipality where the project is located; or



(ii) occupied by a household whose income is no more than 60% of the area median income for households of the same size in the county or municipality where the project is located if that household met the income requirement described in Subsection (4)(a) when the household originally entered into the lease agreement for the housing unit.

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [department] division may make additional rules providing procedures for a person to apply to the [department] division to receive a distribution described in Subsection (4).

(6) The [executive-] deputy director may expend up to 3% of the revenues of the Economic Revitalization and Investment Fund, including any appropriation to the Economic Revitalization and Investment Fund, to offset [department] division or board administrative expenses.

Section 54. Section **63N-22-311**, which is renumbered from Section 35A-8-509.5 is renumbered and amended to read:

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

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

(2) The Rural Housing Fund consists of money from the following:

- (a) money appropriated to the account by the Legislature;
- (b) private contributions;
- (c) donations or grants from public or private entities; and
- (d) money returned to the [department] division under [Subsection 35A-8-512(3)(b)] Section 63N-22-314.

(3) The Rural Housing Fund shall earn interest, which shall be deposited into the Rural Housing Fund.

(4) Subject to appropriation, the [executive-] deputy director may expend funds in the Rural Housing Fund to provide loans for projects that:

- (a) are located within:
  - (i) a county of the third, fourth, fifth, or sixth class; or
  - (ii) a municipality in a county of the second class with a population of 10,000 or less;
- (b) include moderate income housing units; and
- (c) have been approved by the board in accordance with Section [35A-8-510] 63N-22-312.

(5)(a) A housing sponsor may apply to the [department] division to receive a loan under this section.

(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 [
- 4122 ~~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 [~~Subsections~~
- 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 [~~Subsections~~
- 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;

- (d) where the applicant has demonstrated the ability, stability, and resources to complete the project;
- (e) that will serve the greatest need;
- (f) that promote economic development benefits;
- (g) that allow integration into a local government housing plan;
- (h) that would mitigate or correct existing health, safety, or welfare concerns; or
- (i) that remedy a gap in the supply of and demand for affordable housing.

Section 56. Section **63N-22-313**, which is renumbered from Section 35A-8-511 is renumbered and amended to read:

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

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

- (1) the acquisition, rehabilitation, or new construction of a building that includes moderate income housing units;
- (2) the purchase of land for the construction of a building that will include moderate income housing units; or
- (3) pre-development work, including planning, studies, design, and site work for a building that will include moderate income housing units.

Section 57. Section **63N-22-314**, which is renumbered from Section 35A-8-512 is renumbered and amended to read:

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

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

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

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

- (3)(a) Any money returned to the ~~[department]~~ division under Subsection (1) from a

housing sponsor that received funds from the Economic Revitalization and Investment Fund shall be deposited in the Economic Revitalization and Investment Fund.

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

Section 58. Section **63N-22-315**, which is renumbered from Section 35A-8-513 is renumbered and amended to read:

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

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

(2)(a) A housing sponsor that receives funds from the Economic Revitalization and Investment Fund shall provide the ~~[executive-]~~ deputy director with an annual accounting of how the money the entity received from the Economic Revitalization and Investment Fund has been spent and evidence that the commitment described in [ ~~Subsection 35A-8-509(5)~~ ] Section 63N-22-310 has been met.

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

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

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

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

Section 59. Section **63N-22-316**, which is renumbered from Section 35A-8-2401 is renumbered and amended to read:

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

- (1) As used in this section:
- (a) "Housing organization" means an entity that:
    - (i) manages a portfolio of investments;
    - (ii) is dedicated to the preservation, enhancement, improvement, and rehabilitation of affordable housing through property investment; and
    - (iii) is controlled by a registered nonprofit.
  - (b) "Pass-through funding" means state money appropriated by the Legislature to the [department] division with the intent that the [department] division grant or otherwise disburse the state money to a third party.
  - (c) "Rural" means the same as that term is defined in Section ~~[35A-8-501]~~ 63N-22-301.
- (2)(a) This section applies to funds appropriated by the Legislature to the [department] division for pass-through to a housing organization.
- (b) The [department] division shall ensure that pass-through funding granted or distributed before May 1, 2024 to a housing organization is subject to an agreement as described in this section, either through amending existing agreements or canceling existing agreements and issuing new agreements.
- (3)(a) The [department] division shall create agreements governing the use of pass-through funding as described in this section.
- (b) Before a housing organization may accept pass-through funding ~~[pursuant to]~~ in accordance with this section, the entity shall enter into an agreement with the [department] division governing the use of pass-through funding.
- (4) An agreement for pass-through funding shall require, at a minimum:
- (a) the housing organization match pass-through funding with private funding at no less than a 70% private, 30% state split;
  - (b) all pass-through funding be used by the housing organization to invest in housing units that are rented at rates affordable to households with an annual income at or below 80% of the area median income for a family within the county in which the housing is located;
  - (c) that 50% of pass-through funding be used by the housing organization to invest in housing units that are rented at rates affordable to households with an annual income at or below 50% of the area median income for a family within the county in which the housing is located;
  - (d) that at least 30% of pass-through funding be used by the housing organization to invest in housing units that are located in a rural county;

- (e) that any property purchased with pass-through funding be subject to a deed restriction for a minimum of 40 years to ensure the property remains a rental property affordable to households as described in Subsection (4)(b);
- (f) that returns on investment generated by pass-through funding shall be reinvested by the housing organization the same as if the returns on investment are pass-through funding; and
- (g) that the housing organization shall provide the division with the following information at the end of each fiscal year:
  - (i) the housing organization's annual audit, including:
    - (A) a third-party independent auditor's findings on the housing organization's compliance with this section and the terms of the housing organization's agreement for pass-through funding; and
    - (B) the audited financial statements for a legal entity used by the housing organization to carry out activities authorized by this section;
  - (ii) allocation of pass-through funds by county and housing type;
  - (iii) progress and status of funded projects; and
  - (iv) impact of pass-through funds on the availability of affordable housing across the state and by region.

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

Section 60. Section **63N-22-401**, which is renumbered from Section 35A-8-2102 is renumbered and amended to read:

#### **Part 4. Private Activity Bonds**

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

As used in this part:

- (1) "Allocated volume cap" means a volume cap for which:
  - (a) a certificate of allocation is in effect; or
  - (b) bonds have been issued.
- (2) "Allotment accounts" means the various accounts created in Section [35A-8-2106] 63N-22-405.
- (3) "Board of review" means the Private Activity Bond Review Board created in Section [35A-8-2103] 63N-22-402.
- (4) "Bond" means any obligation for which an allocation of volume cap is required by the

code.

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

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

(7) "Issuing authority" means:

(a) any county, city, or town in the state;

(b) any not-for-profit corporation or joint agency, or other entity acting on behalf of one or more counties, cities, towns, or any combination of these;

(c) the state; or

(d) any other entity authorized to issue bonds under state law.

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

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

(10) "Year" means each calendar year.

Section 61. Section **63N-22-402**, which is renumbered from Section 35A-8-2103 is renumbered and amended to read:

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

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

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

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

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

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

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

(b) six local government members who are:

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

- 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



make certifications required to be made under Section 146 of the code including the certification required by Section 149(e)(2)(F) of the code.

- (9) A member appointed to fill a position described in Subsection (1)(b) shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

Section 62. Section **63N-22-403**, which is renumbered from Section 35A-8-2104 is renumbered and amended to read:

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

The board of review shall:

- (1) make, subject to the limitations of the code, allocations of volume cap to issuing authorities;
- (2) determine the amount of volume cap to be allocated with respect to approved applications;
- (3) maintain a record of all applications filed by issuing authorities under Section [35A-8-2105] 63N-22-404 and all certificates of allocation issued under Section [35A-8-2107] 63N-22-406;
- (4) maintain a record of all bonds issued by issuing authorities during each year;
- (5) determine the amount of volume cap to be treated as a carryforward under Section 146(f) of the code and allocate this carryforward to one or more qualified carryforward purposes;
- (6) make available upon reasonable request a certified copy of all or any part of the records maintained by the board of review under this part or a summary of them, including information relating to the volume cap for each year and any amounts available for allocation under this part;
- (7) make rules for the allocation of volume cap under this part; and
- (8) charge reasonable fees for the performance of duties prescribed by this part, including application, filing, and processing fees.

Section 63. Section **63N-22-404**, which is renumbered from Section 35A-8-2105 is renumbered and amended to read:

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

- (1)(a) Subject to Subsection (1)(b), the volume cap for each year shall be distributed by the board of review to the allotment accounts as described in Section [35A-8-2106] 63N-22-405.

(b) The board of review may distribute up to 50% of each increase in the volume cap for use in development that occurs in quality growth areas, depending upon the board's analysis of the relative need for additional volume cap between development in quality growth areas and the allotment accounts under Section [35A-8-2106] 63N-22-405.

(2) To obtain an allocation of the volume cap, issuing authorities shall submit to the board of review an application containing information required by the procedures and processes of the board of review.

(3)(a) The board of review shall establish criteria for making allocations of volume cap that are consistent with the purposes of the code and this part.

(b) In making an allocation of volume cap the board of review shall consider the following:

- (i) the principal amount of the bonds proposed to be issued;
- (ii) the nature and the location of the project or the type of program;
- (iii) the likelihood that the bonds will be sold and the timeframe of bond issuance;
- (iv) whether the project or program could obtain adequate financing without an allocation of volume cap;
- (v) the degree to which an allocation of volume cap is required for the project or program to proceed or continue;
- (vi) the social, health, economic, and educational effects of the project or program on the local community and state as a whole;
- (vii) the anticipated economic development created or retained within the local community and the state as a whole;
- (viii) the anticipated number of jobs, both temporary and permanent, created or retained within the local community and the state as a whole; and
- (ix) if the project is a residential rental project, the degree to which the residential rental project:
  - (A) targets lower income populations; and
  - (B) is accessible housing.

(4) The board of review shall provide evidence of an allocation of volume cap by issuing a certificate in accordance with Section [35A-8-2107] 63N-22-406.

(5)(a) Subject to Subsection (5)(c), from January 1 to June 30 of each year, the board of review shall set aside at least 50% of the Small Issue Bond Account that may only be allocated to manufacturing projects.

(b) Subject to Subsection (5)(c), from July 1 to August 15 of each year, the board of review shall set aside at least 50% of the Pool Account that may only be allocated to manufacturing projects.

(c) The board of review is not required to set aside any unused volume cap under Subsection [35A-8-2106(2)(e)] 63N-22-405(2)(c) to satisfy the requirements of Subsection (5)(a) or (b).

Section 64. Section **63N-22-405**, which is renumbered from Section 35A-8-2106 is renumbered and amended to read:

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

(1) There are created the following allotment accounts:

- (a) the Single Family Housing Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified mortgage bonds under Section 143 of the code;
- (b) the Student Loan Account, for which eligible issuing authorities are those authorized under the code and state statute to issue qualified student loan bonds under Section 144(b) of the code;
- (c) the Small Issue Bond Account, for which eligible issuing authorities are those authorized under the code and state statute to issue:
  - (i) qualified small issue bonds under Section 144(a) of the code;
  - (ii) qualified exempt facility bonds for qualified residential rental projects under Section 142(d) of the code; or
  - (iii) qualified redevelopment bonds under Section 144(c) of the code;
- (d) the Exempt Facilities Account, for which eligible issuing authorities are those authorized under the code and state statute to issue any bonds requiring an allocation of volume cap other than for purposes described in Subsection (1)(a), (b), or (c);
- (e) the Pool Account, for which eligible issuing authorities are those authorized under the code and state statute to issue any bonds requiring an allocation of volume cap; and
- (f) the Carryforward Account, for which eligible issuing authorities are those with projects or programs qualifying under Section 146(f) of the code.

(2)(a) The volume cap shall be distributed to the allotment accounts on January 1 of each year on the following basis:

- (i) 42% to the Single Family Housing Account;
- (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.

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

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

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

Section 66. Section **63N-22-407**, which is renumbered from Section 35A-8-2108 is renumbered and amended to read:

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

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

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

(2) Each issuing authority shall:

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

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

the earlier of:

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

(ii) the expiration of the certificate of allocation.

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

Section 67. Section **63N-22-408**, which is renumbered from Section 35A-8-2109 is renumbered and amended to read:

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

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

Section 68. Section **63N-22-409**, which is renumbered from Section 35A-8-2110 is renumbered and amended to read:

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

- (1) The [department] division is recognized as an issuing authority, as defined in Section [35A-8-2102] 63N-22-401, entitled to issue bonds from the Small Issue Bond Account created in Subsection [35A-8-2106(1)(e)] 63N-22-405(1)(c) as a part of the state's private activity bond volume cap authorized by the Internal Revenue Code and computed under Section 146, Internal Revenue Code.

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

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

Section 69. Section **63N-22-501**, which is renumbered from Section 35A-8-301 is renumbered and amended to read:

## **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

under Section 59-12-205 were reduced by at least 15% from the total sales and use tax distributions the city received under Section 59-12-205 for the calendar year beginning on January 1, 2007.

(7)(a) "Planning" means any of the following performed by or on behalf of the state, a subdivision, or an interlocal agency:

- (i) a study, analysis, plan, or survey; or
- (ii) activities necessary to obtain a permit or land use approval, including review to determine the need, cost, or feasibility of obtaining a permit or land use approval.

(b) "Planning" includes:

- (i) the preparation of maps and guidelines;
- (ii) land use planning;
- (iii) a study or analysis of:
  - (A) the social or economic impacts associated with natural resource development;
  - (B) the demand for the transportation of individuals or goods;
  - (C) state, regional, and local development and growth;
  - (D) population and employment;
  - (E) development related to natural resources; and
  - (F) as related to any other activity described in this Subsection (7), engineering, financial analysis, legal analysis, or any other analysis helpful to the state, subdivision, or interlocal agency; and
- (iv) any activity described in this Subsection (7) regardless of whether the activity is for a public facility or a public service.

(8) "Public facility" means a facility:

- (a) in whole or in part, owned, controlled, or operated by the state, a subdivision, or an interlocal agency; and
- (b) that serves a public purpose.

(9)(a) "Public service" means a service that:

- (i) is provided, in whole or in part, by or on behalf of the state, a subdivision, or an interlocal agency; and
- (ii) serves a public purpose.

(b) "Public service" includes:

- (i) a service described in Subsection (9)(a) regardless of whether the service is provided in connection with a public facility;
- (ii) the cost of providing a service described in Subsection (9)(a), including



administrative costs, wages, and legal fees; and

(iii) a contract with a public postsecondary institution to fund research, education, or a public service program.

(10) "Subdivision" means a county, city, town, county service area, special service district, special improvement district, water conservancy district, water improvement district, sewer improvement district, housing authority, building authority, school district, or public postsecondary institution organized under the laws of this state.

(11)(a) "Throughput infrastructure project" means the following facilities, whether located within, partially within, or outside of the state:

(i) a bulk commodities ocean terminal;

(ii) a pipeline for the transportation of liquid or gaseous hydrocarbons;

(iii) electric transmission lines and ancillary facilities;

(iv) a shortline freight railroad and ancillary facilities;

(v) a plant or facility for storing, distributing, or producing hydrogen, including the liquification of hydrogen, for use as a fuel in zero emission motor vehicles, for electricity generation, or for industrial use;

(vi) a plant for the production of zero emission hydrogen fueled trucks; or

(vii) a mining facility described in Subsection [35A-8-309(9)] 63N-22-508(9).

(b) "Throughput infrastructure project" includes:

(i) an ownership interest or a joint or undivided ownership interest in a facility;

(ii) a membership interest in the owner of a facility; or

(iii) a contractual right, whether secured or unsecured, to use all or a portion of the throughput, transportation, or transmission capacity of a facility.

Section 71. Section **63N-22-503**, which is renumbered from Section 35A-8-303 is renumbered and amended to read:

**[35A-8-303] 63N-22-503 (Effective 07/01/26). Permanent Community Impact Fund -- Deposits and contents -- Use of fund money.**

(1) There is created an enterprise fund entitled the "Permanent Community Impact Fund."

(2) The fund consists of:

(a) all amounts appropriated to the impact fund under Section 59-21-2;

(b) bonus payments deposited to the impact fund under Subsection 59-21-1(2);

(c) all amounts appropriated to the impact fund under Section 53C-3-203;

(d) all amounts received for the repayment of loans made by the impact board under this 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

time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.

(d) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term.

(3) When the governor makes a new appointment or reappointment under Subsection (2)(b), or a vacancy appointment under Subsection (2)(d), the governor's new appointment, reappointment, or vacancy appointment shall be made with the advice and consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.

(4) The terms of office for the members specified under Subsections (1)(a) through (c) shall run concurrently with the term of office for the commission, department, or office from which each member comes.

(5)(a) The member specified under Subsection (1)(k) is the chair of the impact board.

(b) The chair of the impact board is responsible for the call and conduct of meetings.

(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 Sections 63A-3-106 and 63A-3-107.

(7) A member described in Subsections (1)(d) through (k) shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

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

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

(9) The [department] division shall provide staff support to the impact board.

Section 73. Section **63N-22-505**, which is renumbered from Section 35A-8-305 is renumbered and amended to read:

**[35A-8-305] 63N-22-505 (Effective 07/01/26). Powers, functions, and duties of the impact board.**

(1) The impact board shall:

(a) [make-] award grants and loans from the amounts appropriated by the Legislature out of the impact fund to state agencies, subdivisions, and interlocal agencies that are or 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 ~~conjunction~~ 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  
4825 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.

(7) ~~[The department shall include in the annual written report described in Section 35A-1-109, the number and type of loans and grants made as well as a list of subdivisions and interlocal agencies that received this assistance.]~~ The division shall submit a report to the office for inclusion in the annual written report described in Section 63N-1a-306, the number and type of loan or grant awarded and the subdivision or interlocal agency that received a loan or grant award under this section.

Section 75. Section **63N-22-507**, which is renumbered from Section 35A-8-308 is renumbered and amended to read:

**[35A-8-308] 63N-22-507 (Effective 07/01/26). Throughput Infrastructure Fund.**

- (1) There is created an enterprise fund known as the "Throughput Infrastructure Fund."
- (2) The fund consists of money generated from the following revenue sources:
  - (a) amounts transferred to the fund by statute;
  - (b) ~~[any]~~voluntary contributions received;
  - (c) appropriations made to the fund by the Legislature;
  - (d) the amounts received from the repayment of loans made by the impact board under Section ~~[35A-8-309]~~ 63N-22-508; and
  - (e) interest or other earnings deposited under Subsection (3).
- (3) The state treasurer shall:
  - (a) invest the money in the fund ~~[by following the procedures and requirements of]~~ in accordance with Title 51, Chapter 7, State Money Management Act; and
  - (b) deposit the interest or other earnings ~~[derived from those investments into the fund]~~ into the fund that are received from the investments described in Subsection (3)(a).

Section 76. Section **63N-22-508**, which is renumbered from Section 35A-8-309 is renumbered and amended to read:

**[35A-8-309] 63N-22-508 (Effective 07/01/26). Throughput Infrastructure Fund administered by impact board -- Uses -- Review by board -- Annual report -- First project.**

- (1) The impact board shall:
  - (a) make grants and loans from the Throughput Infrastructure Fund created in Section ~~[35A-8-308]~~ 63N-22-507 for a throughput infrastructure project;
  - (b) use money transferred to the Throughput Infrastructure Fund in accordance with statute to provide a loan or grant to finance the cost of acquisition or construction of a throughput infrastructure project to one or more local political subdivisions, including a Utah interlocal agency created under Title 11, Chapter 13, Interlocal



- 4890 Cooperation Act;
- 4891 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion of
- 4892 the fund revolving;
- 4893 (d) determine provisions for repayment of loans;
- 4894 (e) establish criteria for awarding loans and grants; and
- 4895 (f) establish criteria for determining eligibility for assistance under this section.
- 4896 (2) The cost of acquisition or construction of a throughput infrastructure project includes
- 4897 amounts for working capital, reserves, transaction costs, and other amounts determined
- 4898 by the impact board to be allocable to a throughput infrastructure project.
- 4899 (3) The impact board may restructure or forgive all or part of a local political subdivision's
- 4900 or interlocal agency's obligation to repay loans for extenuating circumstances.
- 4901 (4) To receive assistance under this section, a local political subdivision or an interlocal
- 4902 agency shall submit a formal application containing the information ~~[that the impact~~
- 4903 ~~board requires]~~ required by the impact board.
- 4904 (5)(a) The impact board shall:
- 4905 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
- 4906 before approving the loan or grant and may condition ~~[its-]~~approval on whatever
- 4907 assurances the impact board considers necessary to ensure that proceeds of the
- 4908 loan or grant will be used in accordance with this section;
- 4909 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
- 4910 scheduled principal repayment; and
- 4911 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations
- 4912 of the appropriate local political subdivision or interlocal agency issued to the
- 4913 impact board and payable from the net revenues of a throughput infrastructure
- 4914 project.
- 4915 (b) An instrument described in Subsection (5)(a)(iii) may be:
- 4916 (i) non-recourse to the local political subdivision or interlocal agency; and
- 4917 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.
- 4918 (6)(a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate from
- 4919 the Throughput Infrastructure Fund to the board those amounts that are appropriated
- 4920 by the Legislature for the administration of the Throughput Infrastructure Fund.
- 4921 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual receipts
- 4922 to the Throughput Infrastructure Fund.
- 4923 (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  
          shall submit a  
4925       report to the office for inclusion in the annual written report described in Section  
4926       63N-1a-306, the number and type of loan or grant awarded and the subdivision or  
4927       interlocal agency that received a loan or grant award under this section.
- 4930       (8)(a) The first throughput infrastructure project funded by the impact board shall be a  
4931       bulk commodities ocean terminal project financed through a mixture of grant and  
4932       loans, of which no less than 20% of the project costs funded by the impact board is  
4933       grants.
- 4934       (b) Upon receipt of an application from an interlocal agency for a bulk commodities  
4935       ocean terminal project, the impact board shall:
- 4936       (i) grant up to 2% of the money in the Throughput Infrastructure Fund to the  
4937       interlocal agency to pay or reimburse costs incurred by the interlocal agency  
4938       preliminary to ~~[its]~~ the interlocal agency's acquisition of the throughput  
4939       infrastructure project; and
- 4940       (ii) fund the interlocal agency's application if the application meets all criteria  
4941       established by the impact board.
- 4942       (9) Notwithstanding Subsection (8) and following the procedures of this section, the impact  
4943       board may issue a grant or loan for a throughput infrastructure project other than a bulk  
4944       commodities ocean terminal project if the throughput infrastructure project:
- 4945       (a) is funded from the interest or other earnings deposited into the Throughput  
4946       Infrastructure Fund;
- 4947       (b) is applied for by a political subdivision or interlocal agency to be distributed to a  
4948       private entity described in Subsection (9)(c); and
- 4949       (c) is engaged in by a private entity if the private entity:
- 4950       (i) has the required permits to engage in mining fluorspar or gallium;
- 4951       (ii) will engage in the mining activity in a community within the state that is  
4952       economically impacted by the Leasing Act;
- 4953       (iii) will draw money from the loan or grant by no later than two years from the day  
4954       on which the impact board awards the loan or grant; and
- 4955       (iv) agrees to reimburse the Throughput Infrastructure Fund in staggered payments  
4956       during a period beginning three years from the day on which the impact board

approves the loan or grant and ending seven years from the day on which the impact board approves the loan or grant.

Section 77. Section **63N-22-509**, which is renumbered from Section 35A-8-310 is renumbered and amended to read:

**[35A-8-310] 63N-22-509 (Effective 07/01/26). Application -- Retroactivity.**

- (1) The provisions of Laws of Utah 2021, Chapter 339, apply to any claim for which a court of competent jurisdiction has not issued a final unappealable judgment or order.
- (2) The Legislature finds that the provisions of Laws of Utah 2021, Chapter 339:
  - (a) do not enlarge, eliminate, or destroy vested rights; and
  - (b) clarify application of the law.

Section 78. Section **63N-22-601**, which is renumbered from Section 35A-8-1601 is renumbered and amended to read:

**Part 6. Uintah Basin Revitalization Fund**

**[35A-8-1601] 63N-22-601 (Effective 07/01/26). Definitions.**

As used in this part:

- (1) "Board" means the Uintah Basin Revitalization Fund Board.
- (2) "Capital projects" means expenditures for land, improvements on the land, and equipment intended to have long-term beneficial use.
- (3) "County" means:
  - (a) Duchesne County; or
  - (b) Uintah County.
- (4) "Division" means the ~~[Housing and Community Development Division]~~ Division of Housing and Community Development within the Governor's Office of Economic Opportunity.
- (5) "Revitalization Fund" means the Uintah Basin Revitalization Fund.
- (6) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation.

Section 79. Section **63N-22-602**, which is renumbered from Section 35A-8-1602 is renumbered and amended to read:

**[35A-8-1602] 63N-22-602 (Effective 07/01/26). Uintah Basin Revitalization Fund.**

- (1) In order to maximize the long-term benefit of severance taxes derived from lands held in trust by the United States for the Tribe and the Tribe's members by fostering funding mechanisms that will, consistent with sound financial practices, result in the greatest use of financial resources for the greatest number of citizens of the Uintah Basin, and in order to promote cooperation and coordination between the state, ~~[its]~~ the state's political

subdivisions, Indian tribes, and individuals, firms, and business organizations engaged in the development of oil and gas interests held in trust for the Tribe and the Tribe's members, there is created an expendable special revenue fund entitled the "Uintah Basin Revitalization Fund."

(2) The fund consists of all money deposited [tø] into the Revitalization Fund under this part and Section 59-5-116.

(3)(a) The Revitalization Fund shall earn interest.

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

(4)(a) Money required to be deposited into the Uintah Basin Revitalization Fund under Section 59-5-116 shall be deposited into the Uintah Basin Revitalization Fund if a business or activity fee or tax based on gross receipts has not been imposed by a county or the Tribe on oil and gas activities.

(b) Nothing in this section prohibits a county from imposing a charge described in this Subsection (4) with respect to any gathering, transmission, or local distribution pipeline in which the county owns an interest.

(c) Nothing in this section prohibits the Tribe from imposing a charge described in this Subsection (4) with respect to any gathering, transmission, or local distribution pipeline in which the Tribe owns an interest.

Section 80. Section **63N-22-603**, which is renumbered from Section 35A-8-1603 is renumbered and amended to read:

**[35A-8-1603] 63N-22-603 (Effective 07/01/26). Uintah Basin Revitalization Fund Board.**

(1) There is created within the division the Revitalization Board composed of five members as follows:

(a) the governor or his designee;

(b) a Uintah County commissioner;

(c) a Duchesne County commissioner; and

(d) two representatives of the Business Committee of the Tribe.

(2) The terms of office for the members of the board shall run concurrently with the terms of office for the governor, commissioners, and Business Committee of the Tribe.

(3) The governor, or [his] the governor's designee, shall be the chair of the board.

(4) Four board members are a quorum.

(5) All decisions of the board require four affirmative votes.

(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 Sections 63A-3-106 and 63A-3-107.

Section 81. Section **63N-22-604**, which is renumbered from Section 35A-8-1604 is renumbered and amended to read:

**[35A-8-1604] 63N-22-604 (Effective 07/01/26). Powers, functions, and duties of the revitalization fund board.**

(1) The board shall:

- (a) subject to the other provisions of this part and an agreement entered into under Title 11, Chapter 13, Interlocal Cooperation Act, among the state, the counties, and the Tribe, make recommendations to the division for grants and loans from the revitalization fund to county agencies and the Tribe that are or may be socially or economically impacted, directly or indirectly, by mineral resource development;
- (b) establish procedures for application for and award of grants and loans including:
  - (i) eligibility criteria;
  - (ii) subject to Subsection ~~[35A-8-1606(2)(b)]~~ 63N-22-605(2)(b), a preference that capital projects, including subsidized and low-income housing, and other one-time need projects and programs have priority over other projects;
  - (iii) a preference for projects and programs that are associated with the geographic area where the oil and gas were produced; and
  - (iv) coordination of projects and programs with other projects and programs funded by federal, state, and local governmental entities;
- (c) determine the order in which projects will be funded;
- (d) allocate the amount to be distributed from the revitalization fund for grants or loans to each county and the Tribe during a fiscal year as follows:
  - (i) up to and including the first \$3,000,000 that is approved for distribution by the board during a fiscal year, the board may allocate the amount in accordance with the interlocal agreement described by Subsection (1)(a), except that the board may not allocate less than 75% of the amount under the interlocal agreement to the Tribe unless the interlocal agreement is further modified by statute; and
  - (ii) beginning with fiscal year 2007-08, any amount approved for distribution by the board during that fiscal year in excess of \$3,000,000 shall be allocated equally

amongst each county and the Tribe so that each receives ~~[1/3]~~ one-third of the amount approved for distribution by the board in excess of \$3,000,000;

(e) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; ~~[and]~~

(f) perform other duties assigned to ~~[it]~~ the board under the interlocal agreement described in Subsection (1)(a) that are not prohibited by law or otherwise modified by this part~~[-]~~ ; and

(g) comply with the procedures and requirements of Title 51, Chapter 7, State Money Management Act, and Title 52, Chapter 4, Open and Public Meetings Act.

(2) The board shall ensure that loan repayments and interest are deposited into the revitalization fund.

(3) The interlocal agreement described in Subsection (1)(a) shall be consistent with~~[-the following statutes, including any subsequent amendments to those statutes]:~~

(a) this part;

(b) Title 11, Chapter 13, Interlocal Cooperation Act;

(c) Section 59-5-116; and

(d) any other applicable provision of ~~[this Utah Code]~~ state law.

(4) The board may:

(a) appoint a hearing examiner or administrative law judge with authority to conduct any hearings, make determinations, and enter appropriate findings of facts, conclusions of law, and orders in accordance with Title 11, Chapter 13, Interlocal Cooperation Act; and

(b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement this part.

Section 82. Section **63N-22-605**, which is renumbered from Section 35A-8-1606 is renumbered and amended to read:

**[35A-8-1606] 63N-22-605 (Effective 07/01/26). Eligibility for assistance -- Applications -- Review by board -- Terms -- Security.**

~~(1) [Counties or the Tribe that wish to receive loans or grants from the board shall submit formal applications to the board containing the information required by the board.]~~ To receive a loan or grant under this part, a county or the Tribe shall submit an application to the board that contains the information required by the board.

(2) The board may not fund:

(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 [~~ertain~~] 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. Navaho 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:

- (i) the president of a Utah Navajo Chapter shall serve for one year;
- (ii) the Utah Navajo Chapter is rotated in alphabetical order as provided in Subsection ~~[35A-8-1702(7)]~~ 63N-22-701(7), except that the rotation will begin on July 1, 2008, with the Dennehotso Chapter; and
- (iii) if the president of a Utah Navajo Chapter under Subsection (1)(d)(ii) is the same individual as the individual listed in Subsection (1)(c):
- (A) that Utah Navajo Chapter is skipped as part of ~~[that]~~ the annual rotation; and
- (B) the president of the next Utah Navajo Chapter in the alphabetical rotation shall serve on the board.

(2) The term of office for a member of the board described in Subsections (1)(a) through (c) runs concurrently with the term of office for the governor, county commissioner, or member of the Navajo Utah Commission.

(3)(a) The governor, or the governor's designee, ~~[is]~~ shall be the chair of the board.

(b) The chair shall call necessary meetings.

(4) 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 Sections 63A-3-106 and 63A-3-107.

(5) The per diem and travel expenses permitted under Subsection (4) may be included as costs of administration of the revitalization fund.

(6) Four board members are a quorum.

(7) An affirmative vote of each member of the board present at a meeting when a quorum is present is required for a board decision related to money in or disbursed from the revitalization fund.

Section 88. Section **63N-22-705**, which is renumbered from Section 35A-8-1706 is renumbered and amended to read:

**~~[35A-8-1706]~~ 63N-22-705 (Effective 07/01/26). Powers, functions, and duties of the revitalization fund board.**

(1) The board shall:

- (a) direct the division regarding grants and loans from the revitalization fund to eligible entities to serve persons that are or may be socially or economically impacted, directly or indirectly, by mineral resource development;

- (b) establish procedures for application for an award of grants and loans including eligibility criteria;
- (c) coordinate projects and programs with other projects and programs funded by federal, state, and local government entities;
- (d) determine the order in which projects will be funded; and
- (e) be subject to the procedures and requirements under Title 52, Chapter 4, Open and Public Meetings Act.

(2) The board may:

- (a) qualify for, accept, and administer grants, gifts, loans, or other funds from the federal government and from other sources, public or private; and
- (b) make rules, ~~[under]~~ in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, ~~[if necessary to perform its responsibilities]~~ to implement this part.

Section 89. Section **63N-22-706**, which is renumbered from Section 35A-8-1707 is renumbered and amended to read:

**[35A-8-1707] 63N-22-706 (Effective 07/01/26). Revitalization fund administered by board -- Eligibility for assistance -- Review by board -- Restrictions on loans and grants -- Division to distribute money -- Annual report.**

(1)(a) ~~[If an eligible entity wishes to receive a loan or grant from the board, the eligible]~~  
To receive a loan or grant under this part, an eligible entity shall [file an application with the board] submit an application to the board that contains the information required by the board.

(b) The board shall review an application for a loan or grant ~~[filed]~~ submitted under Subsection (1)(a) before approving the loan or grant.

(c) The board may approve a loan or grant application subject to the applicant's compliance with the one or more conditions established by the board.

(2) In determining whether an eligible entity may receive a loan or grant, the board shall give priority to:

(a) a capital project or infrastructure, including:

- (i) electrical power;
- (ii) water; and
- (iii) a one time need project;

(b) a housing project that consists of:

- (i) the purchase of new housing;
- (ii) the construction of new housing; or

- 5263 (iii) a significant remodeling of existing housing; or  
5264 (c) a matching educational endowment that:  
5265 (i) promotes economic development within the Utah portion of the Navajo  
5266 Reservation;  
5267 (ii) promotes the preservation of Navajo culture, history, and language; or  
5268 (iii) supports a postsecondary educational opportunity for a Navajo student enrolled  
5269 in a course or program taught within the Utah portion of the Navajo Reservation.
- 5270 (3) A loan or grant issued under this part may not fund:  
5271 (a) a start-up or operational cost of a private business venture;  
5272 (b) a general operating budget of an eligible entity; or  
5273 (c) a project that will operate or be located outside of the Navajo Reservation in San  
5274 Juan County, Utah, except for an educational endowment approved by the board  
5275 under Subsection (2)(c).
- 5276 (4)(a) The board may not approve a loan unless the loan:  
5277 (i) specifies the terms for repayment; and  
5278 (ii) is secured by proceeds from a general obligation, special assessment, or revenue  
5279 bond, note, or other obligation.
- 5280 (b) The division shall deposit a loan repayment or interest on a loan issued under this  
5281 part into the revitalization fund.
- 5282 (5) The board shall give a priority to a loan or grant if the loan or grant includes matching  
5283 money or in-kind services from:  
5284 (a) the Navajo Nation;  
5285 (b) San Juan County;  
5286 (c) the state;  
5287 (d) the federal government;  
5288 (e) a Utah Navajo Chapter; or  
5289 (f) other private or public organization.
- 5290 (6) The division shall distribute loan and grant money:  
5291 (a) if the loan or grant is approved by the board;  
5292 (b) in accordance with the instructions of the board, except that the board may not  
5293 instruct that money be distributed in a manner:  
5294 (i) inconsistent with this part; or  
5295 (ii) in violation of a rule or procedure of the department; and  
5296 (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

Economic Development and Workforce Services Interim Committee [~~and to the~~  
~~Commission on Housing Affordability created in Section 35A-8-2201]~~ and the Political  
Subdivisions Interim Committee that describes:

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

Section 93. Section **72-1-304** is amended to read:

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

- (1)(a) The Transportation Commission, in consultation with the department and the metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written prioritization process for the prioritization of:
  - (i) new transportation capacity projects that are or will be part of the state highway system under Chapter 4, Part 1, State Highways;
  - (ii) paved pedestrian or paved nonmotorized transportation projects described in Section 72-2-124;
  - (iii) public transit projects that directly add capacity to the public transit systems within the state, not including facilities ancillary to the public transit system; and
  - (iv) pedestrian or nonmotorized transportation projects that provide connection to a public transit system.
- (b)(i) A local government or public transit district may nominate a project for prioritization in accordance with the process established by the commission in rule.
- (ii) If a local government or public transit district nominates a project for prioritization by the commission, the local government or public transit district shall provide data and evidence to show that:
  - (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.

(4) 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.

(5) 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).

(6) 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 Bangarter 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

ineligibility for a municipality as described in Subsection 10-21-202(8), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality 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 ineligibility under this Subsection (5) no longer applies to the municipality.

(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:

- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(8), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area 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 ineligibility under this Subsection (6) no longer applies to the county.

(b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:

- (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.

- (b) The fund shall be funded by:
- (i) contributions deposited into the fund in accordance with Section 59-12-103;
  - (ii) appropriations into the account by the Legislature;
  - (iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as described in Section 63N-3-610;
  - (iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or (c);
  - (v) private contributions; and
  - (vi) donations or grants from public or private entities.
- (c)(i) The fund shall earn interest.
- (ii) All interest earned on fund money shall be deposited into the fund.
- (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- (i) for public transit capital development of new capacity projects and fixed guideway capital development projects to be used as prioritized by the commission through the prioritization process adopted under Section 72-1-304;
  - (ii) to the department for oversight of a fixed guideway capital development project for which the department has responsibility; or
  - (iii) up to \$500,000 per year, to be used for a public transit study.
- (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize money from the fund for a public transit capital development project or pedestrian or nonmotorized transportation project that provides connection to the public transit system if the public transit district or political subdivision provides funds of equal to or greater than 30% of the costs needed for the project.
- (ii) A public transit district or political subdivision may use money derived from a loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- (A) the loan is approved by the commission as required in Part 2, State Infrastructure Bank Fund; and
  - (B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.
- (f) Before July 1, 2022, the department and a large public transit district shall enter into an agreement for a large public transit district to pay the department \$5,000,000 per year for 15 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and trainsets for regional public transit rail systems.

- (g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):
- (i) the commission may prioritize money from the fund for public transit projects, operations, or maintenance within the county of the first class; and
  - (ii) Subsection (10)(e) does not apply.
- (h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):
- (i) the commission may prioritize public transit projects, operations, or maintenance in the county from which the revenue was generated; and
  - (ii) Subsection (10)(e) does not apply.
- (i) The requirement to provide funds equal to or greater than 30% of the costs needed for the project described in Subsection (10)(e) does not apply to a public transit capital development project or pedestrian or nonmotorized transportation project that the department proposes.
- (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may prioritize money from the fund for public transit innovation grants, as defined in Section 72-2-401, for public transit capital development projects requested by a political subdivision within a public transit district.
- (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons Transportation Investment Fund.
- (b) The fund shall be funded by:
- (i) money deposited into the fund in accordance with Section 59-12-103;
  - (ii) appropriations into the account by the Legislature;
  - (iii) private contributions; and
  - (iv) donations or grants from public or private entities.
- (c)(i) The fund shall earn interest.
- (ii) All interest earned on fund money shall be deposited into the fund.
- (d) The Legislature may appropriate money from the fund for public transit or transportation projects in the Cottonwood Canyons of Salt Lake County.
- (e) The department may use up to 2% of the revenue deposited into the account under Subsection 59-12-103(4)(f) to contract with local governments as necessary for public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any 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:

5746 **73-10c-3 (Effective 07/01/26). Water Development Coordinating Council created**

5747 **-- 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:

- (a) coordinate the use and application of the money available to the state to give financial assistance to political subdivisions of this state so as to promote the conservation, development, treatment, restoration, and protection of the waters of this state;
- (b) promote the coordination of the financial assistance programs administered by the state and the use of the financing alternative most economically advantageous to the state and [its-] the political subdivisions of the state;
- (c) promote the consideration by the Board of Water Resources, Drinking Water Board, and Water Quality Board of regional solutions to the water and wastewater needs of individual political subdivisions of this state;
- (d) assess the adequacy and needs of the state and [its-] the political subdivisions [~~with respect to~~] of the state concerning water-related infrastructures and advise the governor and the Legislature on those funding needs;
- (e) conduct reviews and reports on water-related infrastructure issues as directed by statute;
- (f) engage in planning and prioritization of water infrastructure projects in accordance with Chapter 10g, Part 6, Planning and Prioritization; and
- (g) expend money from the Water Infrastructure Fund in accordance with Section 73-10g-107.

Section 96. **Repealer.**

This bill repeals:

Section **35A-8-306, Powers.**

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

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

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

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

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

Section **35A-8-1605, Powers.**

Section **35A-8-1608, Deposits into fund.**

Section **35A-8-1708, Annual report.**

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

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

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

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

5807 Section **35A-8-2204, Annual report.**

5808 Section 97. **FY 2027 Appropriations.**

5809 The following sums of money are appropriated for the fiscal year beginning July 1,  
5810 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for  
5811 fiscal year 2027.

5812 Subsection 97(a). **Operating and Capital Budgets**

5813 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
5814 Legislature appropriates the following sums of money from the funds or accounts indicated for  
5815 the use and support of the government of the state of Utah.

5816 ITEM 1 To Governor's Office of Economic Opportunity - Division of Housing and  
5817 Community Development

5818 From General Fund 345,000

5819 Schedule of Programs:

5820 Division of Housing and Community

5821 Development 345,000

5822 ITEM 2 To Governor's Office - Governor's Office Operations

5823 From General Fund (345,000)

5824 Schedule of Programs:

5825 Administration (345,000)

5826 Section 98. **Effective Date.**

5827 This bill takes effect on July 1, 2026.